



LRB101 09870 SPS 73484 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. The General Assembly finds that:

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, quality jobs, economic  
10 opportunity, and wealth-building, particularly in economically  
11 disadvantaged communities and communities of black,  
12 indigenous, and people of color that have had to bear the  
13 disproportionate burden of dirty 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,  
3 beneficial electrification, and peak demand reduction, while  
4 ensuring that the benefits and opportunities of a carbon-free  
5 future are accessible in economically disadvantaged  
6 communities, environmental justice communities, and  
7 communities of black, indigenous, and people of color.

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

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

20 (e) The transportation sector is now the leading source of  
21 carbon pollution in Illinois, responsible for roughly  
22 one-third of all carbon emissions. The State of Illinois should  
23 set forth an ambitious goal to remove the equivalent of more  
24 than 1,000,000 gasoline and diesel-powered vehicles from our  
25 roads by quickly implementing new policies that expand access  
26 to transit, promote walking and biking mobility, and increase

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

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

10 (g) The State of Illinois should set forth an ambitious  
11 goal to transition all vehicle fleets operated by or on behalf  
12 of public agencies to full electric power. The transition to  
13 zero-emission fleets should be leveraged to promote increased  
14 investment in domestic manufacturing capacity within the  
15 emerging electric vehicle industry. The resulting new,  
16 high-skilled production jobs can also provide pathways into the  
17 middle class for racially, economically, and geographically  
18 marginalized communities. When procuring electric vehicles,  
19 public agencies should encourage high-road economic  
20 development standards by using tools like the U.S. Employment  
21 Plan. By using the U.S. Employment Plan or a Local Employment  
22 Plan, public agencies will incentivize electric vehicle  
23 companies to create and retain high-skilled manufacturing jobs  
24 with living wages and benefits; invest in domestic  
25 manufacturing facilities; and propose plans to recruit, train,  
26 and hire workers who face structural barriers to

1 family-sustaining jobs and career pathways.

2 (h) Energy storage, such as batteries, can provide many  
3 services to the electricity grid that benefit the grid,  
4 including managing (or shaving) peak load, frequency  
5 regulation, voltage support, reserve capacity, and black-start  
6 capability. If that storage facilitates greater use of  
7 renewables, it can allow for more clean energy to be  
8 accessible, reduce pollution, and provide multiple benefits.

9 (i) Illinois needs to adopt a broad-based policy approach  
10 to decarbonize Illinois' electric sector (including  
11 electricity production and consumption) in a just and equitable  
12 manner that puts our State on track to phase out carbon dioxide  
13 emitting power plants by 2030.

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

18 (k) As we decarbonize Illinois' electric sector, Illinois  
19 must create new investment to stimulate the economic and  
20 environmental well-being of communities disproportionately  
21 impacted by the historical operation of, and recent or expected  
22 closures of, fossil fuel power plants and coal mining  
23 operations.

24 (l) On January 23, 2019, Governor Pritzker signed an  
25 executive order committing Illinois as a signatory to the U.S.  
26 Climate Alliance to reduce state-based greenhouse gas

1 emissions consistent with the 2015 Paris Agreement. This  
2 commitment identifies natural and working lands as a principal  
3 initiative to meet the associated carbon emissions reduction  
4 targets for Illinois. As Illinois works to reduce carbon  
5 emissions from the power generation and transportation  
6 sectors, Illinois can also lead the nation in recognizing the  
7 benefits of nature as a tool to both mitigate and adapt to  
8 climate change.

9 Article 5. Clean Jobs, Workforce and Contractor Equity Act

10 Part 1. Governance

11 Section 5-101. Short title. This Article may be cited as  
12 the Clean Jobs, Workforce and Contractor Equity Act.

13 Section 5-105. Findings.

14 (a) The General Assembly finds that the clean energy jobs  
15 sector, including renewables, energy efficiency, energy  
16 storage, and other related fields, is a growing sector in the  
17 State of Illinois and that programs to support a growing  
18 workforce and robust businesses in this sector would benefit  
19 from a centralized structure for community input and oversight  
20 and regional program administration to reduce costs, support  
21 knowledge sharing, and facilitate access to the programs.

22 (b) The General Assembly finds that the State of Illinois

1 should build upon the success of the Future Energy Jobs Act and  
2 the Illinois Solar for All program by further expanding  
3 statewide equitable access to quality training, jobs, and  
4 economic opportunities across the entire clean energy sector in  
5 and throughout Illinois, including solar, wind, energy  
6 efficiency, transportation electrification, and other related  
7 clean energy industries, especially for members of the  
8 following communities across the State to enter and complete  
9 the career pipeline for clean energy jobs, with the goal of  
10 serving all of the following groups distributed across the  
11 network: (i) low-income persons and families; (ii) persons  
12 residing in environmental justice communities; (iii) BIPOC  
13 persons; (iv) justice-involved persons; (v) persons who are or  
14 were in the child welfare system; (vi) energy workers; (vii)  
15 members of any of these groups who are also women, transgender,  
16 or gender nonconforming persons; and (viii) members of any of  
17 these groups who are also youth, especially those who have had  
18 to bear the disproportionate burden of dirty fossil fuel  
19 pollution. The General Assembly further finds that the programs  
20 included in the Clean Jobs, Workforce and Contractor Equity Act  
21 are essential to equitable, statewide access to quality  
22 training, jobs, and economic opportunities across the clean  
23 energy sector.

24 (c) The General Assembly finds that the State of Illinois  
25 should build upon the success of the Future Energy Jobs Act and  
26 the Illinois Solar for All program by ensuring small, BIPOC

1 clean energy businesses and contractors have equitable access  
2 to economic opportunities, including new clean energy jobs and  
3 investment created by the growing clean energy sector in  
4 Illinois.

5 (d) The General Assembly finds that serious challenges are  
6 posed for Illinois small business owners due to income and  
7 wealth disparities, that market barriers disproportionately  
8 impact BIPOC contractors and small business owners, obtaining  
9 certifications and program qualifications are an essential  
10 part of doing business in the clean energy economy and that  
11 discriminatory lending policies limit these businesses' access  
12 to capital.

13 (1) This finding is informed by a July 2020 analysis of  
14 2018 U.S. Census American Community Survey data by the  
15 Center for American Progress which found that "while Black  
16 Americans make up 13 percent of the U.S. population, they  
17 own less than 2 percent of small businesses with employees.  
18 By contrast, white Americans make up 60 percent of the U.S.  
19 population but own 82 percent of small employer firms. If  
20 Black Americans enjoyed the same business ownership and  
21 success rates as their white counterparts, there would be  
22 approximately 860,000 additional Black-owned firms  
23 employing more than 10 million people." (A Blueprint for  
24 Revamping the Minority Business Development Agency, Center  
25 for American Progress July 31, 2020).

26 (2) This finding is also informed by the Federal

1 Reserve Bank of Atlanta's December 2019 Small Business  
2 Credit Survey which examined and found disparities in  
3 reliance on personal funds/credit scores, loan application  
4 outcomes, reliance on higher cost and lower transparency  
5 credit products, loan approval rates and lender  
6 satisfaction. The survey concluded "Minority-owned firms  
7 more frequently reported financial challenges.  
8 Seventy-eight percent of Black-owned firms, and 69% of  
9 Asian- and Hispanic-owned firms did so, compared to 62% of  
10 White-owned businesses." (Small Business Credit Survey  
11 2019 Report on Minority-Owned Firms, Federal Reserve Bank  
12 of Atlanta, December 2019).

13 (3) The General Assembly further finds that these  
14 disparities continue as businesses develop. This finding  
15 is informed by a December 2016 Stanford Institute for  
16 Economic Policy Research study that concluded "We find that  
17 African-American business ventures start smaller in terms  
18 of overall financial capital and invest capital at a slower  
19 rate in the years following startup. This means that  
20 funding differences present at the firm's founding persist  
21 and even worsen over time."

22 (4) For these reasons, the Illinois Clean Energy Black,  
23 Indigenous, and People of Color Primes Contractor  
24 Accelerator Program is narrowly tailored to encourage and  
25 sustain the growth of BIPOC contractors in the Illinois  
26 clean energy economy through individualized coaching,



1 specialized training, mentorships with established clean  
2 energy firms, operational support, appropriate business  
3 certifications and program enrollments and access to  
4 capital.

5 (e) The General Assembly finds that the clean energy jobs  
6 sector, including renewables, energy efficiency, energy  
7 storage, and other related fields, is a growing sector in the  
8 State of Illinois, that returning residents will be well served  
9 by considering employment in this field, and that the residents  
10 of the State of Illinois will benefit from the continued growth  
11 of jobs in this sector.

12 Section 5-110. Power of the Department. The Department may  
13 adopt such rules as the Director deems necessary to carry out  
14 the purposes of this Act.

15 Section 5-115. Definitions. As used in this Act:

16 "Advisory Board" means the Equity and Empowerment in Clean  
17 Energy Advisory Board as established in this Act.

18 "Black, indigenous, and people of color" and "BIPOC" are  
19 defined as people who are members of the groups described in  
20 subparagraphs (a) through (e) of paragraph (A) of subsection  
21 (1) of Section 2 of the Business Enterprise for Minorities,  
22 Women, and Persons with Disabilities Act.

23 "Clean Energy Jobs" means jobs in the solar energy, wind  
24 energy, energy efficiency, solar thermal, geothermal, and

1 electric vehicle industries, and other renewable energy  
2 industries, including related industries that manufacture,  
3 develop, build, maintain, or provide ancillary services to  
4 renewable energy resources or energy efficiency products or  
5 services, including the manufacture and installation of  
6 healthier building materials that contain fewer hazardous  
7 chemicals. "Clean Energy Jobs" include administrative, sales,  
8 and other support functions within these industries.

9 "Community-based organization" means an organization in  
10 which:

11 (1) the majority of the governing body consists of  
12 local residents;

13 (2) at least one main operating office is in the  
14 community;

15 (3) priority issue areas are identified and defined by  
16 local residents;

17 (4) solutions to address priority issues are developed  
18 with local residents; and

19 (5) organizational program design, implementation, and  
20 evaluation components have local residents intimately  
21 involved in leadership positions in the organization.

22 "Department" means the Department of Commerce and Economic  
23 Opportunity, unless the text solely specifies a particular  
24 Department.

25 "Director" means the director of the Department of Commerce  
26 and Economic Opportunity.

1 "Energy Efficiency" has the meaning set forth in Section  
2 1-10 of the Illinois Power Agency Act.

3 "Energy worker" has the meaning set forth in Section 20-10  
4 of the Energy Community Reinvestment Act.

5 "Environmental Justice Community" means the definition of  
6 that term based on existing methodologies and findings, used as  
7 may be updated by the Illinois Power Agency and its program  
8 administrator in the Illinois Solar for All program.

9 "Low-income" means persons and households whose income  
10 does not exceed 80% of the area median income, adjusted for  
11 family size and revised every 2 years.

12 "Primes Program Administrator" means the entity defined as  
13 such by Part 15 of this Act.

14 "Regional Administrator" means the entities selected  
15 according to Section 5-130 of this Act.

16 "Regional Primes Program Lead" means the entities defined  
17 as such by Part 15 of this Act.

18 "Renewable energy resources" has the meaning set forth in  
19 Section 1-10 of the Illinois Power Act.

20 Section 5-120. Purpose. The Equity and Empowerment in Clean  
21 Energy Advisory Board shall be established to advise and assist  
22 the Illinois Department of Commerce and Economic Opportunity in  
23 its efforts to administer the following programs as set forth  
24 in this Act: the Clean Jobs Workforce Hubs Program; the  
25 Expanding Clean Energy Entrepreneurship and Contractor

1 Incubator Network Program; the Returning Residents Clean Jobs  
2 Training Program; and the Illinois Clean Energy Black,  
3 Indigenous, and People of Color Primes Contractor Accelerator.  
4 The Illinois Department of Commerce and Economic Opportunity  
5 shall contract with 3 Regional Administrators as described in  
6 this Part to assist in the implementation of several of these  
7 programs, and shall develop a system of performance management  
8 and corrective action applicable to these programs.

9 Section 5-125. Equity and Empowerment in Clean Energy  
10 Advisory Board.

11 (a) Purpose. To ensure success and equity in the clean  
12 energy industry in Illinois, the General Assembly hereby  
13 creates an Equity and Empowerment in Clean Energy Advisory  
14 Board to oversee and advise the Department on the  
15 administration of the following programs set forth in this Act:

16 (1) the Clean Jobs Workforce Hubs Program;

17 (2) the Expanding Clean Energy Entrepreneurship and  
18 Contractor Incubator Network Program;

19 (3) the Returning Residents Clean Jobs Training  
20 Program; and

21 (4) the Illinois Clean Energy Black, Indigenous, and  
22 People of Color Primes Contractor Accelerator.

23 (b) Meetings. The Department shall provide administrative  
24 support for and convene the Equity and Empowerment in Clean  
25 Energy Advisory Board within 90 days after the effective date

1 of this Act. The Department shall convene at least one meeting  
2 of the Advisory Board every quarter. All meetings shall be  
3 accessible, with rotating locations, call-in and  
4 videoconference options, and materials and agendas circulated  
5 well in advance, and there shall also be opportunities for  
6 input outside of meetings from those with limited capacity and  
7 ability to attend, via one-on-one meetings, surveys, and calls  
8 subject to compliance with the Open Meetings Act.

9 (c) Duties. The Advisory Board:

10 (1) shall review reported program performance metrics,  
11 and may recommend harmonizing metrics across programs and  
12 additional metrics for collection, including, but not  
13 limited to, metrics tailored to a specific program or  
14 program delivery area;

15 (2) shall ensure program performance metrics are  
16 published and available to the public within 30 days of  
17 each advisory board meeting. Program performance metrics  
18 may be anonymized where necessary to prevent disclosure of  
19 private information about individuals. The Department  
20 shall also post Advisory Board meeting minutes on its  
21 website within 14 days of Board approval;

22 (3) shall ensure that notices of open requests for  
23 proposals and other business opportunities associated with  
24 the programs are widely circulated and available in the  
25 communities where each program is located and among  
26 communities who benefit from the programs;

1           (4) shall develop recommendations at least once every 3  
2 months to aid the Department, program implementers, and  
3 other program partners in tracking and improving the  
4 performance of the Program;

5           (5) shall provide recommendations to the Department,  
6 program implementers, and other program partners to  
7 troubleshoot emergent challenges and identify emergent  
8 opportunities to improve the delivery of program elements  
9 in addition to those captured in collected metrics. The  
10 recommendations may be targeted toward any level or  
11 geographic area of implementation;

12           (6) shall collaborate with the Board Liaison,  
13 Department, and other program partners and vendors to  
14 inform updates to the public about Advisory Board  
15 activities;

16           (7) shall advise the Department, Regional  
17 Administrators, and Primes Program Administrator on the  
18 development of dispute resolution processes; and

19           (8) shall perform any other duties assigned to it by  
20 this Act.

21           (d) Composition and Terms. The Department shall appoint the  
22 Advisory Board within 90 days after the effective date of this  
23 Act and shall appoint new Advisory Board members as members'  
24 terms expire or members leave the Board. Members of the  
25 Advisory Board shall serve without compensation, but may be  
26 reimbursed for their reasonable and necessary expenses

1 incurred in performing their duties. The Department shall  
2 provide administrative support to the Advisory Board,  
3 including the selection of a Department staff member to serve  
4 as a Board Liaison between the Department and the Advisory  
5 Board. The Department shall appoint interim members to the  
6 Advisory Board upon departures of members. The Advisory Board  
7 shall consist of the following 15 members that reflects the  
8 diversity and demographics of the State of Illinois:

9 (1) 2 low-income persons residing in communities  
10 listed in paragraphs (1) through (3) in subsection (b) of  
11 Section 5-130 of this Part;

12 (2) 2 residents of Environmental Justice Communities  
13 served by a Hub Site, as defined in Part 5 of this Act;

14 (3) one current or former participant trainee in the  
15 Clean Energy Entrepreneurship and Contractor Incubator  
16 Network Program. For the initial board term, the Department  
17 may select a current or former participant of a  
18 utility-supported contractor incubator program for this  
19 position;

20 (4) 2 members from community-based organizations in  
21 environmental justice communities and community-based  
22 organizations serving low-income persons and families;

23 (5) 2 members who are policy or implementation experts  
24 on small business development, contractor incubation, or  
25 small business lending and financing needs;

26 (6) 2 members who are policy or implementation experts

1 on workforce development for populations and individuals  
2 such as low-income persons and families, environmental  
3 justice communities, BIPOC communities, justice-involved  
4 persons, persons who are or were in the child welfare  
5 system, energy workers, gender nonconforming and  
6 transgender individuals, and youth;

7 (7) 2 representatives of clean energy businesses,  
8 nonprofit organizations, worker-owned cooperatives, and  
9 other groups that provide clean energy contracting  
10 opportunities; and

11 (8) 2 representatives of labor unions.

12 At any time, the Board must contain at least 4 members who  
13 reside in each of the North, Central, and Southern sections of  
14 Illinois. The terms of the initial members of the Advisory  
15 Board shall be such that 5 members have initial 3-year terms, 5  
16 members have initial 2-year terms, and 5 members have initial  
17 1-year terms. After initial terms are complete, all members of  
18 the Advisory Board shall have 3-year terms. A majority of Board  
19 members shall constitute a quorum.

20 Section 5-130. Regional administrators.

21 (a) Within 180 days after the effective date of this Act,  
22 the Department shall convene and complete a comprehensive  
23 stakeholder process that includes, at minimum, representatives  
24 from community-based organizations in environmental justice  
25 communities, community-based organizations serving low-income



1 persons and families, community-based organizations serving  
2 energy workers, and labor unions. The stakeholder process must  
3 include measures for process transparency to be posted on the  
4 Department website or initial program websites, such as a  
5 timeline for key decision points, detailed criteria  
6 implementing requirements specified in subsection (b) of this  
7 Section, and identification of opportunities for stakeholder  
8 participation and review. After completing the stakeholder  
9 process, the Department, in consultation with and with the  
10 approval of the Advisory Board, shall select 3 Regional  
11 Administrators to administer and coordinate the work of the  
12 following programs set forth in this Act:

13 (1) the Clean Jobs Workforce Hubs Program;

14 (2) the Expanding Clean Energy Entrepreneurship and  
15 Contractor Incubator Network Program; and

16 (3) the Returning Residents Clean Jobs Training  
17 Program.

18 (b) The Department shall select 3 unique Regional  
19 Administrators: one Regional Administrator for coordination of  
20 the work in the Northern Illinois Program Delivery Area, one  
21 Regional Administrator selected for coordination of the work in  
22 the Central Illinois Program Delivery Area, and one Regional  
23 Administrator selected for coordination of the work in the  
24 Southern Illinois Program Delivery Area. For purposes of this  
25 Act:

26 (1) The Northern Illinois Program Delivery Area

1 includes areas in or near Chicago (South Side), Chicago  
2 (Southwest Side), Waukegan, Rockford, Aurora, Joliet, and  
3 one of the 3 sites to be selected based on the gap analyses  
4 described in subsection (b) of Section 5-515 of Part 5 of  
5 this Act and subsection (b) of Section 5-1010 of Part 10 of  
6 this Act.

7 (2) The Central Illinois Program Delivery Area  
8 includes areas in or near Peoria, Champaign, Danville,  
9 Decatur, and one of the 3 sites to be selected based on the  
10 gap analyses described in subsection (b) of Section 5-515  
11 of Part 5 of this Act and subsection (b) of Section 5-1010  
12 of Part 10 of this Act.

13 (3) The Southern Illinois Program Delivery Area  
14 includes areas in or near Carbondale, East St. Louis, and  
15 Alton, and one of the 3 sites to be selected based on the  
16 gap analyses described in subsection (b) of Section 5-515  
17 of Part 5 of this Act and subsection (b) of Section 5-1010  
18 of Part 10 of this Act.

19 (c) The Regional Administrators shall have strong  
20 capabilities, experience, and knowledge related to program  
21 development and fiscal management; cultural and language  
22 competency needed to be effective in their respective  
23 communities to be served; expertise in working in and with  
24 BIPOC and environmental justice communities; knowledge and  
25 experience in working with providers of clean energy jobs; and  
26 awareness of industry trends and activities, workforce

1 development best practices, regional workforce development  
2 needs, regional and industry employers, and community  
3 development. The Regional Administrators shall demonstrate a  
4 track record of strong partnerships with community-based  
5 organizations.

6 (d) The Regional Administrators shall work together to  
7 coordinate the programs listed in paragraphs (1) through (3) of  
8 subsection (a) to ensure execution, performance, partnerships,  
9 marketing, and program access across the State that is as  
10 consistent as possible while respecting regional differences.  
11 The Regional Administrators shall work with Program  
12 Administrators and partner community-based organizations in  
13 their respective regions and Program Delivery Areas to deliver  
14 these programs and shall establish mechanisms to fund these  
15 partner community-based organizations for their work on these  
16 programs. Each of the Regional Administrators shall convene the  
17 community-based organizations delivering program elements in  
18 their Program Delivery Areas for a meeting once per quarter, at  
19 minimum, as well as monthly calls, at minimum. Each year, the  
20 Department shall convene a meeting of the Regional  
21 Administrators, contracted community-based organizations, and  
22 subcontracted entities.

23 (e) The Department shall oversee the coordination  
24 undertaken by all 3 Regional Administrators to ensure  
25 high-quality and equivalent service provision statewide. The  
26 Department shall require, at minimum, monthly coordination

1 meetings including the Department and all 3 Regional  
2 Administrators to develop joint planning processes and  
3 coordination mechanisms with each of the Regional  
4 Administrators and among the 3 Regional Administrators such  
5 that they are functioning effectively and delivering parallel  
6 administration in their respective regions, and the Department  
7 shall also work to create joint planning opportunities and  
8 coordination mechanisms to enable the Regional Administrators  
9 to collaborate, particularly enabling the Regional  
10 Administrators to coordinate and collaborate to enhance  
11 program delivery within their respective program delivery  
12 areas.

13 (f) Regional Administrators shall present a regional  
14 status report consisting of, at minimum, the performance  
15 metrics detailed in the programs described in subsection (a) of  
16 this Section to the Advisory Board at each of its quarterly  
17 meetings.

18 (g) Regional Administrators shall take on additional  
19 duties related to the program administration as assigned by the  
20 Department.

21 Section 5-135. Corrective action.

22 (a) The Department shall maintain a performance management  
23 system to support the Primes Program Administrator, Regional  
24 administrators, and Regional Primes Program Leads in ensuring  
25 effective and high-quality implementation of the programs

1 listed in Section 5-120 of this Part.

2 (b) If the Primes Program Administrator, a Regional  
3 Administrator, a Regional Primes Program Lead or contracted  
4 community-based organization or other vendor does not deliver  
5 contractually obligated program elements, objectives, or  
6 outcomes, even after multiple corrective action plans have been  
7 implemented, the Department or, in the case of community-based  
8 organizations or other vendors, the Regional Administrator may  
9 place the organization on probationary status, or as needed,  
10 terminate their services. The Department shall develop  
11 procedures to enable Regional Administrators to procure  
12 expedited replacement contracts to avoid any resulting  
13 disruption to the affected programs.

14 (c) If the Primes Program Administrator, a Regional  
15 Administrator, a Regional Primes Program Lead or contracted  
16 community-based organization or other vendor does not deliver  
17 contractually obligated program elements, objectives, or  
18 outcomes after corrective action has been implemented, the  
19 Department may take additional corrective action, including,  
20 but not limited to, a legally binding dispute resolution  
21 process.

22 (d) The Department, Primes Program Administrator, and  
23 Regional Administrators shall develop uniform guidelines for  
24 minimum components of corrective action plans, and guidelines  
25 for when probationary status or termination is deemed warranted  
26 for the Primes, Program Administrator, Regional

1 Administrators, a Regional Primes Program Lead, contracted  
2 community-based organizations or other vendors. The  
3 Department, Primes Program Administrator, and Regional  
4 Administrators, with input from the Advisory Board, shall  
5 develop a uniform, legally binding mechanism for dispute  
6 resolution between contracted community-based organizations  
7 and their subcontracted entities to be implemented under the  
8 Primes Program Administrator, Regional Administrators or other  
9 identified mediator.

10 Section 5-140. Statewide program support lead. The  
11 Department may contract with an outside vendor to assist with  
12 program administration, contract management, management of  
13 Regional Administrators, or other functions, as needed.

14 Section 5-145. Agreements. All agreements entered into  
15 between the Department and entities for the purpose of  
16 implementing the programs listed in Section 5-120 of this Part  
17 shall contain provisions that provide for the implementation of  
18 this Act.

19 Section 5-150. Administration; rules. The Department shall  
20 administer this Act and shall adopt any rules necessary for  
21 that purpose.

1       Section 5-505. Definitions. As used in this Part:

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

4       Section 5-510. Clean Jobs Workforce Hubs Network Program.

5       (a) The Department shall develop, and through Regional  
6       Program Administrators administer, the Clean Jobs Workforce  
7       Hubs Network Program to create a network of 16 Program delivery  
8       Hub Sites with program elements delivered by community-based  
9       organizations and their subcontractors geographically  
10      distributed across the State.

11      (b) The Program shall provide direct and sustained support  
12      to members of one or more of the following members of  
13      communities across the State to enter and complete the career  
14      pipeline for clean energy jobs, with the goal of serving all of  
15      the following groups distributed across the network: (i)  
16      low-income persons; (ii) persons residing in environmental  
17      justice communities; (iii) BIPOC persons; (iv)  
18      justice-involved persons; (v) persons who are or were in the  
19      child welfare system; (vi) energy workers; (vii) members of any  
20      of these groups who are also women, transgender, or gender  
21      nonconforming persons; and (viii) members of any of these  
22      groups who are also youth.

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

24              (1)      leverage      community-based      organizations,

1 educational institutions, and community-based and  
2 labor-based training providers to ensure members of  
3 disadvantaged communities across the State have dedicated  
4 and sustained support to enter and complete the career  
5 pipeline for clean energy jobs; and

6 (2) develop formal partnerships, including formal  
7 sector partnerships between community-based organizations  
8 and (i) trades groups, (ii) labor unions, and (iii)  
9 entities that provide clean energy jobs, including  
10 businesses, nonprofit organizations, and worker-owned  
11 cooperatives to ensure that Program participants have  
12 priority access to high-quality preapprenticeship,  
13 apprenticeship, and other employment training and hiring  
14 opportunities.

15 Section 5-515. Clean Jobs Workforce Hubs Network.

16 (a) The Department must develop and, through Regional  
17 Administrators, administer the Clean Jobs Workforce Hubs  
18 Network.

19 (b) The Clean Jobs Workforce Hubs Network shall be made up  
20 of 16 Program delivery Hub Sites geographically distributed  
21 across the State, including at least one Hub Site located in or  
22 near each of the following areas: Chicago (South Side), Chicago  
23 (Southwest Side), Waukegan, Rockford, Aurora, Joliet, Peoria,  
24 Champaign, Danville, Decatur, Carbondale, East St. Louis, and  
25 Alton. Three additional Hub Sites shall be determined by the



1 Department within 240 days after the effective date of this Act  
2 based on a gap analysis identifying areas with high  
3 concentrations of low-income residents, environmental justice  
4 communities, and energy workers that are otherwise underserved  
5 by the other 13 Hub Sites, as well as review of advisory  
6 recommendations from the Advisory Board specified in  
7 subsection (d) of Section 5-520. One of the additional sites  
8 shall be located in the Northern Illinois Program Delivery Area  
9 covering Northern Illinois, one of the additional sites shall  
10 be located in the Central Illinois Program Delivery Area  
11 covering Central Illinois, and one of the additional sites  
12 shall be located in the Southern Illinois Program Delivery Area  
13 covering Southern Illinois as specified in Section 5-130 of  
14 Part 1 of this Act.

15 (c) Program elements at each Hub Site shall be provided by  
16 a local community-based organization that shall be initially  
17 competitively selected by the Department within 330 days after  
18 the effective date of this Act and shall be subsequently  
19 competitively selected by the Department every 5 years.  
20 Community-based organizations delivering program elements  
21 outlined in subsection (d) may provide all elements required or  
22 may subcontract to other entities for provision of portions of  
23 program elements, including, but not limited to,  
24 administrative soft and hard skills for program participants,  
25 delivery of specific training in the core curriculum, or  
26 provision of other support functions for program delivery

1 compliance. The Department and the Regional Administrators,  
2 with input from the Advisory Board, shall develop uniform  
3 minimum contractual requirements for competitively selected  
4 community-based organizations to provide the Program, uniform  
5 minimum contractual requirements for all Program subcontracts,  
6 and uniform templates for requests for proposals for all  
7 Program subcontracts.

8 (d) The Clean Jobs Workforce Hubs Network shall provide all  
9 of the following program elements:

10 (1) Community education and outreach about workforce  
11 and training opportunities to ensure the following persons  
12 are informed of clean energy workforce and training  
13 opportunities: (i) low-income persons; (ii) persons  
14 residing in environmental justice communities; (iii) BIPOC  
15 persons; (iv) justice-involved persons; (v) persons who  
16 are or were in the child welfare system; (vi) energy  
17 workers; (vii) members of any of these groups who are also  
18 women, transgender, or gender nonconforming persons; and  
19 (viii) members of any of these groups who are also youth.

20 (2) Implementation of the Clean Jobs Curriculum, which  
21 may include, but is not limited to training,  
22 preapprenticeship, certification preparation, job  
23 readiness, and skill development, including soft skills,  
24 math skills, technical skills, certification test  
25 preparation, and other development needed for Program  
26 participant members of disadvantaged communities specified

1 in subsection (b) of Section 5-510.

2 (3) Development of strategies to ensure that  
3 participant members of communities specified in subsection  
4 (b) of Section 5-510 are invited, supported, and given  
5 preference in applying for both community-based and  
6 labor-based training opportunities, including  
7 apprenticeship and preapprenticeship programs, as well as  
8 degree and certificate credentials training programs.  
9 Strategies shall include, but are not limited to, targeted  
10 outreach and recruitment activities and events, and  
11 strategies may include, but are not limited to,  
12 articulation or matriculation agreements and memoranda of  
13 understanding with community-based and labor-based  
14 training opportunities, including preapprenticeship and  
15 apprenticeship programs, as well as degree and certificate  
16 credential training programs where relevant.

17 (4) A living wage-equivalent stipend program for  
18 Program participants to compensate for time in clean energy  
19 jobs-related training programs and help them pay for  
20 necessary living expenses during the training. This  
21 stipend shall be supplemented by funding for  
22 transportation, child care, certification preparation and  
23 testing fees, textbooks, tools and equipment, as well as  
24 other services and supplies needed to reduce barriers to  
25 their continued training and future employment during the  
26 length of programs.

1           (5) Job readiness, placement, and retention support  
2 services, which may include, but are not limited to,  
3 assistance in creating a resume, training in professional  
4 networking skills, training in job interview skills and  
5 preparation, on-the-job support and counseling, conflict  
6 resolution skills, financial literacy and coaching, and  
7 training in how to find open positions and pursuing  
8 opportunities to meet hiring contractors in training and  
9 apprenticeship programs to connect trainees to both union  
10 and nonunion career options with businesses, nonprofit  
11 organizations, worker-owned cooperatives, and other  
12 entities that provide clean energy jobs opportunities and  
13 to provide a direct resource for industry to identify  
14 qualified 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 shall include outreach to public  
19 agencies and utilities, as well as outreach to businesses,  
20 nonprofit organizations, worker-owned cooperatives, and  
21 other entities that provide clean energy jobs  
22 opportunities.

23           (6) Recruitment, communications, and ongoing  
24 engagement with potential employers, including, but not  
25 limited to, activities such as job matchmaking  
26 initiatives, hosting events such as job fairs, and

1 collaborating with other Hub Sites to identify and  
2 implement best practices for employer engagement.

3 (e) Within 90 days after the effective date of this Act,  
4 the Department shall competitively select a community-based  
5 organization to assist with pre-Program launch public  
6 communications and stakeholder tracking, which shall begin  
7 within 120 days after the effective date of this Act and shall  
8 continue through Program launch. The Department may elect to  
9 initiate pre-Program communication of updates to the public  
10 between the effective date of this Act and competitive  
11 selection of a community-based organization to assist.  
12 Pre-Program launch communications and stakeholder tracking  
13 functions shall include, but are not limited to: (1) developing  
14 an initial email subscription list so that interested  
15 stakeholders and interested members of the public may sign up  
16 to receive email updates about the status of Program  
17 implementation, (2) develop an initial basic website including  
18 the initial email list subscription form and a page where  
19 public pre-Program updates shall be posted, (3) develop initial  
20 social media accounts where public pre-Program updates shall be  
21 posted, and (4) coordinate with the Department, Regional  
22 Administrators, and Advisory Board members to solicit  
23 information for the purposes of updating the public, as  
24 approved by the Department. Pre-Program updates shall include,  
25 but are not limited to, information about implementation  
26 timelines, selection of Hub Sites, selection of Advisory Board

1 members, selection of Regional Administrators, selection of  
2 contracted organizations, updates from the Advisory Board, and  
3 other significant Program Administration updates. Pre-Program  
4 updates shall be disseminated to the public through the  
5 website, email list, and social media accounts no less  
6 frequently than once per month. Following Program launch, the  
7 Department shall either (A) assume direct fulfillment of all  
8 responsibilities of public communications and stakeholder  
9 tracking directly or (B) elect to continue to competitively  
10 select a community-based organization to continue these  
11 functions and develop all initial functions into ongoing  
12 Program functions. If the Department elects to continue to  
13 competitively contract these functions, the Department may  
14 either: (i) elect to extend the contract to the competitively  
15 selected community-based organization delivering these  
16 functions during the pre-Program launch period, and may do so  
17 for a period to be determined by the Department, but to not  
18 exceed 2 years following Program launch; or (ii) elect to  
19 competitively select another community-based organization to  
20 fulfill communications and stakeholder tracking functions. The  
21 Department shall subsequently competitively select a  
22 community-based organization to fulfill communications and  
23 stakeholder tracking functions every 2 years.

24 Section 5-520. Regional administrators.

25 (a) The Clean Jobs Workforce Network Hubs Program shall be

1 administered by 3 Regional Administrators as described in  
2 Section 5-130 of Part 1 of this Act.

3 (b) The Advisory Board shall have the duties given to it by  
4 Part 1 of this Act as it relates to the Program. In addition,  
5 the Advisory Board shall provide recommendations to the  
6 Department to complement the gap analysis and selection of 3  
7 Primary Hub Sites as specified in Section 5-130 of Part 1 of  
8 this Act.

9 (c) The Department shall require submission of quarterly  
10 reports including program performance metrics by each Hub Site  
11 to the Regional Administrator of their Program Delivery Area,  
12 as specified in subsection (a) of Section 5-1015 of Part 10, in  
13 a time and manner as prescribed by the Department. Each  
14 Regional Administrator shall collect, track, and  
15 simultaneously submit quarterly reports to the Department and  
16 the members of the Advisory Board, including program  
17 performance metrics reported in a format that allows for review  
18 of the metrics both (i) for each individual Hub Site and (ii)  
19 aggregated by Program Delivery Area. Each Regional  
20 Administrator shall provide technical assistance to each  
21 individual Hub Site in their Program Delivery Area in building  
22 systems and capacity to collect data. Program Performance  
23 metrics include, but are not limited to, the following  
24 information collected for each Program trainee, where  
25 applicable:

26 (1) demographic data, including racial, gender, and

1 geographic distribution data, on Program trainees entering  
2 the Program;

3 (2) demographic data, including racial, gender, and  
4 geographic distribution data, on Program trainees  
5 graduating the Program;

6 (3) demographic data, including racial, gender, and  
7 geographic distribution data, on Program trainees who are  
8 placed in employment, including the percentages of  
9 trainees by race, gender, and geographic categories in each  
10 individual job type or category and whether employment is  
11 union, nonunion, or nonunion via temp agency;

12 (4) trainee job retention statistics, including the  
13 duration of employment (start and end dates of hires) by  
14 race, gender, and geography;

15 (5) hourly wages, including hourly overtime pay rate,  
16 and benefits of trainees placed into employment by race,  
17 gender, and geography;

18 (6) percentage of jobs by race, gender, and geography  
19 held by Program trainees or graduates that are full-time  
20 equivalent positions, meaning that the position held is  
21 full-time, direct, and permanent based on 2,080 hours  
22 worked per year (paid directly by the employer, whose  
23 activities, schedule, and manner of work the employer  
24 controls, and receives pay and benefits in the same manner  
25 as permanent employees); and

26 (7) qualitative data consisting of open-ended



1 reporting on pertinent issues, including, but not limited  
2 to, qualitative descriptions accompanying metrics or  
3 identifying key successes and challenges.

4 The Department shall also, on a quarterly basis, make the  
5 program performance metrics provided under this subsection (g)  
6 available to the public on its website and on the Program  
7 website.

8 (d) Within 3 years after the effective date of this Act,  
9 and subsequently at least once every 3 years thereafter, the  
10 Department shall select an independent evaluator to review and  
11 prepare a report on the performance of the Program and the  
12 Regional Administrators. The evaluation shall be based on, but  
13 not limited to, the quantitative and qualitative program  
14 performance metrics specified in subsection (g) and objective  
15 criteria developed through a comprehensive public stakeholder  
16 process. In preparing the report, the independent evaluator  
17 shall include participation and recommendations from persons  
18 including, but not limited to, members of the Advisory Board,  
19 additional Program participants who are not already serving as  
20 members of the Advisory Board, and additional Program  
21 stakeholders including organizations in environmental justice  
22 communities and organizations serving low-income persons and  
23 families. The report shall include a summary of the evaluation  
24 of the Program, as well as an appendix including a review of  
25 submitted recommendations and a compilation of reported  
26 program performance metrics for the period covered by the

1 evaluation. The report shall be posted publicly on the  
2 Department's website and the Program website, and shall be  
3 used, as needed, to improve implementation of the Program.  
4 Between evaluation due dates, the Department shall maintain the  
5 necessary records and information required to satisfy the  
6 evaluation requirements.

7 Section 5-525. Clean jobs curriculum.

8 (a) Within 90 days after the effective date of this Act,  
9 the Department shall convene a comprehensive stakeholder  
10 process that includes representatives from the Illinois State  
11 Board of Education, the Illinois Community College Board, the  
12 Department of Labor, community-based organizations, workforce  
13 development providers, labor unions, building trades,  
14 educational institutions, residents of BIPOC and low-income  
15 communities, residents of environmental justice communities,  
16 as well as clean energy businesses, nonprofit organizations,  
17 worker-owned cooperatives, other groups that provide clean  
18 energy jobs opportunities, and other participants to identify  
19 the career pathways and training curriculum needed to prepare  
20 workers to enter clean energy jobs as defined in Section 5-115  
21 and build careers. The curriculum shall:

22 (1) identify the core training curricular competency  
23 areas needed to prepare workers to enter clean energy jobs  
24 as defined in Section 5-115, such as those included in, but  
25 not limited to, the Multi-Craft Core Curriculum, U.S.

1 Department of Labor Employment and Training  
2 Administration-sponsored CareerOneStop Renewable Energy  
3 Competency Model, the Electric Vehicle Infrastructure  
4 Training Program;

5 (2) identify a set of certifications relevant for clean  
6 energy job types to be included in respective training  
7 programs and used to inform core training Curricular  
8 competency areas, such as, but not limited to, North  
9 American Board of Certified Energy Practitioners (NABCEP)  
10 Board Certifications, Interstate Renewable Energy Council  
11 (IREC) Accredited Certificate Programs, American Society  
12 of Heating, Refrigerating and Air-Conditioning Engineers  
13 (ASHRAE) ANSI/ISO accreditation standard certifications,  
14 Electric Vehicle Infrastructure Training Program  
15 Certifications, and UL Certification for EV  
16 infrastructure;

17 (3) identify a set of required core cross-training  
18 competencies provided in each training area for clean  
19 energy jobs with the goal of enabling any trainee to  
20 receive a standard set of skills common to multiple  
21 training areas that would provide a foundation for pursuing  
22 a career composed of multiple clean energy job types;

23 (4) include approaches to integrate broad occupational  
24 training to provide career entry into the general  
25 construction and building trades sector and any remedial  
26 education and work readiness support necessary to achieve

1 educational and professional eligibility thresholds;

2 (5) identify, directly or through references to  
3 external resources, career pathways for clean energy jobs  
4 types, such as, but not limited to, pathways identified in:  
5 IREC Careers in Climate Control Technology Map, IREC Solar  
6 Career Map for Workforce Training, NABCEP Certification  
7 Career Map, and U.S. Department of Labor's Bureau of Labor  
8 Statistics Green Jobs Initiative; and

9 (6) identify on-the-job training formats, where  
10 relevant; and identify suggested trainer certification  
11 standards, where relevant.

12 (b) Within 180 days after the stakeholder process is  
13 convened, the Department shall publish a report that includes  
14 the findings, recommendations, and core curriculum identified  
15 by the stakeholder group and shall post a copy of the report on  
16 its public website. The Department shall convene the process  
17 described to update and modify the recommended curriculum every  
18 3 years to ensure the curriculum contents are current to the  
19 evolving clean energy industries, practices, and technologies.

20 (c) Organizations that receive funding to provide training  
21 under the Clean Jobs Workforce Hubs Network Program, including,  
22 but not limited to, community-based and labor-based training  
23 providers, and educational institutions must use the core  
24 curriculum that is developed under this Section.

25 Section 5-530. Funding. To provide direct, sustained

1 support for the Program, the Department shall be responsible  
2 for overseeing the development and implementation of the  
3 Program, and each year shall, subject to appropriation,  
4 allocate at least \$1,000,000 to each of the 16 community-based  
5 organizations providing program elements at the 16 Hub Sites  
6 described in this Act, including for the purposes of providing  
7 Program elements through subcontracted entities. Funding of  
8 \$26,000,000 for the Program shall be made available from the  
9 Energy Community Reinvestment Fund.

10 Section 5-535. Administrative review. All final  
11 administrative decisions, including, but not limited to,  
12 funding allocation and rules issued, made by the Department  
13 under this Part are subject to judicial review under the  
14 Administrative Review Law and its rules. No action may be  
15 commenced under this Section prior to 60 days after the  
16 complainant has given notice in writing of the action to the  
17 Department.

18 Part 10. Expanding Clean Energy Entrepreneurship  
19 and Contractor Incubator Network Program

20 Section 5-1001. Definitions. As used in this Part:  
21 "Program" means the Expanding Clean Energy  
22 Entrepreneurship and Contractor Incubator Network Program.

1           Section 5-1005. Expanding Clean Energy Entrepreneurship  
2 and Contractor Incubator Network Program.

3           (a) The Department shall develop and, through Regional  
4 Program Administrators, administer the Expanding Clean Energy  
5 Entrepreneurship and Contractor Incubator Network Program to  
6 create a network of 16 Program delivery Hub Sites with program  
7 elements delivered by community-based organizations and their  
8 subcontractors geographically distributed across the State.

9           (b) The Program shall provide direct and sustained support  
10 for the development and growth of BIPOC participant contractors  
11 and provide the needed resources for entities to be able to  
12 effectively compete for, gain, and execute clean  
13 energy-related projects that create clean energy jobs. The  
14 Program shall provide direct and sustained support for a  
15 portion of disadvantaged BIPOC contractors in the Program who  
16 are previous graduates of the Clean Jobs Workforce Hubs Network  
17 Program to further develop wealth-building opportunities, and  
18 career paths in clean energy contracting and the creation of  
19 clean energy jobs.

20           Section 5-1010. Expanding Clean Energy Entrepreneurship  
21 and Contractor Incubator Network.

22           (a) The Department shall develop and, through Regional  
23 Program Administrators, administer the Expanding Clean Energy  
24 Entrepreneurship and Contractor Incubators Network.

25           (b) The Clean Energy Entrepreneurship and Contractor

1 Incubator Network Program shall be made up of 16 Program  
2 delivery Hub Sites geographically distributed across the  
3 State, including at least one Hub Site located in or near each  
4 of the following areas: Chicago (South Side), Chicago  
5 (Southwest Side), Waukegan, Rockford, Aurora, Joliet, Peoria,  
6 Champaign, Danville, Decatur, Carbondale, East St. Louis, and  
7 Alton. Three additional sites shall be determined by the  
8 Department within 240 days after the effective date of this Act  
9 based on a gap analysis identifying areas with high  
10 concentrations of low-income residents, environmental justice  
11 communities, and energy workers that are otherwise underserved  
12 by the other 13 Hub Sites, as well as review of advisory  
13 recommendations from the Advisory Board. One of the additional  
14 sites shall be located in the Northern Illinois Program  
15 Delivery Area covering Northern Illinois, one of the additional  
16 sites shall be located in the Central Illinois Program Delivery  
17 Area covering Central Illinois, and one of the additional sites  
18 shall be located in the Southern Illinois Program Delivery Area  
19 covering Southern Illinois as specified in Part 1 of this Act.

20 (c) Program elements at each Hub Site shall be provided by  
21 a local community-based organization that shall be initially  
22 competitively selected by the Department within 330 days after  
23 the effective date of this Act and shall be subsequently  
24 competitively selected by the Department every 5 years.  
25 Community-based organizations delivering program elements  
26 required in subsection (d) of this Section may provide all of

1 the elements required at each Hub Site or may subcontract to  
2 other entities for the provision of portions of program  
3 elements, including, but not limited to, administrative soft  
4 and hard skills for program participants, delivery of training  
5 in the core curriculum, or the provision of other support  
6 functions for program delivery compliance. The Regional  
7 Administrators, with input from the Program Advisory Board,  
8 shall develop uniform minimum contractual requirements for  
9 competitively selected community-based organizations to  
10 provide the Program, uniform minimum contractual requirements  
11 for all Program subcontracts, and uniform templates for  
12 requests for proposals for all Program subcontracts.

13 (d) The Expanding Clean Energy Entrepreneurship and  
14 Contractor Incubator Network Program shall provide the  
15 following program elements:

16 (1) access to low-cost capital for small and BIPOC  
17 clean energy businesses and contractors to be able to  
18 compete on a level playing field with more established,  
19 capitalized businesses across the entire clean energy  
20 sector in Illinois, including solar, wind, energy  
21 efficiency, transportation, electrification, solar  
22 thermal, geothermal, and other renewable energy  
23 industries;

24 (2) support for obtaining financial assurance,  
25 including, but not limited to: bonding; back office  
26 services; insurance, permits, training and certifications;



1 business planning; and other needs that will allow BIPOC  
2 participant contractors to effectively compete for clean  
3 energy-related projects, incentive programs, and approved  
4 vendor and qualified installer opportunities;

5 (3) development, mentoring, training, networking, and  
6 other support needed to allow BIPOC participant  
7 contractors to: (i) build their businesses and connect to  
8 specific projects, (ii) register as approved vendors where  
9 applicable, (iii) engage in approved vendor subcontracting  
10 and qualified installer opportunities, (iv) Develop  
11 partnering and networking skills, (v) compete for capital  
12 and other resources, and (vi) execute clean energy-related  
13 project installations and subcontracts;

14 (4) outreach and communications capability to ensure  
15 that BIPOC participant contractors, community partners,  
16 and potential contractor clients are aware of and engaged  
17 in the Program;

18 (5) prevailing wage compliance training and back  
19 office support to implement prevailing wage practices; and

20 (6) recruitment, communications, and ongoing  
21 engagement with potential entities that hire contractors  
22 and subcontractors, and program administrators of programs  
23 providing renewable energy resource-related projects,  
24 incentive programs, and approved vendor and qualified  
25 installer opportunities, including, but not limited to,  
26 activities such as matchmaking initiatives, hosting

1 events, and collaborating with other Hub Sites to identify  
2 and implement best practices for engagement.

3 (e) Within 90 days after the effective date of this Act,  
4 the Department shall competitively select a community-based  
5 organization to assist with pre-Program launch public  
6 communications and stakeholder tracking, which shall begin  
7 within 120 days after the effective date of this Act and shall  
8 continue through Program launch. The Department may elect to  
9 initiate pre-Program communication of updates to the public  
10 between the effective date of this Act and competitive  
11 selection of a community-based organization to assist.  
12 Pre-Program launch communications and stakeholder tracking  
13 functions shall include, but are not limited to, the following:

14 (1) developing an initial email subscription list so that  
15 interested stakeholders and interested members of the public  
16 may sign up to receive email updates about the status of  
17 Program implementation, (2) develop an initial basic website  
18 including the initial email list subscription form and a page  
19 where public pre-Program updates shall be posted, (3) develop  
20 initial social media accounts where public pre-Program updates  
21 shall be posted, and (4) coordinate with the Department,  
22 Regional Administrators, and Advisory Board members to solicit  
23 information for the purposes of updating the public, as  
24 approved by the Department. Pre-Program updates shall include,  
25 but are not limited to, information about implementation  
26 timelines, selection of Hub Sites, selection of Advisory Board

1 members, selection of Regional Administrators, selection of  
2 contracted organizations, updates from the Advisory Board, and  
3 other significant Program Administration updates. Pre-Program  
4 updates shall be disseminated to the public through the  
5 website, email list, and social media accounts no less  
6 frequently than monthly. Following Program launch, the  
7 Department shall either (A) assume direct fulfillment of all  
8 responsibilities of public communications and stakeholder  
9 tracking directly or (B) elect to continue contracting with a  
10 competitively selected community-based organization to provide  
11 these functions and develop all initial functions into ongoing  
12 Program functions. If the Department elects to continue to  
13 competitively contract these functions, the Department may  
14 either (i) extend the contract to the competitively selected  
15 community-based organization delivering the functions during  
16 the pre-Program launch period, and may do so for a period to be  
17 determined by the Department, but not to exceed 2 years  
18 following Program launch, or (ii) elect to competitively select  
19 another community-based organization to fulfill communications  
20 and stakeholder tracking functions. The Department shall  
21 subsequently competitively select a community-based  
22 organization to fulfill communications and stakeholder  
23 tracking functions once every 2 years.

24 Section 5-1015. Regional administrators.

25 (a) The Clean Energy Entrepreneurship and Contractor

1 Incubator Network Program shall be administered by 3 Regional  
2 Administrators as described in Section 5-130 of Part 1 of this  
3 Act. In addition, the Regional Administrators shall administer  
4 the Departments loan and grant programs, where relevant, as  
5 specified in subsection (a) of Section 5-1010 of this Part.

6 (b) The Advisory Board shall have the duties given to it by  
7 the Part 1 of this Act as they relate to the Program. In  
8 addition, the Advisory Board shall provide recommendations to  
9 the Department to complement the gap analysis and selection of  
10 3 Primary Hub Sites as specified in Section 5-130 of Part 1 of  
11 this Act.

12 (c) The Department shall require submission of quarterly  
13 reports including program performance metrics by each Hub Site  
14 to the Regional administrator of their Program Delivery Area as  
15 specified in subsection (a) of Section 5-1015 in a time and  
16 manner prescribed by the Department. Each Regional  
17 Administrator shall collect, track, and simultaneously submit  
18 quarterly reports to the Department and the Advisory Board,  
19 including program performance metrics reported in a format that  
20 allows for review of the metrics both (i) for each individual  
21 Hub Site and (ii) aggregated by Program Delivery Area. Each  
22 Regional Administrator shall provide technical assistance to  
23 each individual Hub Site in their Program Delivery Area in  
24 building systems and capacity to collect data. Program  
25 performance metrics include, but are not limited to, the  
26 following information collected for each Program participant:

1           (1) demographic data, including racial, gender, and  
2           geographic distribution data, on BIPOC participant  
3           contractors entering and graduating the Program;

4           (2) number of projects completed by BIPOC participant  
5           contractors, solo or in partnership;

6           (3) number of partnerships with BIPOC participant  
7           contractors that are expected to result in contracts for  
8           work by the BIPOC participant contractor;

9           (4) changes, including growth, in BIPOC participant  
10          contractors' business revenue;

11          (5) number of new hires by BIPOC participant  
12          contractors;

13          (6) demographic data, including racial, gender, and  
14          geographic distribution data as well as average wage data,  
15          for new hires by BIPOC participant contractors;

16          (7) demographic data, including racial, gender, and  
17          geographic distribution data of ownership of BIPOC  
18          participant contractors;

19          (8) certifications held by BIPOC participant  
20          contractors, including, but not limited to, registration  
21          under Business Enterprise for Minorities, Women, and  
22          Persons with Disabilities Act program and other programs  
23          intended to certify BIPOC entities;

24          (9) number of Program sessions attended by BIPOC  
25          participant contractors;

26          (10) indicators relevant for assessing general

1 financial health of BIPOC participant contractors; and

2 (11) qualitative data consisting of open-ended  
3 reporting on pertinent issues, including, but not limited  
4 to, qualitative descriptions accompanying metrics or  
5 identifying key successes and challenges.

6 The Department shall, on a quarterly basis, make program  
7 performance metrics provided under this subsection (g)  
8 available to the public on its website and on the Program  
9 website.

10 (d) Within 3 years after the effective date of this Act,  
11 and subsequently at least once every 3 years, the Department  
12 shall select an independent evaluator to evaluate and prepare a  
13 report on the performance of the Program and Regional  
14 Administrators. The evaluation shall be based on the  
15 quantitative and qualitative program performance metrics and  
16 reports specified in subsection (g) and objective criteria  
17 developed through a comprehensive public stakeholder process.  
18 The process shall include participation and recommendations  
19 from Program participants, Advisory Board members, additional  
20 current and former Program participants who are not already  
21 serving as members of the Advisory Board, and additional  
22 Program stakeholders, including organizations in environmental  
23 justice communities and serving low-income persons and  
24 families. The report shall include a summary of the evaluation  
25 of the Program, as well as an appendix that includes a review  
26 of submitted recommendations and a compilation of reported

1 program performance metrics for the period covered by the  
2 evaluation. The report shall be posted publicly on the  
3 Department's website and shall be used, as needed, to improve  
4 implementation of the Program. The Department shall maintain  
5 the necessary information and records required to satisfy the  
6 evaluation requirements.

7 Section 5-1020. Jobs and Environmental Justice Grant  
8 Program.

9 (a) In order to provide upfront capital to support the  
10 development of projects, businesses, community organizations,  
11 and jobs creating opportunity for Black, Indigenous, and People  
12 of Color, the Program shall create and administer a Jobs and  
13 Environmental Justice Grant Program. The grant program shall be  
14 designed to help remove barriers to project, community, and  
15 business development caused by a lack of capital.

16 (b) The grant program shall provide grant awards of up to  
17 \$1 million per application to support the development of  
18 renewable energy resources as defined in Section 1-75 of the  
19 Illinois Power Agency Act, and Energy Efficiency projects as  
20 defined in Sections 8-103B and 8-104.1 of the Public Utilities  
21 Act. The amount of a grant award shall be based on a project  
22 size and scope. Grants shall be provided upfront, in advance of  
23 other incentives, to provide businesses and organizations with  
24 capital needed to plan, develop, and execute a project. Grants  
25 shall be designed to coordinate with and supplement existing

1 incentive programs, such as the Adjustable Block Program, the  
2 Solar for All Program, the Community Solar Program, and  
3 renewable energy procurements as described in the Illinois  
4 Power Agency Act, as well as utility Energy Efficiency programs  
5 as described in Sections 8-103B and 8-104.1 of the Public  
6 Utilities Act.

7 (c) Grants shall be awarded to businesses and nonprofit  
8 organizations for costs related to the following activities and  
9 project needs:

10 (1) planning and project development, including costs  
11 for professional services such as architecture, design,  
12 engineering, auditing, consulting, and developer services;

13 (2) project application, deposit, and approval;

14 (3) purchasing and leasing of land;

15 (4) permitting and zoning;

16 (5) interconnection application costs and fees,  
17 studies, and expenses;

18 (6) equipment and supplies;

19 (7) community outreach, marketing, and engagement;

20 (8) staff and operations expenses.

21 (d) Grants shall be awarded for projects that meet the  
22 following criteria:

23 (1) provide community benefit, defined as greater than  
24 50% of the project's energy provided or saved that benefits  
25 low-income residents, not-for-profit organizations  
26 providing services to low-income households, affordable



1 housing owners, or community-based limited liability  
2 companies providing services to low-income households. In  
3 the case of Community Solar projects, projects must provide  
4 preferential or exclusive access for local subscribers or  
5 donated power;

6 (2) are located in environmental justice communities,  
7 as that term has been defined based on existing  
8 methodologies and findings used by the Illinois Power  
9 Agency and its Administrator of the Illinois Solar for All  
10 Program;

11 (3) provide on-the-job training, as time and scope  
12 permits;

13 (4) contract with contractors who are participating or  
14 have participated in the Expanding Clean Energy  
15 Entrepreneurship and Contractor Incubators Network  
16 Program, or similar programs, for a minimum of 50% of  
17 project costs; and

18 (5) employ a minimum of 51% of its workforce from  
19 participants and graduates of the Clean Jobs Workforce Hubs  
20 Network Program and Returning Residents Program as  
21 described in this Act.

22 (e) Grants shall be awarded to applicants that meet the  
23 following criteria:

24 (1) achieve a minimum of 105 points in the equity  
25 points systems described in paragraph (7) of subsection (c)  
26 of Section 1-75 of the Illinois Power Agency Act, or meet

1 the equity building criteria in paragraph (9.5) of  
2 subsection (g) of Section 8-103B of the Public Utilities  
3 Act or in paragraph (9.5) of subsection (j) of Section  
4 8-104.1 of the Public Utilities Act; and

5 (2) provide demonstrable proof of a historical or  
6 future, and persisting, long-term partnership with the  
7 community in which the project will be located.

8 (f) The application process for the grant program shall not  
9 be burdensome on applicants, nor require extensive technical  
10 knowledge, and be able to be completed on less than 4 standard  
11 letter-sized pages.

12 (g) The Program shall coordinate its grant program with the  
13 Clean Energy, Jobs and Justice Fund to coordinate grants under  
14 this program with low- and no-interest financing opportunities  
15 offered by the fund.

16 (h) The grant program shall have a budget of \$20 million  
17 per year, for a minimum of 4 years, and continued after that  
18 until funds are no longer available or the program is ended by  
19 the Department.

20 Section 5-1025. Funding. To provide direct, sustained  
21 support for the Program, the Department shall be responsible  
22 for overseeing the development and implementation of the  
23 Program, and each year shall, subject to appropriation,  
24 allocate at least \$800,000 to each of the 16 community-based  
25 organizations providing program elements at the 16 Hub Sites

1 described in this Act, including for the purposes of providing  
2 program elements through subcontracted entities. Funding of  
3 \$21,000,000 per year for the Program shall be made available  
4 from the Energy Community Reinvestment Fund, and funding of  
5 \$20,000,000 per year for the Jobs and Environmental Justice  
6 Grant Program shall be made available from the Energy Community  
7 Reinvestment Fund.

8 Section 5-1030. Administrative review. All final  
9 administrative decisions, including, but not limited to  
10 funding allocation and rules issued, made by the Department  
11 under this Part are subject to judicial review under the  
12 Administrative Review Law and its rules. No action may be  
13 commenced under this Section prior to 60 days after the  
14 complainant has given notice in writing of the action to the  
15 Department.

16 Part 15.

17 Illinois Clean Energy Black, Indigenous, and People of Color  
18 Primes Contractor Accelerator

19 Section 5-1501. Definitions. As used in this Part:

20 "Approved Vendor" means the definition of that term used  
21 and as may be updated by the Illinois Power Agency.

22 "Contractor Incubator" means an incubator authorized under  
23 Part 10 of this Act.

1 "Illinois Clean Energy Jobs and Justice Fund" means the  
2 fund created in the Illinois Clean Energy Jobs and Justice Fund  
3 Act.

4 "Mentor Company" means a private company selected to  
5 provide business mentorship to Program participants as  
6 described in Section 5-1535 of this Part.

7 "Minority Business" means a minority-owned business as  
8 described in Section 2 of the Business Enterprise for  
9 Minorities, Women, and Persons with Disabilities Act.

10 "Minority Business Enterprise certification" means the  
11 certification or recognition certification affidavit from the  
12 State of Illinois Department of Central Management Services  
13 Business Enterprise Program or a program with equivalent  
14 requirements more narrowly tailored to the needs of prime  
15 contractors.

16 "Primes Program Administrator" means the entity or person  
17 selected to be responsible for management of the Program as  
18 established in Section 5-1505 of this Part.

19 "Regional Primes Program Lead" means the entity or person  
20 selected to be responsible for management of the Program as  
21 established in Section 5-1505 of this Part.

22 "Program" means the Illinois Clean Energy Black,  
23 Indigenous, and People of Color Primes Contractor Accelerator  
24 Program.

25 "Participant" means the persons and organizations selected  
26 to participate in the Program.

1 "Returning Resident" is defined as in Part 20 of this Act.

2 "Workforce Hub" means a workforce training program  
3 authorized under Part 5 of this Act.

4 Section 5-1505. Illinois Clean Energy Black, Indigenous,  
5 and People of Color Primes Contractor Accelerator Program  
6 components.

7 (a) The Department of Commerce and Economic Opportunity  
8 shall create and implement, consistent with the requirements of  
9 this Part, an Illinois Clean Energy Black, Indigenous, and  
10 People of Color Primes Contractor Accelerator. The offerings  
11 for Program participants shall include the following:

12 (1) a 5-year, 6-month progressive course of one-on-one  
13 coaching designed to assist each participant in developing  
14 an achievable five-year business plan, including review of  
15 monthly metrics, advice on achieving the Program  
16 participant's goals such as obtaining relevant business  
17 certifications and preparing for prime contracting  
18 opportunities;

19 (2) operational support grants not to exceed \$1 million  
20 annually;

21 (3) interest-free and low-interest loans available  
22 through the Illinois Clean Energy Jobs and Justice Fund or  
23 comparable financial mechanism;

24 (4) business coaching by outside consultants, based on  
25 the participant's individual needs;

1           (5) a mentorship of approximately 2 years provided by a  
2           qualified company in the participant's field;

3           (6) full access to Contractor Incubator services  
4           including courses and workshops, informational briefings  
5           about opportunities created by the Clean Energy Jobs Act  
6           and other Illinois focused clean energy opportunities,  
7           access to jobs and project portals, contractor networking,  
8           job fairs, and monthly contractor cohort meetings;

9           (7) technical assistance with applying for Minority  
10          Business Enterprise certification and other relevant  
11          certifications as well as Approved Vendor status for  
12          Illinois programs offered by utilities or other similar  
13          entities;

14          (8) technical assistance with preparing bids and  
15          Request for Proposal applications for programs created by  
16          the Clean Energy Jobs Act and other Illinois focused clean  
17          energy opportunities;

18          (9) opportunities to participate in procurement  
19          programs organized by the Department to provide bulk  
20          discounts on tools, equipment, and supplies; and

21          (10) opportunities to be listed in any relevant  
22          directories and databases organized by the Department.

23          (b) The Department and Primes Program Administrator shall  
24          coordinate Program events and training designed to connect the  
25          Program participants with the programs created in Parts II and  
26          III of this Act.

1           (c) The Department and Primes Program Administrator shall  
2       coordinate with the Illinois Power Agency's Adjustable Block  
3       Program and Illinois Solar For All program to connect Program  
4       participants with funding opportunities created by the  
5       Adjustable Block Program and Illinois Solar For All program.

6           (d) The Department and Primes Program Administrator shall  
7       coordinate with the electric, gas and water utilities to  
8       connect Program participants with Approved Vendor and other  
9       service provider and incentive opportunities in areas  
10      including energy efficiency and electric vehicles.

11          (e) The Department and Primes Program Administrator shall  
12      coordinate financial development assistance programs such as  
13      zero- and low-interest loans with the Illinois Clean Energy  
14      Jobs and Justice Fund or a comparable financing mechanism. The  
15      Department and Primes Program Administrator shall retain  
16      authority to determine loan repayment terms and conditions.

17           Section 5-1510. Program administration.

18          (a) The Department shall, in consultation with the Advisory  
19      Board, hire or contract a Primes Program Administrator within  
20      180 days of the effective date of this Act.

21          (b) The Department shall select a Primes Program  
22      Administrator with the following qualifications:

23              (1) experience running a large contractor-based or  
24      Approved Vendor business in Illinois;

25              (2) experience coaching businesses;

1           (3) experience participating in or managing a  
2 mentorship program;

3           (4) experience in the Illinois clean energy industry;

4           (5) experience working with diverse, underserved, and  
5 environmental justice communities; and

6           (6) experience working with or participating in  
7 businesses owned by BIPOC persons.

8           (c) Responsibilities of the Primes Program Administrator.  
9 The Primes Program Administrator shall be responsible for the  
10 following:

11           (1) managing the Regional Primes Program Leads to  
12 develop an 18-month Program budget as well as a 6-year  
13 forecast to guide expenditures in the regions;

14           (2) working with the Regional Primes Program Leads to  
15 design a Program application including a shareable  
16 description of how participants will be selected;

17           (3) working with the Regional Primes Program Leads and  
18 the partners in the programs described in Parts 5 and 10 of  
19 this Act to publicize the Program;

20           (4) working with the Regional Primes Program Leads and  
21 the Advisory Board to implement the recommendations on  
22 acceptance of potential Program participants and awarded  
23 funding;

24           (5) working with the Regional Primes Program Leads to  
25 design and implement a mentorship program including  
26 stipend level recommendations and guidelines for any



1 Mentor Company-mentee profit sharing or purchased services  
2 agreements;

3 (6) working with the Regional Primes Program Leads to  
4 ensure participants are quickly on-boarded into the  
5 Program and begin tapping Program resources;

6 (7) collecting and reporting metrics related to cohort  
7 recruiting and formation to the Department and the Advisory  
8 Board;

9 (8) reviewing the work plans and annual goals of all  
10 participants. Reviewing all approved Mentor Companies and  
11 the stipends they will be awarded;

12 (9) conducting an annual assessment of the mentorship  
13 program including Mentor Company and mentee interviews,  
14 Mentor Company and mentee satisfaction ratings, and input  
15 from the Regional Primes Program Leads and creating a  
16 consolidated report for Department and the Advisory Board;

17 (10) consolidating and reporting metrics related to  
18 participant contractor engagement in other Illinois clean  
19 energy programs such as the Adjustable Block Program,  
20 Illinois Solar for All, and the utility-run energy  
21 efficiency and electric vehicle programs;

22 (11) reviewing each participant's annual progress  
23 through the Program and any recommendations from the  
24 Regional Primes Program Lead about whether the participant  
25 should continue in the Program, be considered a Program  
26 graduate, and whether adjustments to ongoing and future

1 grant money, loans and Contractor Incubator service access  
2 are needed; and

3 (12) other duties as required to effectively and  
4 equitably administer the Program.

5 (d) Within 90 days of being hired, the Primes Program  
6 Administrator, in consultation with the Department and the  
7 Advisory Board, shall contract with 3 Regional Primes Program  
8 Leads. The Regional Primes Program Leads will report directly  
9 to the Primes Program Administrator.

10 (e) The Regional Primes Program Leads selected by the  
11 Primes Program Administrator shall have the following  
12 qualifications:

13 (1) experience running a large contracting or Approved  
14 Vendor business in Illinois;

15 (2) experience in the Illinois clean energy industry;

16 (3) experience coaching businesses;

17 (4) experience with a mentorship program;

18 (5) relationships with suitable potential Mentor  
19 Companies in the region;

20 (6) experience working with diverse, underserved, and  
21 environmental justice communities;

22 (7) experience working with or participating in  
23 businesses owned by BIPOC persons; and

24 (8) ability and willingness to be located within the  
25 region they will be leading.

26 (f) The Regional Primes Program Leads shall have the

1 following responsibilities:

2 (1) developing Program marketing materials and working  
3 with the Workforce Hubs and Contractor Incubators in the  
4 region and their community partners to publicize the  
5 Program. The budget shall include funds to pay  
6 community-based organizations with a track record of  
7 working with diverse, underserved, and environmental  
8 justice communities to complete this work;

9 (2) recruiting qualified Program applicants;

10 (3) assisting Program applicants in understanding and  
11 completing the application process;

12 (4) coordinating with the Department and the Advisory  
13 Board to select qualified applicants for Program  
14 participation and determine how to allocate funding among  
15 selected participants;

16 (5) introducing participants to the Program offerings;

17 (6) upon entry of each Program participant and each  
18 year thereafter, conducting a detailed assessment with  
19 each participant to identify needed training, coaching,  
20 and other Program services;

21 (7) upon entry of each Program participant and each  
22 year thereafter, assisting each participant in developing  
23 goals in terms of each Program element, and assessing  
24 progress toward meeting the goals established in previous  
25 years' work plans;

26 (8) assisting Program participants in receiving their

1 Minority Business Enterprise certification and any other  
2 relevant certifications and Approved Vendor statuses;

3 (9) matching each participant with Contractor  
4 Incubator offerings and individualized expert coaching,  
5 including training on working with returning residents and  
6 the second chance companies that employ them, as needed;

7 (10) pairing each Program participant with a Mentor  
8 Company;

9 (11) facilitating connections between each Program  
10 participant to potential subcontractors and employees;

11 (12) dispensing each participant's awarded operational  
12 grant funding;

13 (13) connecting each participant to zero- and  
14 low-interest loans from the Illinois Clean Energy Jobs and  
15 Justice Fund or a comparable financing mechanism;

16 (14) ensuring that each participant applies for  
17 appropriate project opportunities funded by the State of  
18 Illinois or businesses or individuals located within  
19 Illinois;

20 (15) reviewing each participant's progress through the  
21 Program and making a recommendation to the Department and  
22 the Advisory Board about whether the participant should  
23 continue in the Program, be considered a Program graduate,  
24 and whether adjustments to ongoing and future grant  
25 funding, loans and related service access overseen by the  
26 Advisory Board are needed; and

1           (16) other duties as required to effectively and  
2           equitably administer the Program.

3           Section 5-1515. Eligibility for program participation.

4           (a) The Program will accept applications to become Program  
5           participants from any person with the following  
6           qualifications:

7                 (1) 2 or more years of experience in a clean energy or  
8                 a related contracting field;

9                 (2) at least \$5,000 in annual business; and

10                (3) businesses with Minority Business Enterprise  
11           certification or recognition certification affidavit from  
12           the State of Illinois Department of Central Management  
13           Services Business Enterprise program or that meet the  
14           definition of a minority-owned business as described in  
15           Section 2 of the Business Enterprise for Minorities, Women  
16           and Persons with Disabilities Act.

17           (b) Applicants for Program participation shall be allowed  
18           to reapply for a future cohort if they are not selected for  
19           participation, and the Primes Program Administrator shall  
20           inform each applicant of this option.

21           Section 5-1520. Participant selection.

22           (a) Each region will select a new cohort of participant  
23           contractors every 18 months.

24           (b) Each regional cohort will include between 3 and 5

1 participants.

2 (c) The application for positions as a program participant  
3 shall be standardized across regions and require the following  
4 information:

5 (1) company history, financial information, and  
6 visibility;

7 (2) list of up to the 5 most recent years' projects  
8 with basic information including customer names and  
9 locations, partner names if any, community profit-sharing  
10 arrangements if any, and total revenues, payroll expenses  
11 and subcontracting expenses;

12 (3) list of future projects, if any, with same details  
13 as the paragraph (2);

14 (4) a year-by-year plan showing how program-requested  
15 operational grants, program-requested zero-interest and  
16 low-interest loans and self-funding, private investments  
17 and completed project profits will create growth for the  
18 applicant company; and

19 (5) details on partnerships, including any  
20 community-based organizations partnership for workforce  
21 development, subscriber recruitment and conducting  
22 information sessions as well as subcontracting  
23 relationships and sources of private capital. Projected  
24 spending shall be included for these items.

25 (d) Applicants will be scored up to 50 points based on the  
26 components outlined in subsection (c).

1           (e) Application who designate themselves as energy  
2 efficiency applicants can be awarded additional points as  
3 follows:

4           (1) Up to 15 points based on projected hiring and  
5 industry job creation via subcontracting year-by-year,  
6 including description of wages, salaries and benefits;

7           (2) Up to 15 points based on a clear vision of growing  
8 the business in a strategic way;

9           (3) Up to 10 points based on a clear vision of how  
10 increased capitalization would benefit the business;

11           (4) Up to 10 points based on past project performance  
12 in the areas of work quality, adherence to best practices  
13 and demonstration of technical knowledge;

14           (f) Applications who do not designate themselves as energy  
15 efficiency applicants pursuant to paragraph (e) of this Section  
16 can be awarded additional points as follows:

17           (1) Up to 10 points based on outside capital and  
18 capacity the applicant is anticipated to bring to project  
19 development;

20           (2) Up to 10 points based on ratio of grants to loans  
21 requested as a measure of how much of the risk the  
22 applicant is willing to assume;

23           (3) Up to 10 points based on the anticipated revenues  
24 from future projects;

25           (4) Up to 10 points based on projected hiring and  
26 industry job creation via subcontracting year-by-year,

1 including description of wages, salaries and benefits;

2 (5) Up to 10 points based on any model proposed to  
3 build wealth in the larger underserved community through  
4 profit sharing, transfer of asset ownership (such as solar  
5 panels) and other means.

6 (g) The Primes Program Administrator shall select Program  
7 participants based on the application score, the Program's  
8 ability to accommodate the requested grants and loans, and the  
9 expectation of a contractor cohort that approximates the racial  
10 diversity in the region. The Primes Program Administrator shall  
11 cap contractors in the energy efficiency sector at 50% of  
12 available cohort spots and 50% of available grants and loans if  
13 possible.

14 (h) Regional Primes Program Leads shall review  
15 applications, conduct one-on-one interviews, and, if possible,  
16 visit work sites of promising candidates.

17 (i) Regional Primes Program Leads shall recommend a cohort  
18 of selected contractors and a corresponding budget to the  
19 Primes Program Administrator for final approval. Applicants  
20 not recommended for approval are allowed to petition the Primes  
21 Program Administrator, the Department and the Advisory Board  
22 for consideration.

23 (j) Regional Primes Program Leads shall make cohort  
24 recommendations to the Primes Program Administrator, the  
25 Department and the Advisory Board. Applicants may be asked to  
26 make a short presentation to the Department and the Advisory



1 Board prior to a final determination on acceptance. Final  
2 selection of contractor participants rests with the  
3 Department.

4 Section 5-1525. Metrics and goals for program  
5 participants.

6 (a) Upon each participant's acceptance into the Program,  
7 the Regional Primes Program Leads shall solicit, and Program  
8 participants shall be required to provide, the following  
9 information to prepare a baseline report on the Program  
10 participant's business:

11 (1) information necessary to understand the financial  
12 health of the Program participant;

13 (2) income from past project development;

14 (3) the certifications that the Program participant is  
15 seeking to obtain;

16 (4) employee data including salaries, length of  
17 service and demographics;

18 (5) subcontractor data including demographics (if  
19 available or applicable); and

20 (6) community profit-sharing and joint ownership data  
21 (if available or applicable).

22 (b) The Regional Primes Program Leads shall to the greatest  
23 extent practical establish a monthly metric reporting system  
24 with each of the participating contractors and track the  
25 metrics for progress against the contractor's work plan and

1 Program goals. Regional Primes Program Leads shall compile, and  
2 require Program participants to provide information for, the  
3 following metrics on a monthly basis:

4 (1) information necessary to understand the financial  
5 health of the Program participant;

6 (2) information about project development including  
7 bids submitted, projects started, projects completed and  
8 related project-based expenses and income, and the  
9 percentage of projects where contractor is acting as the  
10 prime contractor;

11 (3) the certifications that the Program participant is  
12 seeking to obtain and progress in obtaining those  
13 certifications;

14 (4) employee data including salaries, length of  
15 service and demographics, as well as whether any newly  
16 hired employees are graduates of programs contained in the  
17 Clean Jobs Workforce Hub Act;

18 (5) subcontractor data (if applicable) including  
19 demographics, details on salaries, length of service and  
20 demographics of any industry jobs created, and whether the  
21 subcontractors are participants in or graduates of  
22 programs contained in Part 10 of this Act;

23 (6) community profit-sharing and joint ownership data  
24 (if available or applicable);

25 (7) amounts of grants and loans provided through the  
26 Program;

1           (8) log of completed Program activities including  
2           personalized training, coaching, and approximate hours of  
3           Program support;

4           (9) log of interaction with the participant's Mentor  
5           Company and the participant's satisfaction with the Mentor  
6           Company relationship;

7           (10) information on the Program participant's  
8           satisfaction with Regional Primes Program Lead and the  
9           Program overall; and

10          (11) Upon graduation from the Program, participants  
11          shall continue to provide metric data outlined in (1), (4),  
12          (5) and (6) annually for 10 years.

13          (c) In accordance with the goal of creating an  
14          individualized experience for each participant, nonperformance  
15          issues with Program participants will be addressed with  
16          one-on-one coaching from the Regional Primes Program Lead and  
17          necessary resources. Individual contractor performance issues  
18          shall be reported up to the Primes Program Administrator on a  
19          quarterly basis with issues designated as "resolved", "in  
20          remediation", or "needing a resolution" as appropriate.

21          (d) Individual contractors can request assignment to a  
22          different Mentor Company if warranted.

23          Section 5-1530. Regional cohort and program-level metrics  
24          and goals.

25          (a) Regional Primes Program Leads shall report the

1 following metrics and progress on indicated goals to the Primes  
2 Program Administrator on a timeline established by the Primes  
3 Program Administrator:

4 (1) cohort recruiting efforts, including the geography  
5 targeted, events held, budget allocated for recruiting,  
6 and audience-appropriateness of language and graphics in  
7 all Program materials;

8 (2) program applications received;

9 (3) participant selection data including racial and  
10 geographic breakdown;

11 (4) program participants with ongoing issues as  
12 described in subsection (c) of Section 5-1525 of this Part;

13 (5) retention of participants in each cohort;

14 (6) total projects bid, started, and completed by  
15 participants, including information about revenue, hiring,  
16 and subcontractor relationships with projects;

17 (7) total certifications issued;

18 (8) employment data for contractor hires and industry  
19 jobs created including demographic, salary, length of  
20 service and geographic data;

21 (9) grants and loans distributed;

22 (10) hours logged in activities including the  
23 mentorship program; and

24 (11) program participant satisfaction with the  
25 Program.

26 (b) The Primes Program Administrator shall compile data at

1 both the regional level and the overall Program level and  
2 create quarterly reports for the Department and the Advisory  
3 Board and an annual report for the Illinois General Assembly.  
4 Reporting provided to the Department and General Assembly will  
5 be anonymized to protect the data of Program participants,  
6 although some reporting by zip code or other geographic segment  
7 may be included. It will highlight how the Program is building  
8 wealth through increased revenues of participating companies,  
9 new hiring, creation of industry jobs, increased revenues of  
10 the larger pool of BIPOC subcontractors and through community  
11 arrangements that provide for passive income streams and asset  
12 ownership.

13 Section 5-1535. Mentorship Program

14 (a) The Regional Primes Program Leads shall recruit private  
15 companies to serve as mentors to Program participants. The  
16 primary role of the Mentor Companies shall be to assist Program  
17 participants in succeeding in the clean energy industry.

18 (b) The Primes Program Administrator may select Mentor  
19 Companies with the following qualifications:

20 (1) excellent standing with state clean energy  
21 programs;

22 (2) 4 or more years of experience in the field in which  
23 they will serve as a Mentor Company; and

24 (3) a proven track record of success in the field in  
25 which they will serve as a Mentor Company.

1           (c) The Regional Primes Program Leads shall collaborate  
2 with Mentor Companies and the mentee Program participants to  
3 create a plan for ongoing contact in opportunities such as  
4 on-the-job training, site walkthroughs, business process and  
5 structure walkthroughs, quality assurance and quality control  
6 reviews, and other relevant activities. Mentor Companies may  
7 identify what level of stipend they require.

8           (d) The Regional Primes Program Lead shall recommend the  
9 Mentor Company-mentee pairings and associated Mentor Company  
10 stipends to the Primes Program Administrator for approval.

11          (e) The Regional Primes Program Lead shall conduct an  
12 annual review of each Mentor Company-mentee pairing and  
13 recommend whether it continues for a second year and the level  
14 of stipend that is appropriate. The review will also ensure  
15 that any profit-sharing and purchased services agreements  
16 adhere to the guidelines established by the Primes Program  
17 Administrator.

18           Section 5-1540. Program budget.

19          (a) The Department shall allocate \$3 million annually to  
20 the Primes Program Administrator for each of the 3 regional  
21 budgets from the Energy Community Reinvestment Fund.

22          (b) Each regional budget will be developed collaboratively  
23 by the Primes Program Administrator and the corresponding  
24 Regional Primes Program Lead. The budget will cover Program  
25 administration, Program publicity and candidate recruitment,

1 training and certification costs, operational support grants  
2 for Program participants, Mentor Company stipends and loan loss  
3 reserves for contractor capitalization as well as other costs  
4 the Primes Program Administrator deems to be necessary or  
5 beneficial for the implementation of the Program.

6 (c) The Primes Program Administrator shall conduct  
7 budgeting in conjunction with Illinois Clean Energy Jobs and  
8 Justice Fund or comparable financing institution so that loan  
9 loss reserves are sufficient to underwrite \$7 million in  
10 low-interest loans in each of the 3 regions.

11 (d) All available grant and loan funding should be made  
12 available to Program participants in a timely fashion.

13 Part 20.

14 Returning Residents Program

15 Section 5-2001. Purpose. The Returning Residents Clean  
16 Jobs Training Program shall be established within the Illinois  
17 Department of Commerce and Economic Opportunity in an effort to  
18 assist inmates in their rehabilitation through training that  
19 prepares them to successfully hold employment in the clean  
20 energy jobs sector upon their release from incarceration.

21 Section 5-2005. Definitions. As used in this Part:

22 "Commitment" means a judicially determined placement in  
23 the custody of the Department of Corrections on the basis of

1 conviction or delinquency.

2 "Committed person" means a person committed to the  
3 Department of Corrections.

4 "Correctional institution or facility" means a Department  
5 of Corrections building or part of a Department of Corrections  
6 building where committed persons are detained in a secure  
7 manner.

8 "Discharge" means the end of a sentence or the final  
9 termination of a detainee's physical commitment to and  
10 confinement in the Department of Corrections.

11 "Program" means the clean energy jobs instruction  
12 established by this Part.

13 "Program Administrator" means the person or entity  
14 selected to administer and coordinate the work of the Illinois  
15 Returning Residents Clean Jobs Training Program as established  
16 in Section 5-2030 of this Part.

17 "Regional Administrator" means the person or entity  
18 selected to administer and coordinate programs as described in  
19 Section 5-130 of Part 1 of this Act.

20 "Returning resident" means any United States resident who  
21 is: 17 years of age or older; in the physical custody of the  
22 Department of Corrections and scheduled to be re-entering  
23 society within 12 months.

24 Section 5-2010. Program.

25 (a) General. The Returning Residents Clean Jobs Training



1 Program shall be based on a curriculum designed to be as  
2 similar as practical to the Clean Energy Jobs Training Programs  
3 available for persons not committed as established in Part 5 of  
4 this Act. The program shall include structured hands-on  
5 activities in correctional institutions or facilities,  
6 including classroom spaces and outdoor spaces, to instruct  
7 participants in the core curriculum established in Part 5 of  
8 this Act.

9 (b) Connected Services. The program shall be designed and  
10 operated to allow participants to graduate from the program as  
11 hireable in the solar power and energy efficiency industries.  
12 The program shall provide participants with the knowledge and  
13 ability to access the necessary mental health, case management,  
14 and other support services, both during the program and after  
15 graduation, to ensure they are successful in the clean energy  
16 jobs sector.

17 (c) Recruitment of Participants. The Program  
18 Administrators shall implement a recruitment process to  
19 educate committed persons on the benefits of the program and  
20 how to enroll in the program. This recruitment process must  
21 reach both men's correctional institutions and facilities and  
22 women's correctional institutions and facilities.

23 (d) Connection to Employers. The Program Administrators  
24 shall be responsible for connecting program graduates with  
25 potential employers in the solar power and energy efficiency  
26 and related industries. The Regional Administrators shall

1 assist the Program Administrators with this task.

2 (e) Graduation. Participants who successfully complete all  
3 assignments in the program shall be considered graduates and  
4 shall receive a program graduation certificate, as well as any  
5 certifications earned in the process.

6 Section 5-2015. Administrative rules; eligibility.

7 (a) A committed person in a correctional institution or  
8 facility is eligible if the committed person:

9 (1) is not prohibited by Illinois statute from entering  
10 a residence or public building as a result of a previous  
11 conviction;

12 (2) is within 12 months of expected release;

13 (3) volunteers, or is recommended to participate, with  
14 a strong interest in the program and in securing and  
15 keeping a clean energy job upon completion of the program  
16 and release;

17 (4) meets all program and testing requirements;

18 (5) is willing to follow all program requirements; and

19 (6) is willing to participate in all prescribed program  
20 events including the required wrap-around/support  
21 services.

22 (b) The Department of Corrections shall provide data needed  
23 to determine eligibility and work with the Program  
24 Administrator to select individuals for the training program.

1       Section 5-2020. Program entry and testing requirements. To  
2       enter the Returning Residents Clean Jobs Training Program,  
3       committed persons must complete a simple application, undergo  
4       an interview and coaching session, and pass the Test for Adult  
5       Basic Education. The Returning Residents Clean Jobs Training  
6       Program shall include a one week "pre" program boot camp that  
7       ensures the candidates understand and are interested in  
8       continuing the program. Candidates that successfully complete  
9       the "pre" program boot camp shall continue to the full program.

10       Section 5-2025. Administrative rules; drug testing. A  
11       clean drug test is required to complete the Returning Residents  
12       Clean Jobs Training Program. A drug test shall be administered  
13       at least once prior to graduation, and, if positive, it shall  
14       not result in immediate expulsion, but outreach must be  
15       performed to offer assistance and mitigation. An additional  
16       clean test is then required to complete the program.

17       Section 5-2030. Curriculum and program administration.

18       (a) Curriculum.

19       (1) General. The Returning Residents Clean Jobs  
20       Training Program shall be based on a curriculum designed to  
21       be as similar as practical to the Clean Energy Jobs  
22       Training Programs available for persons not committed as  
23       established in Part 5 of this Act, with a focus on  
24       preparing graduates for employment in the solar power and

1 energy efficiency industries.

2 (2) Curriculum design and public comment. The  
3 Department shall design a draft curriculum for the  
4 implementation of the Returning Residents Clean Jobs  
5 Training Program by making adjustments to the Clean Energy  
6 Jobs Training Programs curriculum to meet in-facility  
7 requirements. The Department shall consult with the  
8 Department of Corrections to ensure all curriculum  
9 elements may be available within Department of Corrections  
10 facilities. The Department shall then publish the draft  
11 curriculum no more than 120 days after the effective date  
12 of this Act, and solicit public comments on the draft  
13 curriculum for at least 30 days prior to beginning program  
14 implementation.

15 (3) Curriculum goals and skills. Program participants  
16 shall be instructed in skills that prepare them for  
17 employment in the clean energy industry. The Program shall  
18 focus on solar and energy efficiency training, including  
19 both technical and soft skills necessary for success in the  
20 field.

21 (A) Solar power training. Program participants  
22 shall receive training focused on accessing  
23 opportunities in the solar industry and earning the  
24 necessary certifications to work in the solar industry  
25 as a solar tech including installation, maintenance,  
26 technical work, and sales.

1           (B)     Energy     efficiency     training.     Program  
2     participants     shall     receive     training     focused     on  
3     accessing     opportunities     in     the     energy     efficiency  
4     industry     and     earning     the     necessary     certifications     to  
5     work     in     the     energy     efficiency     industry     through  
6     training     in     building     science     principles,     sales     of  
7     solar     technology,     installation,     maintenance,     and     the  
8     skills     needed     to     become     an     energy     auditor,     building  
9     analyst,     or     HVAC     Tech.

10           (C)     Additional     hard     and     soft     skills     for     clean  
11     energy     jobs.     Training     shall     include,     but     is     not     limited  
12     to,     job     readiness     training,     mental     health     assessment  
13     and     services,     and     addiction     recovery     services.

14           (4)     Guidebook.     The     Program     Administrators     shall  
15     collaborate     to     create     and     publish     a     guidebook     that     allows  
16     for     the     implementation     of     the     curriculum     and     provides  
17     information     on     all     necessary     and     useful     resources     for  
18     program     participants     and     graduates.

19     (b)     Program     administration.

20           (1)     Program     administrators.

21           (A)     Within     210     days     of     the     effective     date     of     this  
22     Act,     the     Department     shall     complete     the     following:

23           (i)     Convene     a     comprehensive     stakeholder  
24     process     that     includes,     at     minimum,     representatives  
25     from     community-based     organizations     in  
26     environmental     justice     communities,     community-based

1 organizations serving low-income persons and  
2 families, community-based organizations serving  
3 energy workers, and labor unions, to seek input on  
4 the administration of this program.

5 (ii) Gather input from the comprehensive  
6 stakeholder process and publish a summary of the  
7 input received during the stakeholder process,  
8 along with an implementation plan incorporating  
9 input from the stakeholder process on the  
10 Department website or the initial Program website.  
11 The implementation plans shall also be provided to  
12 the Advisory Board.

13 (iii) Hold a 30-day public comment period  
14 seeking input on the implementation plans.

15 (iv) In consultation with the Regional  
16 Administrators and Advisory Board, select Program  
17 Administrators to administer and coordinate the  
18 work of the Illinois Returning Residents Clean  
19 Jobs Training Program. Candidates shall be  
20 evaluated with input from the Advisory Board.

21 (B) The Program Administrators shall have strong  
22 capabilities, experience, and knowledge related to  
23 program development and economic management; cultural  
24 and language competency needed to be effective in the  
25 respective communities to be served; expertise in  
26 working in and with BIPOC and environmental justice

1 communities; knowledge and experience in working with  
2 providers of clean energy jobs; and awareness of solar  
3 power and energy efficiency industry trends and  
4 activities, workforce development best practices, and  
5 regional workforce development needs, and community  
6 development. The Program Administrators shall  
7 demonstrate a track record of strong partnerships with  
8 community-based organizations.

9 (C) The Program Administrators shall coordinate  
10 with Regional Administrators and the Clean Jobs  
11 Workforce Hubs Network Program to ensure execution,  
12 performance, partnerships, marketing, and program  
13 access across the State that is as consistent as  
14 possible while respecting regional differences. The  
15 Program Administrators shall work with partner  
16 community-based organizations in their respective  
17 regions and Program Delivery Areas to deliver the  
18 Program.

19 (D) The Program Administrators shall collaborate  
20 to create and publish an employer "Hiring Returning  
21 Residents" handbook that includes benefits and  
22 expectations of hiring returning residents, guidance  
23 on how to recruit, hire, and retain returning  
24 residents, guidance on how to access state and federal  
25 tax credits and incentives, resources from federal and  
26 state, guidance on how to update company policies to

1 support hiring and supporting returning residents, and  
2 an understanding of the harm in one-size fits all  
3 policies toward returning residents. The handbook  
4 shall be updated every 5 years or more frequently if  
5 needed to ensure its contents are accurate. The  
6 handbook shall be made available on the Department's  
7 website.

8 (E) The Program Administrators shall work with  
9 potential employers and employers who hire graduates  
10 to collect data needed to ensure program participant  
11 success and to evaluate success of the program,  
12 including, but not limited to:

13 (i) candidates interviewed and hiring status;

14 (ii) graduate employment status, such as hire  
15 date, salary grade changes, hours worked, and  
16 separation date;

17 (iii) key demographics by project or project  
18 category; and

19 (iv) continuing education and certifications  
20 gained by program graduates.

21 The Program Administrators will work with  
22 potential employers to promote company policies to  
23 support hiring and supporting returning residents via  
24 employee/employer liability, coverage, insurance,  
25 bonding, training, hiring practices, and retention  
26 support. The Program Administrator will provide



1 services such as, but not limited to, job coaching and  
2 financial coaching to program graduates to support  
3 their employment longevity. The Program Administrators  
4 shall report data needed to ensure program participant  
5 success and to evaluate success of the program to the  
6 Department, Regional Administrators, and Advisory  
7 Board.

8 (F) The Program Administrators shall identify  
9 clean energy job opportunities and assist participants  
10 in achieving employment. The program shall include at  
11 least one job fair; include job placement discussions  
12 with clean energy employers; establish a partnership  
13 with Illinois solar energy businesses and trade  
14 associations to identify solar employers that support  
15 and hire returning residents, and; involve the  
16 Department, Regional Administrators, and the Advisory  
17 Board in finding employment for participants and  
18 graduates in the solar power and energy efficiency  
19 industries.

20 (G) The Program Administrators shall work with  
21 graduates to maintain contact, including quarterly  
22 check-ins, and ensure access to the necessary mental  
23 health, case management, and other support services,  
24 both during the program and after graduation, to ensure  
25 they are successful in the clean energy jobs sector.

26 (2) Community Organizations. Program Administrators

1 may contract with local community-based organizations to  
2 provide program elements at each facility. Contracts with  
3 local community-based organizations shall be initially  
4 competitively selected by the Department within 330 days  
5 after the effective date of this Act and shall be  
6 subsequently competitively selected by the Department  
7 every 5 years. Community-based organizations delivering  
8 the program elements outlined may provide all elements  
9 required or may subcontract to other entities for the  
10 provision of portions of program elements, including, but  
11 not limited to, administrative soft and hard skills for  
12 program participants, delivery of specific training(s) in  
13 the core curriculum, or provision of other support  
14 functions for program delivery compliance. The Department  
15 and the Regional Administrators shall collaborate to  
16 develop uniform minimum contractual requirements for  
17 competitively selected community-based organizations to  
18 provide the Program, uniform minimum contractual  
19 requirements for all Program subcontracts, and uniform  
20 templates for Requests For Proposals for all Program  
21 subcontracts.

22 (3) Scheduling and Delays. The Department should aim to  
23 include training in conjunction with other pre-release  
24 procedures and movements. Delays in a workshop being  
25 provided shall not cause delays in discharge. Detainees may  
26 not be prevented from attending workshops due to staffing

1 shortages, lockdowns, conflicts with family or legal  
2 visits, court dates, medical appointments, commissary  
3 visits, recreational sessions, dining, work, class, or  
4 bathing schedules. In case of conflict or staffing  
5 shortages, returning residents must be given full  
6 opportunity to attend a workshop at a later time.

7 (4) Coordination with Clean Jobs Workforce Hubs  
8 Network Program, established by Part 5 of this Act to  
9 Provide Pre-Release Training. The Program Administrators  
10 may establish shortened Clean Jobs Training Programs at  
11 facilities that are designed to prepare and place graduates  
12 in the Clean Jobs Workforce Hubs following release from  
13 commitment. These programs may focus on technical skills  
14 that prepare participants for clean energy jobs as well as  
15 other generalized workforce and life skills necessary for  
16 success. Any graduate of these programs must be guaranteed  
17 placement in a Clean Jobs Workforce Hub training program.

18 Section 5-2035. Advisory Board and program management.

19 (a) The Advisory Board shall review the Returning Residents  
20 Clean Jobs Training Program, implement and enforce the policies  
21 and requirements of the program and the Program Administrators,  
22 and review, approve, and make adjustments to the implementation  
23 policies and deliverables of the Program Administrators and  
24 other program implementers. The Advisory Board shall ensure  
25 that metrics and a reporting structure are in place to support

1 successful implementation. These metrics shall include, but  
2 are not limited to:

3 (1) demographics of each entering and graduating  
4 class;

5 (2) percent of graduates employed at 6 and 12 months  
6 after release;

7 (3) recidivism rate of program participants at 3 and 5  
8 years after release; and

9 (4) information on the type of employment, whether full  
10 or part time or seasonal, and pay rates achieved by program  
11 graduates.

12 The metrics and performance outcomes shall be shared with  
13 the Department and with Program Administrators and  
14 implementers for the program created by Part 5 of this Act. All  
15 program implementers should have input before major changes to  
16 policy, metrics, or outcomes are determined. Program metrics  
17 and performance outcomes shall be published on the Department's  
18 website annually.

19 (b) The Director of the Department of Corrections shall  
20 ensure that the wardens or superintendents of all correctional  
21 institutions and facilities visibly post information on the  
22 program in common areas of their respective institutions,  
23 broadcast the same via in-house institutional information  
24 television channels, and distribute updated information in a  
25 timely, visible, and accessible manner.

26 (c) All program content and materials shall be distributed

1 annually to the Community Support Advisory Councils of the  
2 Department of Corrections for use in re-entry programs across  
3 this State.

4 Section 5-2040. Returning Residents Clean Jobs Training  
5 Program monitoring and enforcement.

6 (a) The Director of Corrections shall ensure that wardens  
7 or superintendents, program, educational, and security and  
8 movement staff permit program workshops to take place, and that  
9 returning residents are escorted to workshops in a consistent  
10 and timely manner.

11 (b) Compliance with this Part shall be monitored by a  
12 report published annually by the Department of Corrections  
13 containing data, including numbers of returning residents who  
14 enrolled in the program, numbers of returning residents who  
15 completed the program, and total numbers of individuals  
16 discharged. Other data that shall be collected include the  
17 number of people hired, the type of employment (full-time  
18 versus part-time; permanent versus seasonal short-term  
19 contract), the salary grade of people hired every 3 months,  
20 certifications of people hired every 3 months, the demographic  
21 mix of project teams per project, and the recidivism rate over  
22 3 to 5 years. Data shall be disaggregated by institution,  
23 discharge, or residence address of resident, and other factors.

24 Section 5-2045. Funding. The Funding for this program shall

1 be subject to appropriation from the Energy Community  
2 Reinvestment Fund and other sources. The Director of the  
3 Department of Commerce and Economic Opportunity may, upon  
4 consultation with the Director of Corrections, allocate  
5 funding to the Department of Corrections as necessary to offset  
6 costs incurred by the Departments of Corrections in program  
7 implementation.

8 Section 5-2050. Access. The program instructors and staff  
9 shall have access to Department of Corrections institutions and  
10 facilities as needed, including, but not limited to, classroom  
11 space and outdoor space, with an expectation that they shall  
12 follow all facility procedures and protocols.

13 Article 10. Illinois Clean Energy

14 Jobs and Justice Fund Act

15 Section 10-1. Short title. This Article may be cited as the  
16 Illinois Clean Energy Jobs and Justice Fund Act. References in  
17 this Article to "this Act" mean this Article.

18 Section 10-5. Purpose.

19 The purpose of this Act is to promote the health, welfare,  
20 and prosperity of all the residents of this State by ensuring  
21 access to financial products that allow Illinois residents and  
22 businesses to invest in clean energy. Furthermore, the Illinois

1 Clean Energy Jobs and Justice Fund, is designed to fill the  
2 following purposes:

3 (1) Ensure that the benefits of the clean energy  
4 economy are equitably distributed;

5 (2) Make clean energy accessible to all through the  
6 provision of innovative financing opportunities and grants  
7 for Minority Business Enterprises (MBE) and other  
8 contractors of color, and for low-income, environmental  
9 justice, and BIPOC communities and the businesses that  
10 serve these communities;

11 (3) Prioritize the provision of public and private  
12 capital for clean energy investment to MBEs and other  
13 contractors of color, and to businesses serving  
14 low-income, environmental justice, and BIPOC communities;

15 (4) Accelerate the flow of private capital into clean  
16 energy markets;

17 (5) Assist low-income, environmental justice, and  
18 BIPOC community utility customers in paying for solar and  
19 energy efficiency upgrades through energy cost savings;

20 (6) Increase access to no- and low-cost loans for MBE  
21 and other contractors of color;

22 (7) Develop financing products designed to compensate  
23 for historical and structural barriers preventing  
24 low-income, environmental justice, and BIPOC communities  
25 from accessing traditional financing;

26 (8) Leverage private investment in clean energy

1 projects and in projects developed by MBEs and other  
2 contractors of color; and

3 (9) Pursue financial self-sustainability through  
4 innovative financing products.

5 Section 10-10. Definitions. For the purpose of this act,  
6 the following terms shall have the following definitions:

7 "Black, indigenous, and people of color" or "BIPOC" is  
8 defined as people who are members of the groups described in  
9 subparagraphs (a) through (e) of paragraph (A) of subsection  
10 (1) of Section 2 of the Business Enterprise for Minorities,  
11 Women, and Persons with Disabilities Act.

12 "Board" means the Board of Directors of the Illinois Clean  
13 Energy Jobs and Justice Fund.

14 "Contractor of color" means a business entity that is at  
15 least 51% owned by one or more BIPOC persons, or in the case of  
16 a corporation, at least 51% of the corporation's stock is owned  
17 by one or more BIPOC persons; and the management and daily  
18 business operations of which are controlled by one or more of  
19 the BIPOC persons who own it. A contractor of color may also be  
20 a nonprofit entity with a board of directors composed of at  
21 least 51% BIPOC persons or a nonprofit entity certified by the  
22 State of Illinois to be minority-led.

23 "Environmental justice communities" means the definition  
24 of that term based on existing methodologies and findings used  
25 by the Illinois Power Agency and its Administrator of the



1 Illinois Solar for All Program.

2 "Fund" means the Illinois Clean Energy Jobs and Justice  
3 Fund.

4 "Low-income" means households whose income does not exceed  
5 80% of Area Median Income (AMI), adjusted for family size and  
6 revised every 5 years.

7 "Low-income community" means a census tract where at least  
8 half of households are low-income.

9 "Minority-owned business enterprise" or "MBE" means a  
10 business certified as such by an authorized unit of government  
11 or other authorized entity in Illinois.

12 "Municipality" means a city, village, or incorporated  
13 town.

14 "Person" means any natural person, firm, partnership,  
15 corporation, either domestic or foreign, company, association,  
16 limited liability company, joint stock company, or association  
17 and includes any trustee, receiver, assignee, or personal  
18 representative thereof.

19 Section 10-15. Clean Energy Jobs and Justice Fund.

20 (a) Formation. Not later than 30 days after the effective  
21 date of this Act, there shall be incorporated a nonprofit  
22 corporation to be known as the "Clean Energy Jobs and Justice  
23 Fund."

24 (b) Limitation. The Fund shall not be an agency or  
25 instrumentality of the State Government.

1 (c) Full faith and credit. The full faith and credit of the  
2 State of Illinois shall not extend to the Fund.

3 (d) Nonprofit status. The Fund shall:

4 (1) Be an organization described in subsection (c)  
5 Section 501 of the Internal Revenue Code of 1986 and exempt  
6 from taxation under subsection (a) of Section 501 of that  
7 Code;

8 (2) Ensure that no part of the income or assets of the  
9 Fund shall inure to the benefit of any director, officer,  
10 or employee, except as reasonable compensation for  
11 services or reimbursement for expenses; and

12 (3) Not contribute to or otherwise support any  
13 political party or candidate for elective office.

14 Section 10-20. Board of directors.

15 (a) Board composition. The Fund shall be managed by, and  
16 its powers, functions, and duties shall be exercised through, a  
17 board to be composed of 11 members. The initial members of the  
18 Board shall be selected as follows:

19 (1) Appointed members. Five members shall be appointed  
20 by the Governor within 60 days after the effective date of  
21 this Act. Members of the board shall be broadly  
22 representative of the communities that the Fund is designed  
23 to serve. Of such members:

24 (i) at least one member shall be selected from each  
25 of the following geographic regions in the State:

1 northeast, northwest, central, and southern;

2 (ii) at least one member shall have experience in  
3 providing energy-related services to low-income,  
4 environmental justice, or BIPOC communities;

5 (iii) At least one member shall own or be employed  
6 by an MBE or BIPOC-owned business focused on the  
7 deployment of clean energy;

8 (iv) at least one member shall be a policy or  
9 implementation expert in serving low-income,  
10 environmental justice or BIPOC communities or  
11 individuals, including environmental justice  
12 communities, BIPOC communities, justice-involved  
13 persons, persons who are or were in the child welfare  
14 system, displaced energy workers, gender nonconforming  
15 and transgender individuals, or youth; and

16 (v) Board members can fulfill multiple criteria  
17 (such as representing the southern region and a MBE or  
18 BIPOC-owned business focused on the deployment of  
19 clean energy).

20 (2) Elected members. Six members shall be elected  
21 unanimously by the 5 members appointed pursuant to  
22 subparagraph (A) within 120 days after the effective date  
23 of this Act. Members of the board shall be broadly  
24 representative of the communities that the Fund is designed  
25 to serve. Of such members:

26 (i) at least one member shall be selected from each

1 of the following geographic regions in the State:  
2 northeast, northwest, central, and southern;

3 (ii) at least one member shall be from a  
4 community-based organization with a specific mission  
5 to support racially and socioeconomically diverse  
6 environmental justice communities;

7 (iii) at least one member shall own or be employed  
8 by an MBE or BIPOC-owned business focused on the  
9 deployment of clean energy;

10 (iv) at least one member shall be from an  
11 organization specializing in providing energy-related  
12 services to low-income, environmental justice, or  
13 BIPOC communities; and

14 (v) Board members can fulfill multiple criteria  
15 (such as representing the southern region and an MBE or  
16 BIPOC-owned business focused on the deployment of  
17 clean energy).

18 (3) Terms. The terms of the initial members of the  
19 Board shall be as follows:

20 (A) The 5 members appointed and confirmed under  
21 paragraph (1) of subsection (a) of this Section shall  
22 have initial 5-year terms.

23 (B) Of the 6 members elected under paragraph (2) of  
24 subsection (a) of this Section, 3 shall have initial  
25 4-year terms and 3 shall have initial 3-year terms.

26 (b) Subsequent composition and terms.

1           (1) Except for the selection of the initial members of  
2           the Board for their initial terms under paragraph (1) of  
3           subsection (a) of this Section, the members of the Board  
4           shall be elected by the members of the Board.

5           (2) Disqualification. A member of the Board shall be  
6           disqualified from voting for any position on the Board for  
7           which such member is a candidate.

8           (3) Terms. All members elected pursuant to paragraph  
9           (2) of subsection (a) of this Section shall have a term of  
10          5 years.

11          (c) Qualifications. The members of the board shall be  
12          broadly representative of the communities that the Fund is  
13          designed to serve and shall collectively have expertise in  
14          environmental justice, energy efficiency, distributed  
15          renewable energy, workforce development, finance and  
16          investments, clean transportation, and climate resilience. Of  
17          such members:

18               (1) not fewer than 2 shall be selected from each of the  
19               following geographic regions in the State: northeast,  
20               northwest, central, and southern;

21               (2) not fewer than 2 shall be from an MBE or  
22               BIPOC-owned business focused on the deployment of clean  
23               energy;

24               (3) not fewer than 2 shall be from a community-based  
25               organization with a specific mission to support racially  
26               and socioeconomically diverse environmental justice

1 communities; and

2 (4) not fewer than 2 shall be from an organization  
3 specializing in providing energy-related services to  
4 low-income, environmental justice, or BIPOC communities.

5 (5) Members of the board can fulfill multiple criteria  
6 (such as representing the southern region and an MBE or  
7 BIPOC-owned business focused on the deployment of clean  
8 energy).

9 (d) Restriction on membership. No officer or employee of  
10 the State or any other level of government may be appointed or  
11 elected as a member of the Board.

12 (e) Quorum. Seven members of the Board shall constitute a  
13 quorum.

14 (f) Bylaws. The board shall adopt, and may amend, such  
15 bylaws as are necessary for the proper management and  
16 functioning of the Fund. Such bylaws shall include designation  
17 of officers of the Fund and the duties of such officers.

18 (g) Restrictions. No person who is an employee in any  
19 managerial or supervisory capacity, director, officer or agent  
20 or who is a member of the immediate family of any such  
21 employee, director, officer or agent of any public utility is  
22 eligible to be a director. No director may hold any elective  
23 position, be a candidate for any elective position, be a State  
24 public official, be employed by the Illinois Commerce  
25 Commission, or be employed in a governmental position exempt  
26 from the Illinois Personnel Code.

1           (h) Director, Family Member Employment. No director, nor  
2 member of his or her immediate family shall, either directly or  
3 indirectly, be employed for compensation as a staff member or  
4 consultant of the Fund.

5           (i) Meetings. The board shall hold regular meetings at  
6 least once every 3 months on such dates and at such places as  
7 it may determine. Meetings may be held by teleconference or  
8 videoconference. Special meetings may be called by the  
9 president or by a majority of the directors upon at least 7  
10 days' advance written notice. The act of the majority of the  
11 directors, present at a meeting at which a quorum is present,  
12 shall be the act of the board of directors unless the act of a  
13 greater number is required by this Act or bylaws. A summary of  
14 the minutes of every board meeting shall be made available to  
15 each public library in the State upon request and to  
16 individuals upon request. Board of Director meeting minutes  
17 shall be posted on the Fund's website within 14 days of Board  
18 approval of the minutes.

19           (j) Expenses. A director may not receive any compensation  
20 for his or her services but shall be reimbursed for necessary  
21 expenses, including travel expenses incurred in the discharge  
22 of duties. The board shall establish standard allowances for  
23 mileage, room and meals and the purposes for which such  
24 allowances may be made and shall determine the reasonableness  
25 and necessity for such reimbursements.

26           (k) In the event of a vacancy on the board, the board of

1 Directors shall appoint a temporary member, consistent with the  
2 requirements of the board composition, to serve the remainder  
3 of the term for the vacant seat.

4 (1) The board shall adopt rules for its own management and  
5 government, including bylaws and a conflict of interest policy.

6 (m) The board of directors of the Fund shall adopt written  
7 procedures for:

8 (1) adopting an annual budget and plan of operations,  
9 including a requirement of board approval before the budget  
10 or plan may take effect;

11 (2) hiring, dismissing, promoting, and compensating  
12 employees of the Fund, including an affirmative action  
13 policy and a requirement of board approval before a  
14 position may be created or a vacancy filled;

15 (3) acquiring real and personal property and personal  
16 services, including a requirement of board approval for any  
17 non-budgeted expenditure in excess of 5 thousand dollars;

18 (4) contracting for financial, legal, bond  
19 underwriting and other professional services, including  
20 requirements that the Fund (i) solicit proposals at least  
21 once every 3 years for each such service that it uses, and  
22 (ii) ensure equitable contracting with diverse suppliers;

23 (5) issuing and retiring bonds, bond anticipation  
24 notes, and other obligations of the Fund; and

25 (6) awarding loans, grants and other financial  
26 assistance, including (i) eligibility criteria, the



1 application process and the role played by the Fund's staff  
2 and board of directors, and (ii) ensuring racial equity in  
3 the awarding of loans, grants, and other financial  
4 assistance.

5 (n) The board shall develop a robust set of metrics to  
6 measure the degree to which the program is meeting the purposes  
7 set forth in Section 5-10 of this Act, and especially measuring  
8 adherence to the racial equity purposes set forth there, and a  
9 reporting format and schedule to be adhered to by the Fund  
10 officers and staff. These metrics and reports shall be posted  
11 quarterly on the Fund's website.

12 (o) The board of directors has the responsibility to make  
13 program adjustments necessary to ensure the Clean Energy Jobs  
14 and Justice Fund is meeting the purposes set forth in Section  
15 5-10 of this Act. Fund officers and staff and the board of  
16 directors are responsible for ensuring capital providers and  
17 Fund officers and staff, partners, and financial institutions  
18 are held to state and federal standards for ethics and  
19 predatory lending practices and shall immediately remove any  
20 offending products and sponsoring organizations from Fund  
21 participation.

22 (p) The board shall issue annually a report reviewing the  
23 activities of the Fund in detail and shall provide a copy of  
24 such report to the joint standing committees of the General  
25 Assembly having cognizance of matters relating to energy and  
26 commerce. The report shall be published on the Fund's website

1 within 3 days of its submission to the General Assembly.

2 Section 10-25. Powers and duties.

3 (a) The Fund shall endeavor to perform the following  
4 actions, but is not limited to these specified actions:

5 (1) Develop programs to finance and otherwise support  
6 clean energy investment and projects as determined by the  
7 Fund in keeping with the purposes of this Act.

8 (2) Support financing or other expenditures that  
9 promote investment in clean energy sources in order to (i)  
10 foster the development and commercialization of clean  
11 energy projects, including projects serving low-income,  
12 environmental justice, and BIPOC communities, and (ii)  
13 support project development by MBE and other contractors of  
14 color.

15 (3) Prioritize the provision of public and private  
16 capital for clean energy investment to MBEs and other  
17 contractors of color, and to clean energy investment in  
18 low-income, environmental justice, and BIPOC communities.

19 (4) Provide access to grants, no-cost, and low-cost  
20 loans to MBEs and other contractors of color, including  
21 those participating in the Illinois Clean Energy Black,  
22 Indigenous, and People of Color Primes Contractor  
23 Accelerator Program.

24 (5) Provide financial assistance in the form of grants,  
25 loans, loan guarantees or debt and equity investments, as

1 approved in accordance with written procedures.

2 (6) Assume or take title to any real property, convey  
3 or dispose of its assets and pledge its revenues to secure  
4 any borrowing, convey or dispose of its assets and pledge  
5 its revenues to secure any borrowing, for the purpose of  
6 developing, acquiring, constructing, refinancing,  
7 rehabilitating or improving its assets or supporting its  
8 programs, provided each such borrowing or mortgage, unless  
9 otherwise provided by the board or the Fund, shall be a  
10 special obligation of the Fund, which obligation may be in  
11 the form of bonds, bond anticipation notes or other  
12 obligations which evidence an indebtedness to the extent  
13 permitted under this chapter to Fund, refinance and refund  
14 the same and provide for the rights of holders thereof, and  
15 to secure the same by pledge of revenues, notes and  
16 mortgages of others, and which shall be payable solely from  
17 the assets, revenues and other resources of the Fund and  
18 such bonds may be secured by a special capital reserve Fund  
19 contributed to by the State.

20 (7) Contract with community-based organizations to  
21 design and implement program marketing, communications,  
22 and outreach to potential users of the Fund's products,  
23 particularly potential users in low-income, environmental  
24 justice, and BIPOC communities. These contracts shall  
25 include funding to ensure that the contracted  
26 community-based organizations provide materials and

1 outreach support, including payments for time and  
2 expenses, to other community organizations, professional  
3 organizations, and subcontractors that have an interest in  
4 the Fund's financial products.

5 (8) Collect the following data and perform monthly and  
6 quarterly reporting to the board in accordance with the  
7 reporting format and schedule developed by the Board of  
8 Directors:

9 (A) baseline data on capital sources/providers,  
10 loan recipients, projects funded, loan terms, and  
11 other relevant financial data;

12 (B) diversity and equity data (race, gender,  
13 socioeconomic, geographic region, etc.); and

14 (C) program administration and servicing data.

15 These reports shall be published to the Fund's website  
16 monthly and quarterly. Reports published to the  
17 website may be anonymized to protect the data of  
18 individual program participants.

19 (9) Have the purposes as provided by resolution of the  
20 Fund's board of directors, which purposes shall be  
21 consistent with this Section and Section 5-10 of this Act.  
22 No further action is required for the establishment of the  
23 Fund, except the adoption of a resolution for the Fund.

24 (b) In addition to, and not in limitation of, any other  
25 power of the Fund set forth in this Section or any other  
26 provision of the general statutes, the Fund shall have and may

1 exercise the following powers in furtherance of or in carrying  
2 out its purposes:

3 (1) have perpetual succession as a body corporate and  
4 to adopt bylaws, policies and procedures for the regulation  
5 of its affairs and the conduct of its business;

6 (2) make and enter into all contracts and agreements  
7 that are necessary or incidental to the conduct of its  
8 business;

9 (3) invest in, acquire, lease, purchase, own, manage,  
10 hold, sell and dispose of real or personal property or any  
11 interest therein;

12 (4) borrow money or guarantee a return to investors or  
13 lenders;

14 (5) hold patents, copyrights, trademarks, marketing  
15 rights, licenses or other rights in intellectual property;

16 (6) employ such assistants, agents, and employees as  
17 may be necessary or desirable; establish all necessary or  
18 appropriate personnel practices and policies, including  
19 those relating to hiring, promotion, compensation and  
20 retirement, and engage consultants, attorneys, financial  
21 advisers, appraisers and other professional advisers as  
22 may be necessary or desirable;

23 (7) invest any funds not needed for immediate use or  
24 disbursement pursuant to investment policies adopted by  
25 the Fund's board of directors;

26 (8) procure insurance against any loss or liability

1 with respect to its property or business of such types, in  
2 such amounts and from such insurers as it deems desirable;

3 (9) enter into joint ventures and invest in, and  
4 participate with any person, including, without  
5 limitation, government entities and private corporations,  
6 in the formation, ownership, management and operation of  
7 business entities, including stock and nonstock  
8 corporations, limited liability companies and general or  
9 limited partnerships, formed to advance the purposes of the  
10 Fund, provided members of the board of directors or  
11 officers or employees of the Fund may serve as directors,  
12 members or officers of any such business entity, and such  
13 service shall be deemed to be in the discharge of the  
14 duties or within the scope of the employment of any such  
15 director, officer or employee, as the case may be, so long  
16 as such director, officer or employee does not receive any  
17 compensation or financial benefit as a result of serving in  
18 such role; and

19 (10) all other acts necessary or convenient to carry  
20 out the purposes of this Act.

21 (c) Before making any loan, loan guarantee, or such other  
22 form of financing support or risk management for a clean energy  
23 project, the Fund shall develop standards to govern the  
24 administration of the Fund through rules, policies and  
25 procedures that specify borrower eligibility, terms and  
26 conditions of support, and other relevant criteria, standards,

1 or procedures.

2 (d) Capitalization. The Fund shall be capitalized with \$100  
3 million from the Energy Community Reinvestment Fund within the  
4 first year after the enacted date of this Act. The Fund will  
5 receive additional capitalization of \$40 million each year  
6 thereafter. Funding sources specifically authorized include,  
7 but are not limited to:

8 (1) funds repurposed from existing programs providing  
9 financing support for clean energy projects, provided any  
10 transfer of funds from such existing programs shall be  
11 subject to approval by the General Assembly and shall be  
12 used for expenses of financing, grants and loans;

13 (2) any federal funds that can be used for the purposes  
14 specified in this Act;

15 (3) charitable gifts, grants, contributions as well as  
16 loans from individuals, corporations, university  
17 endowments and philanthropic foundations; and

18 (4) earnings and interest derived from financing  
19 support activities for clean energy projects backed by the  
20 Fund.

21 (e) The Fund may enter into agreements with private sources  
22 to raise capital.

23 (f) The Fund may assess reasonable fees on its financing  
24 activities to cover its reasonable costs and expenses, as  
25 determined by the board.

26 (g) The Fund shall make information regarding the rates,

1 terms and conditions for all of its financing support  
2 transactions available to the public for inspection, including  
3 formal annual reviews by both a private auditor conducted  
4 pursuant this Section and the Comptroller, and provide details  
5 to the public on the Internet, provided public disclosure shall  
6 be restricted for patentable ideas, trade secrets, proprietary  
7 or confidential commercial or financial information,  
8 disclosure of which may cause commercial harm to a  
9 nongovernmental recipient of such financing support and for  
10 other information exempt from public records disclosure.

11 (h) The powers enumerated in this Section shall be  
12 interpreted broadly to effectuate the purposes established in  
13 this Section and shall not be construed as a limitation of  
14 powers.

15 Section 10-30. Primary responsibilities in early program  
16 development.

17 (a) Consistent with the goals of this Act, the Fund has the  
18 authority to pursue a broad range of financial products and  
19 services. In early development of products and services  
20 offered, the Fund should consider the following programs as its  
21 initial set of investment initiatives:

22 (1) a solar lease, power-purchase agreement, or  
23 loan-to-own product specifically designed to complement  
24 and grow the Illinois Solar for All program;

25 (2) direct capitalization of contractors of color



1 participating in or graduating from the workforce and  
2 business development programs established in the Clean  
3 Jobs, Workforce and Contractor Equity Act;

4 (3) providing direct capitalization of community-based  
5 projects in environmental justice communities through  
6 upfront grants. Project applications should provide a  
7 community benefit, align with environmental justice  
8 communities, be in support of this Act's contractor and  
9 workforce development goals, and support upfront planning,  
10 development, and start up costs that often are not covered  
11 prior to applying for program incentives and other loan  
12 products;

13 (4) Providing loan loss reserve products to secure  
14 stable and low-interest financing for individual projects  
15 and portfolios consistent with the goals of this Act that  
16 would be otherwise unable to receive financing; and

17 (5) offering financing and administrative services for  
18 municipal utilities and rural electric cooperatives to  
19 create their own equitable on-bill financing program  
20 similar to the pay-as-you-save model.

21 Section 10-35. Executive director and fund management.

22 (a) The executive director hired by the board shall have  
23 the same qualifications as a director pursuant to subsection  
24 (d) Section 10-10 of this Act. The executive director may not  
25 be a candidate for the Board of Directors while serving as

1 executive director. The executive director must have 5 or more  
2 years of experience in equitable and inclusive financing  
3 serving racially and socioeconomically diverse communities.

4 (b) To hire the executive director, the board shall adhere  
5 to any applicable State or federal law prohibiting  
6 discrimination in employment.

7 (c) The board shall require all applicants for the position  
8 of executive director of the Fund to file a financial statement  
9 consistent with requirements established by the board. The  
10 board shall require the executive director to file a current  
11 statement annually.

12 (d) The Fund shall be administered by the executive  
13 director and the staff and overseen by the Board of Directors.  
14 Fund officers and staff shall receive training in how to best  
15 provide services and support to low-income, environmental  
16 justice, and BIPOC communities and on supporting borrowers with  
17 loan applications, loan underwriting, and loan services.

18 Section 10-40. Dissolution. The Fund may dissolve or be  
19 dissolved under the General Not for Profit Corporation Act.

20 Article 15. Community Energy, Climate, and Jobs Planning Act

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

1       Section 15-5. Findings. The General Assembly makes the  
2 following findings:

3           (1) The health, welfare, and prosperity of Illinois  
4 residents require that Illinois take all steps possible to  
5 combat climate change, address harmful environmental  
6 impacts deriving from the generation of electricity,  
7 maximize quality job creation in the emerging clean energy  
8 economy, ensure affordable utility service, equitable and  
9 affordable access to transportation, and clean, safe,  
10 affordable housing.

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

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

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

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

1 "Disadvantaged worker" means an individual who is defined  
2 as: (1) being homeless; (2) being a custodial single parent;  
3 (3) being a recipient of public assistance; (4) lacking a high  
4 school diploma or high school equivalency; (5) having a  
5 criminal record or other involvement in the criminal justice  
6 system; (6) suffering from chronic unemployment; (7) being  
7 previously in the child welfare system; or (8) being a veteran.

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  
26 to reduce the energy use of the lighting system;

1           (7) energy controls or recovery systems;

2           (8) day lighting systems;

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

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

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

14      "Governing body" means the county board or board of county  
15      commissioners of a county or the city council or board of  
16      trustees of a municipality.

17      "Local Employment Plan" means a bidding option that public  
18      agencies may include in requests for proposals to incentivize  
19      bidders to voluntarily plan to retain and create high-skilled  
20      local manufacturing jobs; invest in preapprenticeship,  
21      apprenticeship, and training opportunities; and develop  
22      family-sustaining career pathways into clean energy industries  
23      for disadvantaged workers in a specified local area. The Local  
24      Employment Plan only applies to work that is not financed with  
25      federal money.

26      "Local unit of government" means a county or municipality.

1 "Natural climate solutions" means conservation,  
2 restoration, or improved land management actions that increase  
3 carbon storage or avoid greenhouse gas emissions on natural and  
4 working lands.

5 "Nature-based approaches for climate adaptation" means  
6 actions that preserve, enhance, or expand functions provided by  
7 nature that increase capacity to manage adverse conditions  
8 created or exacerbated by climate change. "Nature-based  
9 approaches for climate adaptation" includes, but is not limited  
10 to, the restoration of native ecosystems, especially  
11 floodplains; installation of bioswales, rain gardens, and  
12 other green stormwater infrastructure; and practices that  
13 increase soil health and reduce urban heat island effects.

14 "Public agency" means the State of Illinois or any of its  
15 government bodies and subdivisions, including the various  
16 counties, townships, municipalities, school districts,  
17 educational service regions, special road districts, public  
18 water supply districts, drainage districts, levee districts,  
19 sewer districts, housing authorities, and transit agencies.

20 "Renewable energy resource" includes energy and its  
21 associated renewable energy credit or renewable energy credits  
22 from wind energy, solar thermal energy, geothermal energy,  
23 photovoltaic cells and panels, biodiesel, anaerobic digestion,  
24 and hydropower that does not involve new construction or  
25 significant expansion of hydropower dams. For purposes of this  
26 Act, landfill gas produced in the State is considered a

1 renewable energy resource. "Renewable energy resource" does  
2 not include the incineration or burning of any solid material.

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

9 "U.S. Employment Plan" means a bidding option that public  
10 agencies may include in requests for proposals to incentivize  
11 bidders to voluntarily plan to retain and create high-skilled  
12 U.S. manufacturing jobs; invest in preapprenticeship,  
13 apprenticeship, and training opportunities; and develop  
14 family-sustaining career pathways into clean energy industries  
15 for disadvantaged workers throughout the U.S. The U.S.  
16 Employment Plan only applies to work financed with federal  
17 money.

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

23 Section 15-15. Community Energy, Climate, and Jobs Plans;  
24 creation.

25 (a) Pursuant to the procedures in Section 15-20, a local

1 unit of government may establish Community Energy, Climate, and  
2 Jobs Plans and identify boundaries and areas covered by the  
3 Plans.

4 (b) Community Energy, Climate, and Jobs Plans are intended  
5 to aid local governments in developing a comprehensive approach  
6 to combining different energy, climate, and jobs programs and  
7 funding resources to achieve complementary impact. An  
8 effective planning process may:

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

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

14 (3) expand access to workforce development and job  
15 training opportunities for disadvantaged workers in the  
16 emerging clean energy economy;

17 (4) incentivize the creation and retention of quality  
18 Illinois jobs (when federal funds are not involved) in the  
19 emerging clean energy economy;

20 (5) incentivize the creation and retention of quality  
21 U.S. jobs in the emerging clean energy economy;

22 (6) promote economic development through improvements  
23 in community infrastructure, transit, and support for  
24 local business;

25 (7) improve the health of Illinois communities by  
26 reducing emissions, addressing existing brownfield areas,



1 and promoting the integration of distributed energy  
2 resources;

3 (8) enable greater customer engagement, empowerment,  
4 and options for energy services, and ultimately reduce  
5 utility bills for Illinoisans;

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

9 (10) support existing Illinois policy goals promoting  
10 energy efficiency, demand response, and investments in  
11 renewable energy resources;

12 (11) enable communities to better respond to extreme  
13 heat and cold emergencies; and

14 (12) explore opportunities to expand and improve  
15 carbon sequestration, recreational amenities, wildlife  
16 habitat, flood mitigation, agricultural production,  
17 tourism, and similar co-benefits by deploying natural  
18 climate solutions and nature-based approaches for climate  
19 adaptation.

20 (c) A Community Energy, Climate, and Jobs Plan may include  
21 discussion of:

22 (1) the demographics of the community, including  
23 information on the mix of residential and commercial areas  
24 and populations, ages, languages, education, and workforce  
25 training, including an examination of the average utility  
26 bills paid within the community by class and census area,

1 the percentage and locations of individuals requiring  
2 energy assistance, and participation of community members  
3 in other assistance programs; and also including an  
4 examination of the community's energy use, whether of  
5 electricity, natural gas, or other fuels and whether for  
6 transportation or other purposes;

7 (2) the geography of the community, including the  
8 amount of green space, brownfield sites, farmland,  
9 waterways, flood zones, heat islands, areas for potential  
10 development, location of critical infrastructure such as  
11 emergency response facilities, health care and education  
12 facilities, and public transportation routes;

13 (3) information on economic development opportunities,  
14 commercial usage, and employment opportunities;

15 (4) the current status of zero-emission vehicles  
16 operated by or on behalf of public agencies within the  
17 community; and

18 (5) other topics deemed applicable by the community.

19 (d) A Community Energy, Climate, and Jobs Plan may address  
20 the following areas:

21 (1) distributed energy resources, including energy  
22 efficiency, demand response, dynamic pricing, energy  
23 storage, and solar (thermal, rooftop, and community);

24 (2) building codes (both commercial and residential);

25 (3) vehicle miles traveled;

26 (4) transit options, including individual car

1 ownership, ride sharing, buses, trains, bicycles, and  
2 pedestrian walkways;

3 (5) community assets related to extreme heat  
4 emergencies, such as cooling and warming centers;

5 (6) public agency procurements of zero-emission,  
6 electric vehicles; and

7 (7) networks of natural resources and infrastructure.

8 (e) A Community Energy, Climate, and Jobs Plan may conclude  
9 with proposals to:

10 (1) increase the use of electricity as a transportation  
11 fuel at multi-unit dwellings;

12 (2) maximize the system-wide benefits of  
13 transportation electrification;

14 (3) direct public agencies to implement tools, such as  
15 the U.S. Employment Plan or a Local Employment Plan, to  
16 incentivize manufacturers in clean energy industries to  
17 create and retain quality jobs and invest in training,  
18 workforce development, and apprenticeship programs in  
19 connection to a major contract;

20 (4) test innovative load management programs or rate  
21 structures associated with the use of electric vehicles by  
22 residential customers to achieve customer fuel cost  
23 savings relative to gasoline or diesel fuels and to  
24 optimize grid efficiency;

25 (5) increase the integration of distributed energy  
26 resources in the community;

1           (6) significantly expand the percentage of net-zero  
2       housing and net-zero buildings in the community;

3           (7) improve utility bill affordability;

4           (8) increase mass transit ridership;

5           (9) decrease vehicle miles traveled;

6           (10) reduce local emissions of greenhouse gases, NO<sub>x</sub>,  
7       SO<sub>x</sub>, particulate matter, and other air pollutants; and

8           (11) improve community assets that help residents  
9       respond to extreme heat and cold emergencies.

10       (f) A Community Energy, Climate, and Jobs Plan may be  
11       administered by one or more program administrators or the local  
12       unit of government.

13       (g) To be eligible for participation or funding through the  
14       Clean Energy Empowerment Zone pilot projects, as provided under  
15       Section 16-108.9 of the Public Utilities Act, or the  
16       Carbon-Free Last Mile of Commutes Program, described in Section  
17       35 of the Electric Vehicle Act, a unit of local government  
18       shall include in its Community Energy, Climate, and Jobs Plans  
19       the information necessary for participation in these programs  
20       and projects.

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

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

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

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

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

20           Section 15-20. Community Energy, Climate, and Jobs  
21           Planning process.

22           (a) An effective planning process shall engage with a  
23           diverse set of stakeholders in local communities, including:  
24           environmental justice organizations; economic development  
25           organizations; faith-based nonprofit organizations;

1 educational institutions; interested residents; health care  
2 institutions; tenant organizations; housing institutions,  
3 developers, and owners; elected and appointed officials; and  
4 representatives reflective of each local community.

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

9 (c) Plan materials and meetings related to the Plan shall  
10 be translated into languages that reflect the makeup of the  
11 local community.

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

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

22 Article 20. Energy Community Reinvestment Act

23 Section 20-1. Short title. This Article may be cited as the

1 Energy Community Reinvestment Act. References in this Article  
2 to "this Act" mean this Article.

3 Section 20-5. Findings. The General Assembly finds that, as  
4 part of putting Illinois on a path to 100% renewable energy,  
5 the State of Illinois should ensure a just transition to that  
6 goal, providing support for the transition of Illinois'  
7 communities and workers impacted by closures or reduced use of  
8 fossil fuel power plants, nuclear power plants, or coal mines  
9 by allocating new economic development resources for business  
10 tax incentives, workforce training, site clean-up and reuse,  
11 and local tax revenue replacement.

12 The General Assembly finds and declares that the health,  
13 safety, and welfare of the people of this State are dependent  
14 upon a healthy economy and vibrant communities; that the  
15 closure of fossil fuel power plants, nuclear power plants, and  
16 coal mines across the State have a significant impact on their  
17 surrounding communities; that the expansion of renewable  
18 energy creates significant job growth and contributes  
19 significantly to the health, safety, and welfare of the people  
20 of this State; that the continual encouragement, development,  
21 growth, and expansion of renewable energy within the State  
22 requires a cooperative and continuous partnership between  
23 government and the renewable energy sector; and that there are  
24 certain areas in this State that have lost, or will lose, jobs  
25 due to the closure of fossil fuel power plants, nuclear power

1 plants, and coal mines and need the particular attention of  
2 government, labor, and the residents of Illinois to help  
3 attract new investment into these areas and directly aid the  
4 local community and its residents.

5 Therefore, it is declared to be the purpose of this Act to  
6 explore ways of stimulating the growth of new private  
7 investment, including renewable energy investment, in this  
8 State and to foster job growth in areas impacted by the closure  
9 of coal energy plants, coal mines, and nuclear energy plants.

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

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

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

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

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

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

24 "Displaced energy worker" means an energy worker who has  
25 lost employment, or is anticipated by the Department to lose



1 employment within the next 2 years, due to the reduced  
2 operation or closure of a fossil fuel power plant, nuclear  
3 power plant, or coal mine.

4 "Energy worker" means a person who has been employed  
5 full-time for a period of one year or longer, and within the  
6 previous 5 years, at a fossil fuel power plant, a nuclear power  
7 plant, or a coal mine located within the State of Illinois,  
8 whether or not they are employed by the owner of the power  
9 plant or mine. Energy workers are considered to be full-time if  
10 they work at least 35 hours per week for 45 weeks a year or the  
11 1,820 work-hour equivalent with vacations, paid holidays, and  
12 sick time, but not overtime, included in this computation.  
13 Classification of an individual as an energy worker continues  
14 for 5 years from the latest date of employment or the effective  
15 date of this Act, whichever is later.

16 "Environmental justice communities" means the definition  
17 of that term based on existing methodologies and findings, used  
18 and as may be updated by the Illinois Power Agency and its  
19 program administrator in the Illinois Solar for All Program.

20 "Fossil fuel power plant" means an electric generating  
21 facility powered by gas, coal, other fossil fuels, or a  
22 combination thereof.

23 "Low-income" means persons and families whose income does  
24 not exceed 80% of area median income, adjusted for family size  
25 and revised every 2 years.

26 "Local labor market area" means an economically integrated

1 area within which individuals reside and find employment within  
2 a reasonable distance of their places of residence or can  
3 readily change jobs without changing their places of residence.

4 "Renewable energy enterprise" means a company that is  
5 engaged in the production, manufacturing, distribution, or  
6 development of renewable energy resources and associated  
7 technologies.

8 "Renewable energy project" means a project conducted by a  
9 renewable energy enterprise for the purpose of generating  
10 renewable energy resources or energy storage.

11 "Renewable energy resources" has the meaning set forth in  
12 Section 1-10 of the Illinois Power Agency Act.

13 "Rule" has the meaning set forth in Section 1-70 of the  
14 Illinois Administrative Procedure Act.

15 Section 20-15. Designation of Clean Energy Empowerment  
16 Zones.

17 (a) Purpose. It is the intent of the General Assembly that  
18 designation of a community as a Clean Energy Empowerment Zone  
19 shall be reserved for communities that have experienced  
20 economic or environmental hardship due to the energy transition  
21 or fossil fuel power generation and extraction. The purpose of  
22 this Section 20-15 is to establish an efficient and equitable  
23 process by which the Department and communities across the  
24 State may seek the designation of Clean Energy Empowerment  
25 Zones, thereby allowing for economic and environmental

1 benefits of the clean energy economy to be obtained by  
2 communities that have been deprived of these benefits. The  
3 process conducted by the Department, the Board, and  
4 participating units of local government shall be as transparent  
5 and inclusive as is reasonably practical.

6 (b) Notification of local governments. Within 30 days after  
7 the effective date of this Act, the Department shall publish a  
8 notice on its website stating its intention to begin the review  
9 of potential locations for Clean Energy Empowerment Zone  
10 regional designations, and solicit information from the public  
11 on this topic. Within 45 days after the effective date of this  
12 Act, the Department shall submit a notice to the county board  
13 of each jurisdiction in which a fossil fuel power plant, coal  
14 mine, or nuclear power plant is located, informing the local  
15 governments of their intention to develop a list of Clean  
16 Energy Empowerment Zones, providing a basic explanation of the  
17 benefits of designation as a Clean Energy Empowerment Zone, and  
18 informing them of participation opportunities in the  
19 designation process. The Department may notify other persons or  
20 local government units of this process at any time.

21 (c) Proposed list of Clean Energy Empowerment Zones. Within  
22 120 days after the effective date of this Act, the Department  
23 of Commerce and Economic Opportunity shall develop a proposed  
24 list of geographic regions in Illinois that qualify as Clean  
25 Energy Empowerment Zones. The Department shall work with the  
26 Illinois Environmental Protection Agency, the Commission on

1 Environmental Justice, the Department of Labor, the Department  
2 of Natural Resources, and community organizations to identify  
3 regions impacted by the decline of coal generation, gas  
4 generation, nuclear generation, and coal mining to develop the  
5 recommended list of regions that qualify for Clean Energy  
6 Empowerment Zone designations. The Department shall furnish  
7 maps that identify the proposed boundaries of proposed Clean  
8 Energy Empowerment Zones, and include justification for the  
9 inclusion or exclusion of certain locations or regions. The  
10 proposed list shall be subject to the notice and comment  
11 process established in subsection (e).

12 (d) Criteria for designation as a Clean Energy Empowerment  
13 Zone. A region shall be proposed by the Department, and  
14 certified by the Board as a Clean Energy Empowerment Zone if it  
15 meets all of the following characteristics listed in paragraphs  
16 (1) through (3) of this subsection (d).

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

20 (2) The region satisfies any additional criteria  
21 established by the Department consistent with the purposes  
22 of this Act; and

23 (3) The region meets one or more of the following:

24 (A) the area contains a fossil fuel or nuclear  
25 power plant that was retired from service or has  
26 significantly reduced service within 10 years before

1 the application for designation or will be retired or  
2 have service significantly reduced within 5 years  
3 following the application for designation;

4 (B) the area contains a coal mine that was closed  
5 or had operations significantly reduced within 10  
6 years before the application for designation or is  
7 anticipated to be closed or have operations  
8 significantly reduced within 5 years following the  
9 application for designation; or

10 (C) the area contains a nuclear power plant that  
11 was decommissioned, but continued storing nuclear  
12 waste before the effective date of this Act.

13 (e) Review and comment process. After developing the  
14 proposed list of regions to be designated as Clean Energy  
15 Empowerment Zones, or proposing additions to the list, the  
16 Department shall conduct a 60-day public comment process, in  
17 partnership with the other agencies, departments, and units of  
18 local government where beneficial for the purposes of this  
19 Section. The public comment process shall include, at a  
20 minimum, 2 public hearings that are accessible to working  
21 residents, shall prioritize the solicitation of feedback from  
22 environmental justice communities and communities directly  
23 impacted by the Clean Energy Empowerment Zone designation, and  
24 shall provide for the submission of written comments through  
25 the Internet.

26 Within 30 days after concluding the public comment process,

1 the Department shall modify or finalize the proposed list of  
2 geographic regions that qualify as Clean Energy Empowerment  
3 Zones and submit the list to the Clean Energy Empowerment Zone  
4 Board for approval or modification as described in Section  
5 20-20.

6 (f) Local government self-designation. After the  
7 Department submits its first list of proposed Clean Energy  
8 Empowerment Zones to the Board, units of local government may,  
9 on an ongoing basis, submit applications to the Department to  
10 designate an area wholly or partially in their jurisdiction as  
11 a Clean Energy Empowerment Zone if the Department has not  
12 proposed the region as a potential Clean Energy Empowerment  
13 Zone to the Board. Multiple units of local government may  
14 submit a joint application for designation if the proposed  
15 region or regions fall partially or wholly within their  
16 combined jurisdictions. A unit of local government may submit  
17 an application to the Department if:

18 (1) the area meets the criteria for designation as a  
19 Clean Energy Empowerment Zone established in subsection  
20 (d); and

21 (2) the unit of local government has conducted at least  
22 one public hearing within the proposed Zone area  
23 considering all of the following questions: (A) whether to  
24 create the Zone; (B) what local plans, tax incentives, and  
25 other programs should be established in connection with the  
26 zone; and (C) what the boundaries of the Zone should be.

1 Public notice of the hearing shall be published in at least  
2 one newspaper of general circulation within the Zone area,  
3 not more than 21 days nor less than 7 days before the  
4 hearing.

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

24 Within 60 days after receiving an application from a unit  
25 of local government, the Department shall review the  
26 application to determine whether the designated area qualifies

1 as a Clean Energy Empowerment Zone under this Section, and  
2 submit its recommendation to the Clean Energy Empowerment Zone  
3 Board including all necessary information and records for the  
4 Board to review, as described in Section 20-20. Within 7 days  
5 after submitting the recommendation to the Board, the  
6 Department shall provide a copy of its recommendation to the  
7 applicant, including all supporting documents and information  
8 submitted to the Board.

9 (g) Application process. The Department shall, no later  
10 than April 1, 2021, develop an ongoing application process for  
11 Clean Energy Empowerment Zone applications by units of local  
12 government. The application process shall be open during the  
13 period of April 1, 2021 through January 1, 2050. The  
14 Department, or any predecessor of the Department, may extend  
15 the application process beyond that date if it deems it is  
16 necessary or prudent to accomplish the purpose of this Act.

17 (h) Length of designation. A Clean Energy Empowerment Zone  
18 designation lasts for 10 years from the effective date of the  
19 designation and shall be subject to review by the Board after  
20 10 years for an additional 10-year designation beginning on the  
21 expiration date of the Clean Energy Empowerment Zone. During  
22 the review process, the Board shall consider the costs incurred  
23 by the State and units of local government as a result of  
24 benefits received by the Clean Energy Empowerment Zone.

25 (i) Emergency rulemaking. The Department has emergency  
26 rulemaking authority for the purpose of implementation of this



1 Section until 12 months after the effective date of this Act as  
2 provided under Section 5-45 of the Illinois Administrative  
3 Procedure Act.

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

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

7 (b) The Board shall consist of 8 voting members, one of  
8 whom shall be the Director of Commerce and Economic  
9 Opportunity, or his or her designee, who shall serve as  
10 chairperson; one of whom shall be the Director of Revenue, or  
11 his or her designee; 2 of whom shall be members appointed by  
12 the Governor, with the advice and consent of the Senate; one of  
13 whom shall be appointed by the Speaker of the House of  
14 Representatives; one of whom shall be appointed by the  
15 President of the Senate; one of whom shall be appointed by the  
16 Minority Leader of the House; and one of whom shall be  
17 appointed by the Minority Leader of the Senate. Designees shall  
18 be appointed within 60 days after a vacancy. No fewer than 4 of  
19 the 8 voting members shall consist of low-income residents or  
20 residents of environmental justice communities. At least one of  
21 the Board members shall be a representative of organized labor.  
22 All meetings shall be accessible, with rotating locations,  
23 call-in options, and materials and agendas circulated well in  
24 advance, and there shall also be opportunities for input  
25 outside of meetings from those with limited capacity and

1 ability to attend, via one-on-one meetings, surveys, and calls.

2 Board members shall serve without compensation, but may be  
3 reimbursed for necessary expenses incurred in the performance  
4 of their duties from funds appropriated for that purpose. Each  
5 member appointed shall have at least 5 years of experience in  
6 business development or economic development. The Department  
7 of Commerce and Economic Opportunity shall provide  
8 administrative support to the Board, including the selection of  
9 a Department staff member to serve as a Board Liaison between  
10 the Department and the Advisory Board.

11 (c) All final actions by the Board pursuant to this  
12 subsection (c) shall require approval by a simple majority of  
13 the Board. The Board shall have the following duties:

14 (1) reviewing applications and extensions for  
15 designation as a Clean Energy Empowerment Zone, including  
16 Department recommendations, testimony from public  
17 hearings, public comment, and supporting materials;

18 (2) voting to approve, disapprove, or modify  
19 applications for designation and extensions as a Clean  
20 Energy Empowerment Zones;

21 (3) the approval of tax credits under the Clean Energy  
22 Empowerment Zone Tax Credit Act; and

23 (4) modifying applications for designation or  
24 extensions as a Clean Energy Empowerment Zone before  
25 approval.

26 (d) Deadlines for responses by the Board. Within 60 days

1 after submission of applications or tax credits, pursuant to  
2 subsection (c) of this Section, to the Board by the Department,  
3 the Board shall approve, disapprove, or modify applications for  
4 certification of regions as Clean Energy Empowerment Zones. If  
5 the Board does not take final action on a submission within 60  
6 days after the submission, the application submitted by the  
7 Department shall be considered approved, and the regions  
8 proposed in the application shall be certified as Clean Energy  
9 Empowerment Zones.

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

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

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

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

25 (d) Renewable energy enterprises located in a Clean Energy

1 Empowerment Zone that meet the qualifications of Section  
2 9-222.1B of the Public Utilities Act are exempt, in part or in  
3 whole, from State and local taxes on gas and electricity.

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

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

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

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

16 Section 20-35. Supporting impacted communities.

17 (a) No later than July 1, 2021, the Department shall  
18 develop a process for accepting applications from units of  
19 local government included in Clean Energy Empowerment Zones to  
20 mitigate the impact of an annual reduction of at least 30% in  
21 the sum of property tax revenue or other direct payments, or  
22 both, from fossil fuel power plants or coal mines to local  
23 governments due to the retirement, or reduced operation, of the  
24 power plant or mine that occurred after January 1, 2016. In the

1 case of reduced operation, the proposal may only be accepted if  
2 the reduction in operation is reasonably expected to be  
3 permanent. The Department shall accept applications on an  
4 ongoing basis after beginning the program. Local government  
5 units may submit applications jointly.

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, taking  
13 into consideration the net amount of any increase in  
14 payments from any other State source, including, but not  
15 limited to, funding provided based on an evidence-based  
16 funding formula developed by the Illinois State Board of  
17 Education.

18 (2) The highest annual payment to the unit of local  
19 government cannot exceed the lower value of either (i) the  
20 average annual sum of property tax and other direct  
21 payments from the fossil fuel power plant or coal mine to  
22 the unit of local government from the most recent 3 taxable  
23 years before the reduction or cessation of operation of the  
24 fossil fuel power plant or coal mine, or (ii) the  
25 difference between projected local government revenue for  
26 the years for which assistance is requested (taking into

1 account reasonably anticipated new revenue sources) and  
2 the average local government revenue from the most recent 3  
3 taxable years before the reduction or cessation of fossil  
4 fuel power plant or coal mine operation. The Department may  
5 choose to consider budget information from prior years if  
6 doing so allows the Department to better measure the  
7 revenue impacts of the energy transition.

8 (3) The Department shall not provide funding under this  
9 Program that exceeds the amount specified in this paragraph  
10 (3) to any local government unit. Each unit of local  
11 government shall not be granted by the Department a total  
12 amount of funding over the lifetime of this Program, for  
13 each fossil fuel power plant or coal mine, that is greater  
14 than 5 times the average annual sum of property tax  
15 payments and other direct payments from the fossil fuel  
16 power plant or coal mine to the unit of local government,  
17 calculated based on the most recent 3 taxable years that  
18 occurred before the reduction or cessation of operation of  
19 the fossil fuel power plant or coal mine.

20 (4) The Department may develop a payment schedule that  
21 phases out support over time, based on its analysis of  
22 available present and anticipated future funding in the  
23 Energy Community Reinvestment Fund or other reasons  
24 consistent with the purposes of this Act.

25 (5) If the total amount of qualified proposals exceeds  
26 the available present and anticipated future funding in the

1 Energy Community Reinvestment Fund, the Department may  
2 prorate payments to units of local government, or  
3 prioritize communities for investment based on an  
4 environmental justice screen in coordination with the  
5 Commission on Environmental Justice, and input from  
6 stakeholders. The Department shall allocate funding in an  
7 equitable and effective manner. Nothing in this Act shall  
8 be interpreted to infer that units of local government have  
9 a right to revenue replacement from the State.

10 (6) Funding allocated under this program may not be  
11 used to support fossil fuel power plants, nuclear power  
12 plants, or coal mines in any form. Any local government  
13 unit that uses funds provided under this Act to support  
14 fossil fuel power plants, nuclear power plants, or coal  
15 mines shall reimburse the State for all funding used for  
16 that purpose. If requested, the Department shall provide  
17 guidance to local government units on whether a proposed  
18 use of funds is considered a violation of this requirement.

19 (7) At least once every 2 years following the  
20 allocation of funds for this program, the Department shall  
21 publish a document available online detailing the  
22 allocation of funds, including a map that shows the  
23 geographic distribution of the funds and the locations of  
24 Clean Energy Empowerment Zones.

25 (c) The Department shall contact all units of local  
26 government in Clean Energy Empowerment Zones and provide

1 information on the application process for funding under this  
2 Section and a reasonable estimate of total funding that will be  
3 available for this program. The Department shall request that  
4 applications for funding contain the information necessary for  
5 the Department to evaluate the fiscal impact of the energy  
6 transition on communities located in Clean Energy Empowerment  
7 Zones; however the Department shall allow for reasonable  
8 flexibility in the applications to accommodate local  
9 government units that may have less resources available to  
10 prepare an application. The Department shall, to the extent  
11 practical, assist local government units in the application  
12 process.

13 (d) The Department shall develop rules to implement the  
14 provisions of this Section.

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

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

19 (b) Local Clean Energy Empowerment Task Forces shall  
20 include a broad range of local stakeholders to inform  
21 transition needs and include, at a minimum, elected  
22 representatives from municipal and State governments,  
23 operators of local power plants or mines, multiple  
24 representatives from community-based organizations, local  
25 environmental, fish, or wildlife groups, organized labor, and



1 the Illinois Environmental Protection Agency.

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

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

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

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

22 Section 20-45. Energy Transition Workforce Commission.

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

1           (b) The Commission shall consist of the following 8  
2 members:

3           (1) the Director of Commerce and Economic Opportunity,  
4 or his or her designee, who shall serve as chairperson;

5           (2) the Director of Labor, or his or her designee;

6           (3) the 3 program administrators of the Clean Jobs  
7 Workforce Hubs Program; and

8           (4) 3 members appointed by the Governor, with the  
9 advice and consent of the Senate, of which at least one  
10 shall be from organized labor and at least one shall be a  
11 resident of an environmental justice community.

12          Designees shall be appointed within 60 days after a  
13 vacancy.

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

20          (d) Within 120 days after the effective date of this Act,  
21 the Commission shall produce an Energy Transition Workforce  
22 Report regarding the anticipated impact of the energy  
23 transition and a comprehensive set of recommendations to  
24 address changes to the Illinois workforce during the period of  
25 2020 through 2050, or a later year. The report shall contain  
26 the following elements, designed to be used for the programs

1 created in this Act:

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

4 (A) a comprehensive accounting of all employees  
5 who currently work in fossil fuel energy generation,  
6 nuclear energy generation, and coal mining in the  
7 State; this shall include information on their  
8 location, employer, salary ranges, full-time or  
9 part-time status, nature of their work, educational  
10 attainment, union status, and other factors the  
11 Commission finds relevant; the Commission shall keep a  
12 confidential list of these employees and the  
13 information necessary to identify them for the purpose  
14 of their eligibility to participate in programs  
15 designed for their benefit;

16 (B) the anticipated schedule of closures of fossil  
17 fuel power plants, nuclear power plants, and coal mines  
18 across the State; when information is unavailable to  
19 provide exact data, the report shall include  
20 approximations based upon the best available  
21 information;

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

26 (D) the likely outcome for workers who are employed

1 by facilities that are anticipated to close or have  
2 significant layoffs during their tenure or lifetime.

3 (2) Information regarding impact on communities and  
4 local governments, including:

5 (A) changes in the revenue for units of local  
6 government in areas that currently or recently have had  
7 a closure or reduction in operation of a fossil fuel  
8 power plant, nuclear power plant, coal mine, or related  
9 industry;

10 (B) environmental impacts in areas that currently  
11 or recently have had fossil fuel power plants, coal  
12 mines, nuclear power plants, or related industry; and

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

17 (3) Information on emerging industries and State  
18 economic development opportunities in regions that have  
19 historically been the site of fossil fuel power plants,  
20 nuclear power plants, or coal mining.

21 (e) Following the completion of each report, or if the  
22 Department finds that it is prudent to begin before the  
23 completion of a report, the Department shall coordinate with  
24 the Commission to create a comprehensive draft plan for  
25 designing, maintaining, and funding programs established under  
26 this Act, including the Energy Workforce Development Program

1 created under Section 20-50, the Energy Community Development  
2 Program created under Section 20-55, and the Displaced Energy  
3 Workers Bill of Rights provided under Section 20-60. The draft  
4 plan shall include, at a minimum, the following information:

5 (1) A detailed accounting of the anticipated costs for  
6 each program and the anticipated amount of funding that  
7 will be provided for each program.

8 (2) Information on the locations at which each program  
9 shall have services provided. If this information is not  
10 yet known by the Department at the time of the plan's  
11 drafting, the Department shall generally explain how they  
12 intend to determine the program locations.

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

18 (f) The Department shall periodically review its findings  
19 in the developed reports and make modifications to the report  
20 and programs based on new findings. The Department shall  
21 conduct a comprehensive reevaluation of the report, and publish  
22 a modified version along with a new draft plan, on each of the  
23 following years following initial publication: 2023; 2027;  
24 2030; 2035; 2040; and any year thereafter which the Department  
25 determines is necessary or prudent.

1           Section 20-50. Energy Workforce Development Program.

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

5           (b) The Director of Commerce and Economic Opportunity shall  
6 design, develop, and administer the Energy Workforce  
7 Development Program. The Energy Workforce Development Program  
8 shall include the following elements:

9           (1) comprehensive career services for displaced energy  
10 workers, including advising displaced energy workers  
11 looking for new positions on finding new employment or  
12 preparing for retirement;

13           (2) communication services to provide displaced energy  
14 workers advance notice of any power plant or coal mine  
15 closures that are likely to result in a loss of employment  
16 for the energy worker;

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

22           (4) the creation and maintenance of a registry of all  
23 persons in Illinois who qualify as an energy worker to use  
24 for coordination with programs created under this Act or  
25 other benefits for those workers, including all  
26 information necessary or beneficial for the implementation

1 of this Act;

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

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

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

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

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

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

20 (4) to design the Energy Workforce Development Program  
21 to work in collaboration with the Displaced Energy Workers  
22 Bill of Rights; and

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

24 Section 20-55. Energy Community Development Program.

25 (a) The purpose of the Energy Community Development Program

1 is to proactively assist Clean Energy Empowerment Zone  
2 communities in their search for economic opportunities leading  
3 up to and after the closure of a fossil fuel power plant,  
4 nuclear power plant, or coal mine.

5 (b) The Director of Commerce and Economic Opportunity  
6 shall, subject to appropriation, administer the Energy  
7 Community Development Program. In administering the Energy  
8 Community Development Program, the Department shall:

9 (1) assist local governments in Clean Energy  
10 Empowerment Zones in finding private and public sector  
11 partners to invest in regional development;

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

15 (3) provide coordination services to connect  
16 organizations or persons seeking to use tax credits created  
17 under Act with units of local government;

18 (4) conduct outreach and educational events for  
19 private sector organizations for the purpose of attracting  
20 investment in Clean Energy Empowerment Zones; and

21 (5) gather and incorporate public comment and feedback  
22 so that local knowledge, priorities, and strengths help  
23 shape and guide private and public development.

24 (c) In administering the Energy Community Development  
25 Program, the Department shall develop and implement the Program  
26 with the following goals:



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

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

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

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

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

11       (a) The Department of Commerce and Economic Opportunity  
12       shall implement the Displaced Energy Workers Bill of Rights and  
13       shall be responsible for the implementation of the Displaced  
14       Energy Workers Bill of Rights programs and rights created under  
15       this Section. The Department shall provide the following  
16       benefits to displaced energy workers listed in paragraphs (1)  
17       through (4) of this subsection:

18           (1) Advance notice of power plant or coal mine closure.

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

23           (B) In providing the advance notice described in  
24       this paragraph (1), the Department shall take  
25       reasonable steps to ensure that all displaced energy

1 workers are educated on the various programs available  
2 through the Department to assist with the energy  
3 transition.

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

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

11 (A) The Department shall provide any displaced  
12 energy worker with a full-tuition scholarship to any of  
13 the following programs: (i) public universities in  
14 this State; (ii) trade schools in this State; (iii)  
15 community college programs in this State; or (iv) union  
16 training programs in this State. The Department may set  
17 cost caps on the maximum amount of tuition that may be  
18 funded.

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 (C) Displaced energy workers who are eligible for  
25 scholarships created under this Section by the date of  
26 their enrollment shall be considered eligible for

1 scholarship funding for up to 4 years or until  
2 completion of their degree or certification, whichever  
3 is the shorter duration.

4 (4) Financial Planning Services. Displaced energy  
5 workers shall be entitled to services as described in the  
6 energy worker Programs in this subsection, including  
7 financial planning services.

8 (b) The owners of power plants with a nameplate capacity of  
9 greater than 300 megawatts and the owners of coal mines located  
10 in Illinois shall be required to comply with the requirements  
11 set out in this subsection (b). The owners shall be required to  
12 take the following actions:

13 (1) provide employment information for energy workers;  
14 prior to the closure of an electric generating unit or  
15 mine, the owners of the power plant or mine shall provide  
16 energy workers information on whether there are employment  
17 opportunities provided by their employer;

18 (2) provide extended health insurance for displaced  
19 energy workers who are former employees of the power plant  
20 owner that (A) costs no more than the average monthly  
21 premium paid by the worker over the last 12 months and (B)  
22 offers the same level of benefits, including, but not  
23 limited to, coverage, in-network providers, deductibles,  
24 and copayments covered during the previous 12 months;  
25 companies that sell energy into auctions managed by the  
26 Illinois Power Agency shall be required to offer 2 years of

1 health insurance following closure of an electric  
2 generating unit to employees who are not employed in new  
3 positions that offer health insurance upon: (i) plant  
4 closure; or (ii) employment termination; the Department  
5 may require funding for health insurance to be provided in  
6 advance of employment termination; and

7 (3) maintain responsible retirement account  
8 portfolios; employees of qualifying facilities shall have  
9 their retirement funds backed by financial tools that are  
10 not economically dependent upon the success of their  
11 employer's business.

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

13 (a) All State departments and agencies shall conduct a  
14 review of the Department of Commerce and Economic Opportunity's  
15 registry of energy workers to determine whether any qualified  
16 candidates are displaced energy workers before making a final  
17 hiring decision for a position in State employment.

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

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

25 (d) No part of this Section shall be interpreted to be in

1 conflict with federal or State civil rights or employment law.

2 Section 20-70. Energy Community Reinvestment Fund.

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

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

20 (b) The Energy Community Reinvestment Fund is created as a  
21 special fund in the State treasury to be used by the Department  
22 of Commerce and Economic Opportunity for purposes provided  
23 under this Section. The Fund shall be used to fund programs  
24 specified under subsection (c). The objective of the Fund is to  
25 bring economic development to communities in this State in a

1 manner that equitably maximizes economic opportunity in all  
2 communities by increasing efficiency of resource allocation  
3 across the programs listed in subsection (c). The Department  
4 shall include a description of its proposed approach to the  
5 design, administration, implementation, and evaluation of the  
6 Fund, as part of the Energy Transition Workforce Plan described  
7 in this Act. Contracts that will be paid with moneys in the  
8 Fund shall be executed by the Department.

9 (c) The Department shall be responsible for the  
10 administration of the Fund and shall allocate funding on the  
11 basis of priorities established in this Section. Each year, the  
12 Department shall determine the available amount of resources in  
13 the Fund that can be allocated to the programs identified in  
14 this Section, and allocate the funding accordingly. The  
15 Department shall, to the extent practical, consider both the  
16 short-term and long-term costs of the programs and allocate,  
17 save, or invest funding so that the Department is able to cover  
18 both the short-term and long-term costs of these programs using  
19 projected revenue.

20 The available funding for each year shall be allocated from  
21 the Fund in the following order of priority:

22 (1) for costs related to the Clean Jobs Workforce Hubs  
23 program in Part 5 of the Clean Jobs, Workforce and  
24 Contractor Equity Act, up to \$26,000,000 annually or 26% of  
25 the available funding, whichever is less;

26 (2) for costs related to the program described by Part

1 10 of the Clean Energy, Workforce and Contractor Equity  
2 Act, up to \$21,000,000 annually or 21% of the available  
3 funding, whichever is less;

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

7 (4) for costs related to the Energy Workforce  
8 Development programs and the Displaced Energy Workers Bill  
9 of Rights in this Act, including all programs created by  
10 the Energy Transition Workforce Commission, up to  
11 \$13,000,000 annually or 21% of the available funding,  
12 whichever is less. If 21% of the available funding is more  
13 than \$13,000,000, the amount over \$13,000,000 is allocated  
14 to the items in (1) through (3) by their relative  
15 percentages until those programs are fully funded;

16 (5) for costs related to the Returning Residents Clean  
17 Jobs Training Program described in Part 20 of the Clean  
18 Jobs, Workforce and Contractor Equity Act, up to \$6,000,000  
19 annually or 6% of the available funding, whichever is less;

20 (6) for costs related to the Illinois Clean Energy  
21 Black, Indigenous, and People of Color Primes Contractor  
22 Accelerator Program described in Part 15 of the Clean Jobs,  
23 Workforce and Contractor Equity Act, up to \$9,000,000  
24 annually or 9% of the available funding, whichever is less;

25 (7) for costs, up to \$100,000,000 annually, to support  
26 units of local government in Clean Energy Empowerment

1 Zones, as described in Section 20-35;

2 (8) if the programs identified in paragraphs (1)  
3 through (7) are fully funded and the Department reasonably  
4 predicts they will be adequately funded in future years,  
5 the Department shall transfer an amount equal to the year's  
6 tax credits awarded through the programs of up to  
7 \$22,500,000 annually go the General Revenue Fund to offset  
8 revenue reductions from tax credits provided under the  
9 Clean Energy Empowerment Zone Tax Credit Act;

10 (9) to support the Low Income Home Energy Assistance  
11 Program, up to \$30,000,000 annually, to support additional  
12 costs from the Percentage of Income Payment Program  
13 expansion and energy assistance expansion;

14 (10) for the initial capital funding of the Clean  
15 Energy Jobs and Justice Fund, \$100,000,000 in the year  
16 2022, or if the full funding is not available, the  
17 Department may allocate these funds over several years as  
18 quickly as is feasible; and

19 (11) if the programs identified in paragraphs (1)  
20 through (10) are fully funded and the Department reasonably  
21 predicts they shall be adequately funded in future years,  
22 the Department shall transfer all surplus to the General  
23 Revenue Fund.

24 (d) No later than March 31, 2021, and by March 31 of each  
25 year thereafter, the Department shall submit a notification to  
26 the Illinois Environmental Protection Agency for the purpose of



1 implementing the energy community reinvestment fee as  
2 described in Section 9.16 of the Environmental Protection Act.  
3 The notification shall include the revenue and spending  
4 requirements for the programs identified under the Energy  
5 Community Reinvestment Act for the upcoming fiscal year, as  
6 well as the projected spending for all program years through  
7 Fiscal Year 2036. The projected revenue and spending need  
8 identified for any program year shall be no less than  
9 \$400,000,000 per year for the calendar years 2021 through 2025  
10 and \$200,000,000 per year for all calendar years starting in  
11 2026 that the Illinois electric sector generates greenhouse gas  
12 emissions.

13 (e) If there is a funding shortfall for items identified in  
14 paragraphs (1) through (4) of subsection (c), the Department  
15 shall submit a request for funds to applicable electric  
16 utilities for funds collected under subsection (k) of Section  
17 1-75 of the Illinois Power Agency Act up to \$25,000,000 per  
18 year to cover the shortfall. Upon notification by utilities  
19 that sufficient funds are available for use under the terms of  
20 paragraph (7) of subsection (k) of Section 1-75 of the Illinois  
21 Power Agency Act, the Department shall send an invoice to the  
22 applicable utilities for the amount requested. Upon receipt,  
23 the funds shall be deposited into the Energy Community  
24 Reinvestment Fund.

25 (f) The Department shall, on an ongoing basis, seek out and  
26 apply for funding from alternative sources to cover the costs

1 of these programs. Alternative sources may include the federal  
2 government, other State programs, private foundations, donors,  
3 or other opportunities for funding. The Department shall, as  
4 described in subsection (c), use any additional funding  
5 obtained for these programs to reduce or eliminate any costs  
6 borne by taxpayers and ratepayers. Nothing in this subsection  
7 (f) shall be interpreted to reduce or remove the revenue  
8 requirements obtained by the Illinois Environmental Protection  
9 Agency as described in subsection (d).

10 (g) Notwithstanding any other law to the contrary, the  
11 Energy Community Reinvestment Fund is not subject to sweeps,  
12 administrative chargebacks, or any other fiscal or budgetary  
13 maneuver that would in any way transfer any amounts from the  
14 Energy Community Reinvestment Fund into any other fund of the  
15 State.

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

18 Section 20-75. Administrative review. All final  
19 administrative decisions, including, but not limited to,  
20 funding allocation and rules issued by the Department under  
21 this Act are subject to judicial review under the  
22 Administrative Review Law. No action may be commenced under  
23 this Section prior to 60 days after the complainant has given  
24 notice in writing of the action to the Department.

Article 25. Clean Energy Empowerment Zone Tax Credit Act

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

Part 1.

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

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

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

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

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

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

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

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

"Former energy worker" means an individual who is employed,

1 or was employed, at a fossil fuel power plant, nuclear power  
2 plant, or coal mine, and is listed in the registry of energy  
3 workers developed by the Department of Commerce and Economic  
4 Opportunity pursuant to Section 20-50 of the Energy Community  
5 Reinvestment Act.

6 "Full-time employee" means an individual who is employed at  
7 a prevailing wage for at least 35 hours each week, and provided  
8 standard worker benefits, or who renders any other standard of  
9 service generally accepted by industry custom or practice as  
10 full-time employment. An individual for whom a W-2 is issued by  
11 a Professional Employer Organization is a full-time employee if  
12 he or she is employed in the service of the applicant for a  
13 basic wage for at least 35 hours each week or renders any other  
14 standard of service generally accepted by industry custom or  
15 practice as full-time employment. For the purposes of this Act,  
16 such an individual shall be considered a full-time employee of  
17 the applicant.

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

22 "New employee" means a full-time employee:

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

1           (2) who was previously employed in a fossil fuel power  
2           plant, nuclear power plant, or coal mine in the State of  
3           Illinois that has since closed or is a graduate of training  
4           programs as established under Part 5 of the Clean Jobs,  
5           Workforce and Contractor Equity Act.

6           "New employee" does not include:

7           (1) a person who was previously employed in Illinois by  
8           the applicant or a related member prior to the onset of the  
9           incentive period, unless the new employee is hired for site  
10          remediation work; or

11          (2) a person who has a direct or indirect ownership  
12          interest of at least 5% in the profits, capital, or value  
13          of the applicant or a related member; or

14          (3) a person who has been hired to assist in the  
15          production of fossil fuel derived energy directly or  
16          indirectly, unless that person has been hired to assist in  
17          the deconstruction of a fossil fuel power plant, the  
18          deconstruction of a coal mine, the remediation of a site  
19          formerly used for fossil fuel power production, or the  
20          remediation of a coal mine.

21          "Noncompliance date" means, in the case of an applicant  
22          that is not complying with the requirements of this Act, the  
23          day following the last date upon which the taxpayer was in  
24          compliance with the requirements of this Act, as determined by  
25          the Director under Section 25-135.

26          "Professional Employer Organization" has the same meaning

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

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

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

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

21 (3) A corporation, and any party related to the  
22 corporation, in a manner that would require an attribution  
23 of stock from the corporation under the attribution rules  
24 of Section 318 of the Internal Revenue Code, if the  
25 applicant and any other related member own, in the  
26 aggregate, directly, indirectly, beneficially, or

1       constructively, at least 50% of the value of the  
2       corporation's outstanding stock.

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

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

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

22           (B) stock owned, directly or indirectly, by or for  
23           an estate or trust shall be considered as owned by any  
24           beneficiary who has an actuarial interest of 20% or  
25           more in such stock, to the extent of such actuarial  
26           interest. For purposes of this subparagraph, the

1           actuarial interest of each beneficiary shall be  
2           determined by assuming the maximum exercise of  
3           discretion by the fiduciary in favor of such  
4           beneficiary and the maximum use of such stock to  
5           satisfy his or her rights as a beneficiary; and

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

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

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

24               (2) Provide guidance and assistance to applicants  
25               under the provisions of this Act, and cooperate with



1 applicants to promote, foster, and support job creation  
2 within this State.

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

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

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

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

1 administration of this Act.

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

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

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

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

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

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

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

16           (1) the date and time on which the application was  
17 received by the Department and an identifying number  
18 assigned to the applicant by the Department;

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

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

1           Section 25-115. Tax credit.

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

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

8                 (2) in the amount of:

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

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

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

18           (b) The Department shall make credit awards under this Act  
19           to further job creation.

20           (c) The credit shall be claimed for the first calendar year  
21           ending on or after the date on which the certificate is issued  
22           by the Department.

23           (d) The net increase in full-time Illinois employees,  
24           measured on an annual full-time equivalent basis, shall be the  
25           total number of full-time Illinois employees of the applicant

1 on the final day of the incentive period, minus the number of  
2 full-time Illinois employees employed by the employer on the  
3 first day of that same incentive period. For purposes of the  
4 calculation, an employer that begins doing business in this  
5 State during the incentive period, as determined by the  
6 Director, shall be treated as having zero Illinois employees on  
7 the first day of the incentive period.

8 (e) The net increase in the number of full-time Illinois  
9 employees of the applicant under subsection (d) must be  
10 sustained continuously for at least 12 months, starting with  
11 the date of hire of a new employee during the incentive period.  
12 Eligibility for the credit does not depend on the continuous  
13 employment of any particular individual. For purposes of this  
14 subsection (e), if a new employee ceases to be employed before  
15 the completion of the 12-month period for any reason, the net  
16 increase in the number of full-time Illinois employees shall be  
17 treated as continuous if a different new employee is hired as a  
18 replacement within a reasonable time for the same position. The  
19 new employees must be hired to fill positions that the  
20 applicant reasonably anticipates will be available for the new  
21 employee as a long-term position. For the purposes of this  
22 subsection (e), "long-term position" means a position that will  
23 be available for 3 years or longer.

24 (f) The Department shall adopt rules to enable an applicant  
25 for which a Professional Employer Organization has been  
26 contracted to issue W-2s and make payment of taxes withheld

1 under Section 704A of the Illinois Income Tax Act for new  
2 employees to retain the benefit of tax credits to which the  
3 applicant is otherwise entitled under this Act.

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

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

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

22 (1) the names, Social Security numbers, job  
23 descriptions, salary or wage rates, and dates of hire of  
24 the new employees with respect to whom the credit is being

1 requested;

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

5 (3) the number of new employees hired by the applicant  
6 during the incentive period;

7 (4) the net increase in the number of full-time  
8 Illinois employees of the applicant, including the new  
9 employees listed in the request, between the beginning of  
10 the incentive period and the dates on which the new  
11 employees listed in the request were hired;

12 (5) an agreement that the Director is authorized to  
13 verify with the appropriate State agencies the information  
14 contained in the request before issuing a certificate to  
15 the applicant; and

16 (6) any other information the Department determines to  
17 be appropriate.

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

25 (c) The Department shall issue a certificate to each  
26 applicant awarded a credit under this Act. The certificate

1 shall include the following:

2 (1) the name and taxpayer identification number of the  
3 applicant;

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

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

6 (4) any other information the Department determines to  
7 be appropriate.

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

16 Section 25-135. Administrative review.

17 (a) If the Director determines that an applicant who has  
18 received a credit under this Act is not complying with the  
19 requirements of this Act, the Director shall provide notice to  
20 the applicant of the alleged noncompliance, and allow the  
21 taxpayer a hearing under the provisions of the Illinois  
22 Administrative Procedure Act. If, after the notice and hearing,  
23 the Director determines that noncompliance exists, the  
24 Director shall issue to the Department of Revenue notice to



1 that effect, and state the date of noncompliance.

2 (b) All final administrative decisions, including, but not  
3 limited to, funding allocation and rules issued by the  
4 Department under this Act are subject to judicial review under  
5 the Administrative Review Law. No action may be commenced under  
6 this Section prior to 60 days after the complainant has given  
7 notice in writing of the action to the Department.

8 Section 25-140. Rules. The Department may adopt rules  
9 necessary to implement this Part 1. The rules may provide for  
10 recipients of credits under this Part 1 to be charged fees to  
11 cover administrative costs of the tax credit program.

12 Part 2.

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

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

17 "Applicant" means a taxpayer operating a renewable energy  
18 enterprise, as determined under the Energy Community  
19 Reinvestment Act, located within or that the renewable energy  
20 enterprise plans to locate within a Clean Energy Empowerment  
21 Zone. "Applicant" does not include a taxpayer who closes or  
22 substantially reduces an operation at one location in this  
23 State and relocates substantially the same operation to a

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

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

21 "Credit" means the amount agreed to between the Department  
22 and the Applicant under this Act, but not to exceed the lesser  
23 of: (1) the sum of (i) 50% of the incremental income tax  
24 attributable to new employees at the applicant's project and  
25 (ii) 10% of the training costs of new employees; or (2) 100% of  
26 the incremental income tax attributable to new employees at the

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

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

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

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

1 week or who renders any other standard of service generally  
2 accepted by industry custom or practice as full-time employment  
3 to the applicant.

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

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

12 "New employee" does not include:

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

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

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

25 Notwithstanding any other provisions of this Section, an  
26 employee may be considered a new employee under the agreement

1 if the employee performs a job that was previously performed by  
2 an employee who was: (i) treated under the agreement as a new  
3 employee; and (ii) promoted by the taxpayer to another job.

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

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

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

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

25 (2) A partnership, estate, or trust and any partner or  
26 beneficiary, if the partnership, estate, or trust, and its

1       partners or beneficiaries own directly, indirectly,  
2       beneficially, or constructively, in the aggregate, at  
3       least 50% of the profits, capital, stock, or value of the  
4       taxpayer.

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

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

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

26           (A) stock owned, directly or indirectly, by or for

1 a partnership shall be considered as owned by any  
2 partner having an interest of 20% or more in either the  
3 capital or profits of the partnership in proportion to  
4 his or her interest in capital or profits, whichever  
5 such proportion is the greater;

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

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

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

25 "Renewable energy production facility" means a facility  
26 owned by a company that is engaged in and used such a facility

1 for the production of solar energy, wind energy, water energy,  
2 geothermal energy, bioenergy, or hydrogen fuel and cells.

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

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

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

9 (2) 75% or more of the children in the area participate  
10 in the federal free lunch program according to reported  
11 statistics from the State Board of Education;

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

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

21 Section 25-205. Powers of the Department. The Department,  
22 in addition to those powers granted under the Civil  
23 Administrative Code of Illinois and Part 1 of this Act, is  
24 granted and has all the powers necessary or convenient to carry  
25 out and effectuate the purposes and provisions of this Act,



1 including, but not limited to, power and authority to:

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

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

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

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

24 (e) Establish, negotiate and effectuate any term,  
25 agreement or other document with any person, necessary or  
26 appropriate to accomplish the purposes of this Act, and

1 consent, subject to the provisions of any agreement with  
2 another party, to the modification or restructuring of any  
3 agreement to which the Department is a party.

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

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

22 (h) Require applicants, upon written request, to issue any  
23 necessary authorization to the appropriate federal, State, or  
24 local authority for the release of information concerning a  
25 project being considered under the provisions of this Act, with  
26 the information requested to include, but not be limited to,

1 financial reports, returns, or records relating to the taxpayer  
2 or its project.

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

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

20 Section 25-210. Tax credit awards.

21 (a) Subject to the conditions set forth in this Act, a  
22 taxpayer is entitled to a credit against or, as described in  
23 subsection (g), a payment toward taxes imposed pursuant to  
24 subsections (a) and (b) of Section 201 of the Illinois Income  
25 Tax Act that may be imposed on the taxpayer for a taxable year

1 beginning on or after January 1, 2019, if the taxpayer is  
2 awarded a credit by the Department under this Act for that  
3 taxable year.

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

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

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

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

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

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

26 For the purposes of this subsection (g), "tax payment"

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

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

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

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

- 22 (1) be for the purpose of producing renewable energy;  
23 (2) if the applicant has more than 100 employees,  
24 involve an investment of at least \$2,500,000 in capital  
25 improvements to be placed in service within a Clean Energy

1 Empowerment Zone as a direct result of the project. If the  
2 applicant has 100 or fewer employees, then there is no  
3 capital investment requirement; and

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

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

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

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

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

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

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

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

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

21          Section 25-225. Relocation of jobs to Clean Energy  
22          Empowerment Zone. A taxpayer is not entitled to claim the  
23          credit provided by this Act with respect to any jobs that the  
24          taxpayer relocates from one site in Illinois to another site in  
25          a Clean Energy Empowerment Zone. A taxpayer with respect to a

1     qualifying project certified under the Corporate Headquarters  
2     Relocation Act, however, is not subject to the requirements of  
3     this Section, but is nevertheless considered an applicant for  
4     purposes of this Act. Moreover, any full-time employee of an  
5     eligible renewable energy enterprise relocated to a Clean  
6     Energy Empowerment Zone in connection with that qualifying  
7     project is deemed to be a new employee for purposes of this  
8     Act. Determinations under this Section shall be made by the  
9     Department.

10       Section 25-230. Determination of the amount of credit. In  
11     determining the amount of credit that should be awarded, the  
12     Board shall provide guidance on, and the Department shall take  
13     into consideration, all of the following factors:

14             (1) the number and location of jobs created and  
15             retained in relation to the economy of the Clean Energy  
16             Empowerment Zone where the projected investment is to  
17             occur;

18             (2) the potential impact on the economy of the Clean  
19             Energy Empowerment Zone;

20             (3) the advancement of renewable energy in the Clean  
21             Energy Empowerment Zone;

22             (4) the incremental payroll attributable to the  
23             project;

24             (5) the capital investment attributable to the  
25             project;



1           (6) the amount of the average wage and benefits paid by  
2           the applicant in relation to the wage and benefits of the  
3           Clean Energy Empowerment Zone;

4           (7) the costs to Illinois and the affected political  
5           subdivisions with respect to the project; and

6           (8) the financial assistance that is otherwise  
7           provided by Illinois and the affected political  
8           subdivisions.

9           Section 25-235. Amount and duration of credit.

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

22          (b) Notwithstanding subsection (a), and except as the  
23          credit may be applied in a carryover year as otherwise provided  
24          in this subsection (b), the credit may be applied against the  
25          State income tax liability in more than 10 taxable years, but

1 not in more than 15 taxable years for an eligible green energy  
2 enterprise that: (i) qualifies under this Act and the Corporate  
3 Headquarters Relocation Act and has in fact undertaken a  
4 qualifying project within the time frame specified by the  
5 Department of Commerce and Economic Opportunity under that Act;  
6 and (ii) applies against its State income tax liability, during  
7 the entire 15-year period, no more than 60% of the maximum  
8 credit per year that would otherwise be available under this  
9 Act.

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

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

20 Section 25-245. Certificate of verification; submission to  
21 the Department of Revenue. A taxpayer claiming a credit under  
22 this Act shall submit to the Department of Revenue a copy of  
23 the Director's certificate of verification under this Act for  
24 the taxable year. Failure to submit a copy of the certificate

1 with the taxpayer's tax return shall not invalidate a claim for  
2 a credit.

3 Section 25-250. Supplier diversity. Each taxpayer claiming  
4 a credit under this Act shall, no later than April 15 of each  
5 taxable year for which the taxpayer claims a credit under this  
6 Act, submit to the Department of Commerce and Economic  
7 Opportunity an annual report containing the information  
8 described in subsections (b), (c), (d), and (e) of Section  
9 5-117 of the Public Utilities Act. Those reports shall be  
10 submitted in the form and manner required by the Department of  
11 Commerce and Economic Opportunity.

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

20 Section 25-260. Rules. The Department may adopt rules  
21 necessary to implement this Part 2. The rules may provide for  
22 recipients of credits under this Part 2 to be charged fees to  
23 cover administrative costs of the tax credit program. Fees

1 collected shall be deposited into the Energy Community  
2 Reinvestment Fund.

3 Section 25-265. Program terms and conditions.

4 (a) Any documentary materials or data made available or  
5 received by any member of a board or any agent or employee of  
6 the Department shall be deemed confidential and shall not be  
7 deemed public records to the extent that the materials or data  
8 consists of trade secrets, commercial or financial information  
9 regarding the operation of the business conducted by the  
10 applicant for or recipient of any tax credit under this Act, or  
11 any information regarding the competitive position of a  
12 business in a particular field of endeavor.

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

16 Article 30. Coal Severance Fee Act

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

20 Section 30-5. Coal severance fee.

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

22 "Department" means the Department of Revenue.

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

6 (b) Tax imposed.

7 (1) On and after January 1, 2021, there is hereby  
8 imposed a tax upon any person engaged in the business of  
9 severing or preparing coal for sale, profit, or commercial  
10 use, if the coal is severed from a mine located in this  
11 State. The rate of the tax imposed under this Section is 6%  
12 of the gross value of the severed coal.

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

15 (c) Payment and collection of tax.

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

19 (2) The State shall have a lien on all coal severed in  
20 this State on or after June 1, 2021 to secure the payment  
21 of the tax.

22 (d) Registration. A person who is subject to the tax  
23 imposed under this Act shall register with the Department.  
24 Application for a certificate of registration shall be made to  
25 the Department upon forms furnished by the Department and shall  
26 contain any reasonable information the Department may require.

1 Upon receipt of the application for a certificate of  
2 registration in proper form, the Department shall issue to the  
3 applicant a certificate of registration.

4 (e) Inspection of records by Department, subpoena power,  
5 contempt. For the purpose of computing the amount of the tax  
6 due under this Section, the Department has the following  
7 powers:

8 (1) to require any person who is subject to this tax to  
9 furnish any additional information deemed to be necessary  
10 for the computation of the tax;

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

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

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

24 (1) the name of the taxpayer;

25 (2) the address of the taxpayer's principal place of  
26 business;

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

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

4           (5) the amount of tax due;

5           (6) the signature of the taxpayer; and

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

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

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

21          (i) Incorporation by reference. All of the provisions of  
22          Sections 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5j, 6, 13 6a, 6b, 6c,  
23          7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation  
24          Tax Act which are not inconsistent with this Act, and all  
25          provisions of the Uniform Penalty and Interest Act shall apply,  
26          as far as practicable, to the subject matter of this Act to the

1 same extent as if such provisions were included herein.

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

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

8 Article 35. Building Energy Performance Standard Act

9 Section 35-1. Short title. This Article may be cited as the  
10 Building Energy Performance Standard Act. References in this  
11 Article to "this Act" mean this Article.

12 Section 35-5. Building Energy Performance Standard.

13 (a) The purpose of the Illinois Building Energy Performance  
14 Standard is to decrease energy consumption, reduce greenhouse  
15 gas emissions from existing buildings, and increase economic  
16 growth and job creation by:

17 (1) creating a Building Energy Performance Standard  
18 through a stakeholder engagement process;

19 (2) implementing the Building Energy Performance  
20 Standard for all state-owned buildings; and

21 (3) creating a uniform Building Energy Performance  
22 Standard that may be adopted by local jurisdictions and may  
23 be applicable to publicly owned buildings or privately



1 owned buildings, or both.

2 (b) Within 90 days after the effective date of this Act,  
3 the Illinois Office of Energy shall establish a Building Energy  
4 Performance Standard Task Force to advise and provide technical  
5 assistance and recommendations for the Illinois Building  
6 Energy Performance Standard, which shall:

7 (A) advise the Illinois Office of Energy on creation of  
8 an implementation plan for the Building Energy Performance  
9 Standard;

10 (B) recommend amendments to proposed regulations  
11 issued by the Illinois Office of Energy;

12 (C) recommend complementary programs or policies; and

13 (D) complete its tasks within one year of enactment.

14 The Task Force shall be composed of representatives, or  
15 their designees, from the following entities:

16 (i) the Director of the Illinois Environmental  
17 Protection Agency;

18 (ii) the Director of the Capital Development Board;

19 (iii) The Director of Central Management Services;

20 (iv) a minimum of one technical expert with extensive  
21 knowledge of energy use in multiple existing commercial  
22 building use types;

23 (v) a representative from the City of Chicago;

24 (vi) the Director of the Illinois Housing Development  
25 Authority;

26 (vii) the Director of Commerce and Economic

1 Opportunity;

2 (viii) a representative from an environmental or  
3 sustainability nonprofit organization;

4 (ix) a representative from each of the investor-owned  
5 utilities in Illinois;

6 (x) a representative who is an affordable housing  
7 advocate;

8 (xi) a representative from a market-rate multifamily  
9 building;

10 (xii) a representative from a building owners and  
11 managers association;

12 (xiii) a representative from a public university  
13 system;

14 (xiv) a representative of a nonprofit or professional  
15 association advocating for energy efficient buildings or a  
16 low-carbon built environment;

17 (xvi) a representative of a business or entity that  
18 provides energy efficiency or renewable energy services to  
19 large buildings or affordable housing in the State; and

20 (xvii) other experts or organizations deemed necessary  
21 by the Illinois Office of Energy.

22 (c) In establishing specific performance standards and  
23 processes, the Illinois Office of Energy shall:

24 (1) require all buildings owned by the State of  
25 Illinois to comply with the Building Energy Performance  
26 Standard. State-owned buildings shall meet the following

1 timeline for compliance with Building Energy Performance  
2 Standard:

3 (A) buildings over 50,000 gross square feet shall  
4 comply no later than January 1, 2024;

5 (B) buildings over 25,000 gross square feet shall  
6 comply no later than January 1, 2026;

7 (C) buildings over 10,000 gross square feet shall  
8 comply no later than January 1, 2028; and

9 (D) buildings below 10,000 gross square feet are  
10 not required to comply.

11 (2) require the property type energy use targets  
12 established by the Illinois Building Energy Performance  
13 Standard to be the minimum energy efficiency requirements  
14 for any jurisdiction adopting a building energy  
15 performance standard;

16 (3) with input from the Building Energy Performance  
17 Standard Task Force, establish property types and building  
18 energy performance standards for each property type, or an  
19 equivalent metric for buildings that do not receive an  
20 ENERGY STAR score, no later than January 1, 2023; beginning  
21 every 5 years after January 1, 2023, the Illinois Office of  
22 Energy shall review and assess the need to update the  
23 energy performance standards for each property type;

24 (4) establish reporting and data verification  
25 requirements for buildings covered by Building Energy  
26 Performance Standard, and establish requirements for

1 making reporting and data publicly available;

2 (5) establish that the Building Energy Performance  
3 Standard for buildings that are eligible for an ENERGY STAR  
4 score is no lower than the State median ENERGY STAR score  
5 for buildings of each property type;

6 (6) establish penalty guidelines for buildings failing  
7 to comply with the building energy performance  
8 requirements; and

9 (7) if needed, establish exemption criteria, in  
10 consultation with the Building Energy Performance Standard  
11 Task Force, including:

12 (A) for qualifying affordable housing buildings to  
13 delay compliance with the building energy performance  
14 requirements for no more than 3 years if the owner  
15 demonstrates, to the satisfaction of the Illinois  
16 Office of Energy, financial distress, change of  
17 ownership, vacancy, major renovation, pending  
18 demolition, or other acceptable circumstances as  
19 determined by the State of Illinois; and

20 (B) for qualifying buildings to delay compliance  
21 with the building energy performance requirements for  
22 up to 3 years if the owner demonstrates, to the  
23 satisfaction of the State of Illinois, financial  
24 distress, change of ownership, vacancy, major  
25 renovation, pending demolition, or other acceptable  
26 circumstances determined by the State of Illinois.

1 (d) In establishing specific performance standards, the  
2 Illinois Office of Energy may consider:

3 (1) the existence of any historic buildings and any  
4 restrictions related to the treatment of historic  
5 buildings;

6 (2) the diversity of building uses and requirements;  
7 and

8 (3) the impact on zoning regulations.

9 (e) The Illinois Office of Energy shall, no later than  
10 January 1, 2023, create, and make publicly available, a  
11 strategic implementation plan for State-owned buildings  
12 complying with the Illinois Building Energy Performance  
13 Standard.

14 (f) The Illinois Office of Energy shall post the strategic  
15 implementation plan on its website.

16 Article 40. Public Utilities Intervenor Compensation Act

17 Section 40-1. Short title. This Article may be cited as the  
18 Public Utilities Intervenor Compensation Act. References in  
19 this Article to "this Act" mean this Article.

20 Section 40-5. Findings. The General Assembly finds that:

21 (1) public participation is an important consideration  
22 in Illinois Commerce Commission proceedings;

23 (2) public stakeholders face financial challenges in

1 participating at Illinois Commerce Commission proceedings,  
2 including retaining legal representation and expert  
3 witnesses;

4 (3) it is in the public interest to reduce barriers to  
5 participation in Illinois Commerce Commission proceedings,  
6 particularly for environmental justice and other public  
7 interest organizations;

8 (4) provision of compensation for participating  
9 organizations will improve Illinois Commerce Commission  
10 proceedings and decisions, increase public engagement, and  
11 encourage additional transparency.

12 Section 40-10. Definitions. As used in this Act:

13 "Commission" means the Illinois Commerce Commission.

14 "Compensation" means payment for all or part, as determined  
15 by the Commission, of reasonable advocate's fees, reasonable  
16 expert witness fees, and other reasonable costs of preparation  
17 for and participation in a proceeding, and includes the fees  
18 and costs of obtaining an award under this article and of  
19 obtaining judicial review, if any.

20 "Contribution" means that the customer's presentation has  
21 met the following standard:

22 (1) For any customer, the presentation has assisted the  
23 Commission in the making of its order or decision because  
24 the order or decision has adopted in whole or in part one  
25 or more factual contentions, legal contentions, or

1 specific policy or procedural recommendations presented by  
2 the customer. For any customer, where the customer's  
3 participation has resulted in a contribution, even if the  
4 decision adopts that customer's contention or  
5 recommendations only in part, the Commission may award the  
6 customer compensation for all reasonable advocate's fees,  
7 reasonable expert fees, and other reasonable costs  
8 incurred by the customer in preparing or presenting that  
9 contention or recommendation. Participation by any  
10 customer that materially supplements, complements, or  
11 contributes to the presentation of another party,  
12 including the Commission staff, that makes a contribution  
13 to a Commission order or decision is fully eligible for  
14 compensation.

15 (2) For customers with fewer than 3 attorneys on staff,  
16 the customer introduces a relevant argument or factual  
17 evidence into the docket, garners a response from another  
18 party to the proceeding, and files briefs.

19 (3) For customers without attorneys on staff, the  
20 customer introduces a relevant argument or factual  
21 evidence into the docket.

22 "Customer" means any of the following:

23 (1) A participant representing consumers, customers,  
24 or subscribers of any electrical, gas, telephone, or water  
25 corporation that is subject to the jurisdiction of the  
26 Commission.

1           (2) A representative who has been authorized by a  
2           customer.

3           (3) A representative of a group or organization  
4           authorized pursuant to its articles of incorporation or  
5           bylaws to represent the interests of residential  
6           customers, or to represent small commercial customers who  
7           receive bundled electric service from an electrical  
8           corporation.

9           (4) an organization representing environmental justice  
10          communities.

11          "Customer" does not include any state, federal, or local  
12          governmental agency, or any publicly owned public utility.  
13          "Customer" must be a nonprofit organization.

14          "Environmental justice communities" means the definition  
15          of that term based on existing methodologies and findings, used  
16          and as may be updated by the Illinois Power Agency and its  
17          program administrator in the Illinois Solar for All Program.

18          "Expert witness fees" means recorded or billed costs  
19          incurred by a customer for an expert witness.

20          "Other reasonable costs" means reasonable out-of-pocket  
21          expenses directly incurred by a customer that are directly  
22          related to the contentions or recommendations made by the  
23          customer that resulted in a contribution.

24          "Party" means any interested party, respondent public  
25          utility, or Commission staff in a hearing or proceeding.

26          "Public utility" has the meaning ascribed to it in the



1 Public Utilities Act.

2 "Significant financial hardship" means either that the  
3 customer cannot afford, without undue hardship, to pay the  
4 costs of effective participation, including advocate's fees,  
5 expert witness fees, and other reasonable costs of  
6 participation, or that, in the case of a group or organization,  
7 the economic interest of the individual members of the group or  
8 organization is small in comparison to the costs of effective  
9 participation in the proceeding.

10 Section 40-15. Intervenor compensation awards. The  
11 Commission shall award reasonable advocate's fees, reasonable  
12 expert witness fees, and other reasonable costs of preparation  
13 for and participation in a hearing or proceeding to any  
14 customer that complies with the procedures in Section 40-20 and  
15 satisfies both of the following requirements:

16 (1) The customer's presentation makes a contribution  
17 to the adoption, in whole or in part, of the Commission's  
18 order or decision, as described in Section 40-10(b); and

19 (2) Participation or intervention without an award of  
20 fees or costs imposes a significant financial hardship.

21 Section 40-20. Intervenor compensation award procedures.

22 (a) (1) A customer that intends to seek an award under this  
23 article shall, within 30 days after the prehearing conference  
24 is held, file and serve on all parties to the proceeding a

1 notice of intent to claim compensation. The Commission shall  
2 determine the procedure to be used in cases in which:

3 (i) no prehearing conference is scheduled;

4 (ii) the Commission anticipates that the proceeding  
5 will take less than 30 days;

6 (iii) the schedule would not reasonably allow parties  
7 to identify issues within the time frame set forth in this  
8 subsection; or

9 (iv) where new issues emerge after the time set for  
10 filing.

11 (2)(i) The notice of intent to claim compensation shall  
12 include both of the following:

13 (A) A statement of the nature and extent of the  
14 customer's planned participation in the proceeding as far  
15 as it is possible to set it out when the notice of intent  
16 is filed.

17 (B) An itemized estimate of the compensation that the  
18 customer expects to request, given the likely duration of  
19 the proceeding as it appears at the time.

20 (ii) The notice of intent may also include a showing by the  
21 customer that participation in the hearing or proceeding would  
22 pose a significant financial hardship. Alternatively, such a  
23 showing shall be included in the request submitted pursuant to  
24 subsection (c).

25 (3) Within 15 days after service of the notice of intent to  
26 claim compensation, the administrative law judge may direct the

1 staff, and may permit any other interested party, to file a  
2 statement responding to the notice.

3 (b)(1) If the customer's showing of significant financial  
4 hardship was included in the notice filed pursuant to  
5 subsection (a), the administrative law judge shall issue within  
6 30 days thereafter a preliminary ruling addressing whether the  
7 customer is eligible for an award of compensation. The ruling  
8 shall address whether a showing of significant financial  
9 hardship has been made. A finding of significant financial  
10 hardship shall create a rebuttable presumption of eligibility  
11 for compensation in other Commission proceedings commencing  
12 within 2 years after the date of that finding.

13 (2) The administrative law judge may, in any event, issue a  
14 ruling addressing issues raised by the notice of intent to  
15 claim compensation. The ruling may point out similar positions,  
16 areas of potential duplication in showings, unrealistic  
17 expectation for compensation, and any other matter that may  
18 affect the customer's ultimate claim for compensation. Failure  
19 of the ruling to point out similar positions or potential  
20 duplication or any other potential impact on the ultimate claim  
21 for compensation shall not imply approval of any claim for  
22 compensation. A finding of significant financial hardship in no  
23 way ensures compensation. Similarly, the failure of the  
24 customer to identify a specific issue in the notice of intent  
25 or to precisely estimate potential compensation shall not  
26 preclude an award of reasonable compensation if a contribution

1 is made.

2 (c) Following issuance of a final order or decision by the  
3 Commission in the hearing or proceeding, a customer that has  
4 been found, pursuant to subsection (b), to be eligible for an  
5 award of compensation may file within 60 days a request for an  
6 award. The request shall include at a minimum a detailed  
7 description of services and expenditures and a description of  
8 the customer's contribution to the hearing or proceeding.  
9 Within 30 days after service of the request, the Commission  
10 staff may file, and any other party may file, a response to the  
11 request.

12 (d) The Commission may audit the records and books of the  
13 customer to the extent necessary to verify the basis for the  
14 award. The Commission shall preserve the confidentiality of the  
15 customer's records in making its audit. Within 20 days after  
16 completion of the audit, if any, the Commission shall direct  
17 that an audit report shall be prepared and filed. Any other  
18 party may file a response to the audit report within 20 days  
19 thereafter.

20 (e) Within 75 days after the filing of a request for  
21 compensation pursuant to subsection (c), or within 50 days  
22 after the filing of an audit report, whichever occurs later,  
23 the Commission shall issue a decision that determines whether  
24 or not the customer has made a contribution to the final order  
25 or decision in the hearing or proceeding. If the Commission  
26 finds that the customer requesting compensation has made a

1 contribution, the Commission shall describe this contribution  
2 and shall determine the amount of compensation to be paid.

3 Section 40-25. Calculation of intervenor compensation  
4 awards. The computation of compensation awarded shall take into  
5 consideration the market rates paid to persons of comparable  
6 training and experience who offer similar services. The  
7 compensation awarded may not exceed the comparable market rate  
8 for services paid by the Commission or the public utility,  
9 whichever is greater, to persons of comparable training and  
10 experience who are offering similar services.

11 Section 40-30. Intervenor compensation payments and cost  
12 recovery. An award made under this Act shall be paid by the  
13 public utility that is the subject of the hearing,  
14 investigation, or proceeding, as determined by the Commission,  
15 within 30 days. Notwithstanding any other law, an award paid by  
16 a public utility pursuant to this Act shall be allowed by the  
17 Commission as an expense for the purpose of establishing rates  
18 of the public utility.

19 Section 40-35. Denial of intervenor compensation payments.  
20 The Commission shall deny any award to any customer that  
21 attempts to delay or obstruct the orderly and timely  
22 fulfillment of the Commission's responsibilities.

1           Section 40-40. Illinois Commerce Commission Intervenor  
2           Compensation Fund. The Illinois Commerce Commission Intervenor  
3           Compensation Fund is hereby created as a special fund in the  
4           State treasury. The Commission shall administer the Illinois  
5           Commerce Commission Intervenor Compensation Fund for use as  
6           described in Section 40-45. An electric public utility with  
7           3,000,000 or more retail customers shall contribute \$450,000 to  
8           the Illinois Commerce Commission Intervenor Compensation Fund  
9           in January 2021. A combined electric and gas public utility  
10          serving fewer than 3,000,000 but more than 500,000 retail  
11          customers shall contribute \$225,000 to the Illinois Commerce  
12          Commission Intervenor Compensation Fund in January 2021. A gas  
13          public utility with 2,000,000 or more retail customers that is  
14          not a combined electric and gas public utility shall contribute  
15          \$225,000 to the Illinois Commerce Commission Intervenor  
16          Compensation Fund in January 2021. A gas public utility with  
17          fewer than 2,000,000 retail customers but more than 300,000  
18          retail customers that is not a combined electric and gas public  
19          utility shall contribute \$80,000 to the Illinois Commerce  
20          Commission Intervenor Compensation Fund in January 2021. A gas  
21          public utility with fewer than 300,000 retail customers that is  
22          not a combined electric and gas public utility shall contribute  
23          \$20,000 to the Illinois Commerce Commission Intervenor  
24          Compensation Fund in January 2021.

25          Section 40-45. Intervenor compensation pre-proceeding

1 grants.

2 (a) Any customer that applies for intervenor compensation  
3 payments under subsection (a) of Section 40-20 may also, at the  
4 same time, apply for a grant from the Illinois Commerce  
5 Commission Intervenor Compensation Fund for the costs  
6 described in its notice of intent to claim compensation. A  
7 final decision regarding the grant shall be made at the time of  
8 the preliminary ruling on intervenor compensation eligibility  
9 in subsection (b) of Section 40-20. No pre-proceeding grant  
10 shall be given to organizations who are not found to be  
11 eligible for intervenor compensation. If granted, payments  
12 must be made within 30 days to facilitate participation in the  
13 proceeding. At the time of the final decision regarding the  
14 grant, the Commission shall notify the customer of the  
15 requirements to be awarded intervenor compensation and that, if  
16 the customer does not prevail in receiving intervenor  
17 compensation of at least the amount of the grant, the customer  
18 will be expected to reimburse the Illinois Commerce Commission  
19 Intervenor Compensation Fund for the remaining grant moneys on  
20 a regular schedule within 5 years of the end of the proceeding.  
21 After notification, the customer may accept or deny receipt of  
22 the grant.

23 (b) To apply for a grant from the Illinois Commerce  
24 Commission Intervenor Compensation Fund, the customer must  
25 describe why prepayment of intervenor compensation is  
26 necessary for it to participate in the proceeding and show

1 financial hardship sufficient that the customer cannot  
2 reasonably be expected to participate without receiving a  
3 grant.

4 (c) If a customer that receives a grant from the Illinois  
5 Commerce Commission Intervenor Compensation Fund subsequently  
6 prevails in receiving intervenor compensation, the public  
7 utility paying intervenor compensation must reimburse the fund  
8 for the amount of the grant. If the intervenor compensation  
9 amount is larger than the grant, then the balance shall be paid  
10 to the customer. If the amount of intervenor compensation is  
11 less than the grant, then the customer must reimburse the  
12 Illinois Commerce Commission Intervenor Compensation Fund for  
13 the difference with payments made on a regular schedule within  
14 5 years after the end of the proceeding.

15 (d) If a customer that receives a grant from the Illinois  
16 Commerce Commission Intervenor Compensation Fund does not  
17 subsequently prevail in receiving intervenor compensation,  
18 then the customer must reimburse the Illinois Commerce  
19 Commission Intervenor Compensation Fund for the amount of the  
20 grant with payments made on a regular schedule within 5 years  
21 of the end of the proceeding.

22 Section 40-50. Rulemaking. The Commission shall adopt any  
23 rules necessary to implement this Act. The Commission has the  
24 authority to initiate an emergency rulemaking to adopt rules  
25 regarding intervenor compensation if necessary to allow



1 customer participation in dockets implementing new statutes.

2 Article 45. Electric Vehicle Charging Act

3 Section 45-1. Short title. This Article may be cited the  
4 Electric Vehicle Charging Act. References in this Article to  
5 "this Act" mean this Article.

6 Section 45-5. Legislative intent. Electric vehicles are an  
7 important tool to fight the climate crisis, tackle air  
8 pollution, and provide safe, clean, and affordable personal  
9 transportation. The State should encourage urgent and  
10 widespread adoption of electric vehicles. Since most current  
11 electric vehicle owners are single-family homeowners who  
12 charge at home, providing access to home charging for those in  
13 multi-unit dwellings is crucial to wider electric vehicle  
14 adoption. This includes condominium unit owners and renters,  
15 regardless of parking space ownership and regardless of income.  
16 Therefore, a significant portion of parking spaces in new and  
17 renovated residential and commercial developments must be  
18 capable of electric vehicle charging. Additionally, renters  
19 and condominium unit owners must be able to install charging  
20 equipment for their cars under reasonable conditions.

21 Section 45-10. Applicability. This Act applies to new or  
22 renovated residential or nonresidential buildings that have

1 parking spaces and are constructed or renovated after the  
2 effective date of this Act.

3 Section 45-15. Definitions. As used in this Act:

4 "Association" has the meaning set forth in subsection (o)  
5 of Section 2 of the Condominium Property Act or Section 1-5 of  
6 the Common Interest Community Association Act, as applicable.

7 "Electric vehicle" means a vehicle that is powered by an  
8 electric motor, runs on a rechargeable battery, and must be  
9 plugged in to charge.

10 "Electric vehicle capable" means having an installed  
11 electrical panel capacity with a dedicated branch circuit and a  
12 continuous raceway from the panel to the future electric  
13 vehicle parking space.

14 "Electric vehicle charging station" means a station that is  
15 designed in compliance with the relevant building code and  
16 delivers electricity from a source outside an electric vehicle  
17 into one or more electric vehicles.

18 "Electric vehicle charging system" includes several  
19 charging points simultaneously connecting several electric  
20 vehicles to the electric vehicle charging station and any  
21 related equipment needed to facilitate charging an electric  
22 vehicle. "Electric vehicle charging system" means a device that  
23 is:

- 24 (1) used to provide electricity to an electric vehicle;  
25 (2) designed to ensure that a safe connection has been

1 made between the electric grid and the electric vehicle;  
2 and

3 (3) able to communicate with the vehicle's control  
4 system so that electricity flows at an appropriate voltage  
5 and current level. An electric vehicle charging system may  
6 be wall mounted or pedestal style, may provide multiple  
7 cords to connect with electric vehicles, and shall:

8 (i) be certified by underwriters laboratories or  
9 have been granted an equivalent certification; and

10 (ii) comply with the current version of Article 625  
11 of the National Electrical Code.

12 "Electric vehicle charging supply equipment" means a  
13 conductor, including an ungrounded, grounded, and equipment  
14 grounding conductor, and electric vehicle connectors,  
15 attachment plugs, and all other fittings, devices, power  
16 outlets, and apparatuses installed specifically for the  
17 purpose of transferring energy between the premises wirings and  
18 the electric vehicle.

19 "Electric vehicle ready" means a parking space that is  
20 designed and constructed to include a fully-wired circuit with  
21 a 208-volt to 250-volt, rated no more than 50-ampere electric  
22 vehicle charging receptacle outlet or termination point,  
23 including the conduit, wiring, and electrical service capacity  
24 necessary to serve that receptacle, to allow for future  
25 electric vehicle charging supply equipment.

26 "Level 1" means a charging system that provides charging

1 through a 120-volt AC plug with a cord connector that meets the  
2 SAE International J1772 standard or successor standard.

3 "Level 2" means a charging system that provides charging  
4 through a 208-volt to 240-volt AC plug with a cord connector  
5 that meets the SAE International J1772 standard or a successor  
6 standard.

7 "New" means any newly constructed building and associated  
8 newly constructed parking facility.

9 "Reasonable restriction" means a restriction that does not  
10 significantly increase the cost of the electric vehicle  
11 charging station or electric vehicle charging system or  
12 significantly decrease its efficiency or specified  
13 performance.

14 "Renovated" means any building with alterations and  
15 additions involving the removal of interior finishes and  
16 significant proposed upgrades to electrical systems.

17 Section 45-20. Residential requirements.

18 A new or renovated residential building shall have:

19 (1) 100% of its total parking spaces electric vehicle  
20 ready, if there are one to 6 parking spaces;

21 (2) 100% of its total parking spaces electric vehicle  
22 capable, of which at least 20% shall be electric vehicle  
23 ready, if there are 6 to 23 parking spaces; or

24 (3) 100% of its total parking spaces electric vehicle  
25 capable, if there are 24 or more parking spaces, of which

1 at least 5 spots shall be EV Ready. Additionally, if there  
2 are 24 or more parking spaces, a new or renovated  
3 residential building shall provide at least one parking  
4 space with electric vehicle charging supply equipment  
5 installed, and for each additional parking space with  
6 electric vehicle charging supply equipment installed, the  
7 electric vehicle ready requirement is decreased by 2%.

8 Where additional parking exists or is feasible, each  
9 parking space shall be marked and signed for common use by  
10 residents. A resident shall use an electric vehicle parking  
11 space only when he or she is charging his or her electric  
12 vehicle.

13 Section 45-25. Nonresidential requirements. A new or  
14 renovated nonresidential building shall have 20% of its total  
15 parking spaces electric vehicle ready.

16 Section 45-30. Electric vehicle charging station policy  
17 for unit owners.

18 (a) Any covenant, restriction, or condition contained in  
19 any deed, contract, security interest, or other instrument  
20 affecting the transfer or sale of any interest in a condominium  
21 or common interest community, and any provision of a governing  
22 document that effectively prohibits or unreasonably restricts  
23 the installation or use of an electric vehicle charging station  
24 within a unit owner's unit or a designated parking space,

1 including, but not limited to, a deeded parking space, a  
2 parking space in a unit owner's exclusive use common area, or a  
3 parking space that is specifically designated for use by a  
4 particular unit owner, or is in conflict with this Section, is  
5 void and unenforceable.

6 (b) This Section does not apply to provisions that impose a  
7 reasonable restriction on an electric vehicle charging  
8 station. However, it is the policy of this State to promote,  
9 encourage, and remove obstacles to the use of an electric  
10 vehicle charging station.

11 (c) An electric vehicle charging station shall meet  
12 applicable health and safety standards and requirements  
13 imposed by State and local authorities, and all other  
14 applicable zoning, land use, or other ordinances or land use  
15 permits.

16 (d) If approval is required for the installation or use of  
17 an electric vehicle charging station, the association shall  
18 process and approve the application in the same manner as an  
19 application for approval of an architectural modification to  
20 the property, and the association shall not willfully avoid or  
21 delay the adjudication of the application. The approval or  
22 denial of an application shall be in writing. If an application  
23 is not denied in writing within 60 days from the date of the  
24 receipt of the application, the application shall be deemed  
25 approved unless the delay is the result of a reasonable request  
26 for additional information.

1           (e) If the electric vehicle charging station is to be  
2 placed in a common area or exclusive use common area, as  
3 designated by the condominium or common interest community  
4 association, the following applies:

5           (1) The unit owner shall first obtain approval from the  
6 association to install the electric vehicle charging  
7 station and the association shall approve the installation  
8 if the unit owner agrees, in writing, to:

9           (i) comply with the association's architectural  
10 standards for the installation of the electric vehicle  
11 charging station;

12           (ii) engage a licensed electrical contractor to  
13 install the electric vehicle charging station;

14           (iii) within 14 days of approval, provide a  
15 certificate of insurance that names the association as  
16 an additional insured party under the unit owner's  
17 insurance policy as required under paragraph (3); and

18           (iv) pay for both the costs associated with the  
19 installation of and the electricity usage associated  
20 with the electric vehicle charging station.

21           (2) The unit owner, and each successive unit owner of  
22 the electric vehicle charging station, is responsible for:

23           (i) costs for damage to the electric vehicle  
24 charging station, common area, exclusive use common  
25 area, or separate interests resulting from the  
26 installation, maintenance, repair, removal, or

1 replacement of the electric vehicle charging station;

2 (ii) costs for the maintenance, repair, and  
3 replacement of the electric vehicle charging station  
4 until it has been removed, and for the restoration of  
5 the common area after removal;

6 (iii) costs of electricity associated with the  
7 charging station, which shall be based on:

8 (A) an inexpensive submetering device; or

9 (B) a reasonable calculation of cost, based on  
10 the average miles driven, efficiency of the  
11 electric vehicle calculated by the United States  
12 Environmental Protection Agency, and the cost of  
13 electricity for the common area; and

14 (iv) disclosing to a prospective buyer the  
15 existence of any electric vehicle charging station of  
16 the unit owner and the related responsibilities of the  
17 unit owner under this Section.

18 (3) The purpose of the costs under paragraph (2) is for  
19 the reasonable reimbursement of electricity usage, and  
20 shall not be set to deliberately exceed the reasonable  
21 reimbursement.

22 (4) The unit owner of the electric vehicle charging  
23 station, whether the electric vehicle charging station is  
24 located within the common area or exclusive use common  
25 area, shall, at all times, maintain a liability coverage  
26 policy. The unit owner that submitted the application to



1       install the electric vehicle charging station shall  
2       provide the association with the corresponding certificate  
3       of insurance with 14 days of approval of the application.  
4       The unit owner, and each successive unit owner, shall  
5       provide the association with the certificate of insurance  
6       annually thereafter.

7             (5) A unit owner is not required to maintain a  
8       homeowner liability coverage policy for an existing  
9       National Electrical Manufacturers Association standard  
10      alternating current power plug.

11      (f) Except as provided in subsection (g), the installation  
12      of an electric vehicle charging station for the exclusive use  
13      of a unit owner in a common area that is not an exclusive use  
14      common area shall be authorized by the association only if  
15      installation in the unit owner's designated parking space is  
16      impossible or unreasonably expensive. In such an event, the  
17      association shall enter into a license agreement with the unit  
18      owner for the use of the space in a common area, and the unit  
19      owner shall comply with all of the requirements in subsection  
20      (e).

21      (g) An association may install an electric vehicle charging  
22      station in the common area for the use of all unit owners and  
23      members of the association. The association shall develop  
24      appropriate terms of use for the electric vehicle charging  
25      station.

26      (h) An association may create a new parking space where one

1 did not previously exist to facilitate the installation of an  
2 electric vehicle charging station.

3 (i) An association that willfully violates this Section  
4 shall be liable to the unit owner for actual damages and shall  
5 pay a civil penalty to the unit owner not to exceed \$1,000.

6 (j) In any action by a unit owner requesting to have an  
7 electric vehicle charging station installed and seeking to  
8 enforce compliance with this Section, the court shall award  
9 reasonable attorney's fees to a prevailing plaintiff.

10 Section 45-35. Electric vehicle charging system policy for  
11 renters.

12 (a) Notwithstanding any provision in the lease to the  
13 contrary, and subject to subsection (b):

14 (1) A tenant may install, at the tenant's expense for  
15 the tenant's own use, a level 1 or level 2 electric vehicle  
16 charging system on or in the leased premises.

17 (2) A landlord shall not assess or charge a tenant any  
18 fee for the placement or use of an electric vehicle  
19 charging system, except that:

20 (i) The landlord may:

21 (A) require reimbursement for the actual cost  
22 of electricity provided by the landlord that was  
23 used by the electric vehicle charging system; or

24 (B) charge a reasonable fee for access. If the  
25 electric vehicle charging system is part of a

1 network for which a network fee is charged, the  
2 landlord's reimbursement may include the amount of  
3 the network fee. Nothing in this subparagraph  
4 requires a landlord to impose upon a tenant a fee  
5 or charge other than the rental payments specified  
6 in the lease.

7 (ii) The landlord may require reimbursement for  
8 the cost of the installation of the electric vehicle  
9 charging system, including any additions or upgrades  
10 to existing wiring directly attributable to the  
11 requirements of the electric vehicle charging system,  
12 if the landlord places or causes the electric vehicle  
13 charging system to be placed at the request of the  
14 tenant.

15 (iii) If the tenant desires to place an electric  
16 vehicle charging system in an area accessible to other  
17 tenants, the landlord may assess or charge the tenant a  
18 reasonable fee to reserve a specific parking space in  
19 which to install the electric vehicle charging system.

20 (b) A landlord may require a tenant to comply with:

21 (1) bona fide safety requirements consistent with an  
22 applicable building code or recognized safety standard for  
23 the protection of persons and property;

24 (2) a requirement that the electric vehicle charging  
25 system be registered with the landlord within 30 days after  
26 installation; or

1           (3) reasonable aesthetic provisions that govern the  
2           dimensions, placement, or external appearance of an  
3           electric vehicle charging system.

4           (c) A tenant may place an electric vehicle charging system  
5           in an area accessible to other tenants if:

6           (1) the electric vehicle charging system is in  
7           compliance with all applicable requirements adopted by a  
8           landlord under subsection (b); and

9           (2) the tenant agrees, in writing, to:

10           (i) comply with the landlord's design  
11           specifications for the installation of an electric  
12           vehicle charging system;

13           (ii) engage the services of a duly licensed and  
14           registered electrical contractor familiar with the  
15           installation and code requirements of an electric  
16           vehicle charging system; and

17           (iii) provide, within 14 days after receiving the  
18           landlord's consent for the installation, a certificate  
19           of insurance naming the landlord as an additional  
20           insured party on the tenant's renter's insurance  
21           policy for any claim related to the installation,  
22           maintenance, or use of the electric vehicle charging  
23           system or, at the landlord's option, reimbursement to  
24           the landlord for the actual cost of any increased  
25           insurance premium amount attributable to the electric  
26           vehicle charging system, notwithstanding any provision

1 to the contrary in the lease. The tenant shall provide  
2 reimbursement for an increased insurance premium  
3 amount within 14 days after the tenant receives the  
4 landlord's invoice for the amount attributable to the  
5 electric vehicle charging system.

6 (d) If the landlord consents to a tenant's installation of  
7 an electric vehicle charging system on property accessible to  
8 other tenants, including a parking space, carport, or garage  
9 stall, then, unless otherwise specified in a written agreement  
10 with the landlord:

11 (1) The tenant, and each successive tenant with  
12 exclusive rights to the area where the electric vehicle  
13 charging system is installed, is responsible for costs for  
14 damages to the electric vehicle charging system and to any  
15 other property of the landlord or another tenant resulting  
16 from the installation, maintenance, repair, removal, or  
17 replacement of the electric vehicle charging system.

18 (i) Costs under this paragraph shall be based on:

19 (A) an inexpensive submetering device; or

20 (B) a reasonable calculation of cost, based on  
21 the average miles driven, efficiency of the  
22 electric vehicle calculated by the United States  
23 Environmental Protection Agency, and the cost of  
24 electricity for the common area.

25 (ii) The purpose of the costs under this paragraph  
26 is for reasonable reimbursement of electricity usage

1           and shall not be set to deliberately exceed that  
2           reasonable reimbursement.

3           (2) Each successive tenant with exclusive rights to the  
4           area where the electric vehicle charging system is  
5           installed shall assume responsibility for the repair,  
6           maintenance, removal, and replacement of the electric  
7           vehicle charging system until the electric vehicle  
8           charging system is removed.

9           (3) The tenant, and each successive tenant with  
10          exclusive rights to the area where the electric vehicle  
11          charging system is installed, shall, at all times, have and  
12          maintain an insurance policy covering the obligations of  
13          the tenant under this subsection and shall name the  
14          landlord as an additional insured party under the policy.

15          (4) The tenant, and each successive tenant with  
16          exclusive rights to the area where the electric vehicle  
17          charging system is installed, is responsible for removing  
18          the system if reasonably necessary or convenient for the  
19          repair, maintenance, or replacement of any property of the  
20          landlord, whether or not leased to another tenant.

21          (e) An electric vehicle charging system installed at the  
22          tenant's cost is the property of the tenant. Upon termination  
23          of the lease, if the electric vehicle charging system is  
24          removable, the tenant may either remove it or sell it to the  
25          landlord or another tenant for an agreed price. Nothing in this  
26          subsection requires the landlord or another tenant to purchase

1 the electric vehicle charging system.

2 (f) A landlord that willfully violates this Section shall  
3 be liable to the tenant for actual damages, and shall pay a  
4 civil penalty to the tenant in an amount not to exceed \$1,000.

5 (g) In any action by a tenant requesting to have an  
6 electric vehicle charging system installed and seeking to  
7 enforce compliance with this Section, the court shall award  
8 reasonable attorney's fees to a prevailing plaintiff.

9 Article 90. Amendatory Provisions

10 Section 90-5. The Illinois Administrative Procedure Act is  
11 amended by adding Sections 5-45.8, 5-45.9, and 5-49.10 as  
12 follows:

13 (5 ILCS 100/5-45.8 new)

14 Sec. 5-45.8. Emergency rulemaking; Energy Community  
15 Reinvestment Act. To provide for the expeditious and timely  
16 implementation of the Energy Community Reinvestment Act,  
17 emergency rules may be adopted in accordance with Section 5-45  
18 by the Department of Commerce and Economic Opportunity to  
19 implement Section 20-15 of the Energy Community Reinvestment  
20 Act with respect to applications for designation as Clean  
21 Energy Empowerment Zones. The adoption of emergency rules  
22 authorized by Section 5-45 and this Section is deemed to be  
23 necessary for the public interest, safety, and welfare.

(5 ILCS 100/5-45.9 new)

Sec. 5-45.9. Emergency rulemaking; Public Utilities Act.  
To provide for the expeditious and timely implementation of  
this amendatory Act of the 101st General Assembly, emergency  
rules may be adopted in accordance with Section 5-45 by the  
Illinois Commerce Commission to implement the changes made by  
this amendatory Act of the 101st General Assembly to the Public  
Utilities Act. The adoption of emergency rules authorized by  
Section 5-45 and this Section is deemed to be necessary for the  
public interest, safety, and welfare.

(5 ILCS 100/5-49.10 new)

Sec. 5-49.10. Emergency rulemaking; Public Utilities  
Intervenor Compensation Act. To provide for the expeditious and  
timely implementation of the Public Utilities Intervenor  
Compensation Act, emergency rules may be adopted in accordance  
with Section 5-45 by the Illinois Commerce Commission to  
implement the Public Utilities Intervenor Compensation Act.  
The adoption of emergency rules authorized by Section 5-45 and  
this Section is deemed to be necessary for the public interest,  
safety, and welfare.

This Section is repealed on January 1, 2026.

Section 90-10. The Electric Vehicle Act is amended by  
adding Sections 30, 35, and 40 as follows:



1 (20 ILCS 627/30 new)

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

3 (a) Purpose. The General Assembly finds that it is  
4 necessary to provide access to electric vehicles to residents  
5 in communities for individuals whom car ownership is not an  
6 option, affordable, or a preference, particularly for  
7 environmental justice communities and low-income communities.

8 (b) Definitions. As used in this Section:

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

11 "Environmental justice communities" means the definition  
12 of that term based on existing methodologies and findings, used  
13 and as may be updated by the Illinois Power Agency and its  
14 program administrator in the Illinois Solar for All Program.

15 "Low-income" means persons and families whose income does  
16 not exceed 80% of area median income, adjusted for family size  
17 and revised every 2 years.

18 (c) Within 120 days after the effective date of this  
19 amendatory Act of the 101st General Assembly, and for a period  
20 of not less than 36 months thereafter, the Department of  
21 Commerce and Economic Opportunity shall establish and  
22 implement an Electric Vehicle Access for All Program designed  
23 to maximize opportunities for carbon-free transportation  
24 across the State, particularly targeting environmental justice  
25 and low-income communities, which shall include the following

1 initiatives:

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

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

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

20 (4) Low-income rebate program. A rebate of up to \$4,000  
21 at time of purchase shall be made available to low-income  
22 residents of Illinois.

23 (i) Such rebates are only available for new  
24 passenger battery electric vehicles at a prerebate  
25 cost of \$45,000 or less or for used battery electric  
26 vehicles at a prerebate cost of \$35,000 or less. This

1 cost cut off is exclusive of any electric  
2 vehicle-specific rebates offered by any level of  
3 government; if the cost of the electric vehicle would  
4 be higher than the cut off-points mentioned above  
5 without any electric vehicle-specific rebates, then  
6 the vehicle is not eligible for rebates.

7 (ii) This low-income rebate may be combined with  
8 other rebates for eligible vehicles and drivers. The  
9 funds for this program shall be derived from 50% of the  
10 Electric Vehicle Access for All Program funds, up to  
11 \$3,750,000 per year. The rebate may only be applied one  
12 time per Vehicle Identification Number. The rebate may  
13 only be used once per person in any 5-year period. To  
14 be eligible for the low-income rebate, a purchaser must  
15 be a resident of Illinois and provide proof of  
16 residence at the time of purchase. The State shall  
17 direct rebate recipients to local electric utilities  
18 where additional charging equipment rebates may be  
19 available.

20 (c) The Electric Vehicle Access for All Program and its  
21 initiatives shall be designed to maximize opportunities for  
22 carbon-free transportation across the State, particularly  
23 targeting environmental justice and low-income communities,  
24 and to provide grants to pilot programs with the purpose of  
25 bridging public transportation gaps between residences and  
26 employment locations. Eligible programs may include electric

1 shuttles, electric and nonelectric bicycle and scooter  
2 sharing, electric vehicle sharing, and other carbon-free  
3 alternatives. The Department of Commerce and Economic  
4 Opportunity shall hire or select, through a competitive bidding  
5 program, a program administrator to oversee and administer the  
6 Program.

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

21 (e) Projects, programs, or other initiatives funded  
22 through this Program must participate in time-of-use rates,  
23 hourly pricing electric rates, charging plans or rates that  
24 encourage off-peak charging, optimized charging programs,  
25 demand response, or similar programs as part of a beneficial  
26 electrification program, as provided under Section 16-107.8 of

1 the Public Utilities Act, to the extent practicable, to  
2 minimize the impact to the electric grid of new electric  
3 vehicle charging infrastructure and to use electricity at times  
4 when renewable energy generation is highest.

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

11 (g) The Department of Commerce and Economic Opportunity  
12 shall report to the Governor and the General Assembly regarding  
13 the effectiveness of the Program no later than July 1, 2022.

14 (20 ILCS 627/35 new)

15 Sec. 35. Administrative review. All final administrative  
16 decisions, including, but not limited to, funding allocation  
17 and rules issued by the Department under this Act are subject  
18 to judicial review under the Administrative Review Law. No  
19 action may be commenced under this Section prior to 60 days  
20 after the complainant has given notice in writing of the action  
21 to the Department.

22 (20 ILCS 627/40 new)

23 Sec. 40. Authorized expenditure of State-controlled funds  
24 to accelerate electric vehicle adoption.

1       (a) Within 180 days after the effective date of this  
2       amendatory Act of the 101st General Assembly, the Environmental  
3       Protection Agency must initiate a comprehensive stakeholder  
4       process to solicit input on the development of an updated plan  
5       for expenditure of the remaining Volkswagen Settlement  
6       Environment Mitigation Fund and for the use of the \$70,000,000  
7       funds from Article 8, Section 25 of Public Act 101-0029. At a  
8       minimum, the stakeholder process shall include representatives  
9       from community-based organizations in environmental justice  
10       communities, community-based organizations serving  
11       economically disadvantaged persons and families, and  
12       community-based organizations focused on transportation  
13       equality and access. These stakeholders shall be  
14       representative of the entire State and located throughout the  
15       State. The Environmental Protection Agency shall provide  
16       administrative support for the stakeholder process and all  
17       meetings shall be accessible with rotating locations, call-in  
18       options, and materials and agendas circulated well in advance,  
19       and there shall be opportunities for input outside of meetings  
20       from those with limited capacity and ability to attend via  
21       one-on-one meetings, surveys, and calls subject to compliance  
22       with the Open Meetings Act. The plan should prioritize the  
23       purchase of electric vehicles and equipment, including public  
24       transit, school buses, and other public fleet vehicles and  
25       spending should be prioritized toward economically  
26       disadvantaged communities and environmental justice

1 communities.

2 (b) Within one year of the effective date of this  
3 amendatory Act of the 101st General Assembly, the Environmental  
4 Protection Agency must publish a comprehensive plan for both  
5 the use of the Volkswagen Settlement Environment Mitigation  
6 Fund and for the \$70,000,000 funds from Article 8, Section 25  
7 of Public Act 101-0029, as amended, reappropriated from the  
8 Build Illinois Bond Fund to the Environmental Protection Agency  
9 for grants for transportation electrification infrastructure  
10 projects; including, but not limited to grants for the purpose  
11 of encouraging electric vehicle charging infrastructure,  
12 prioritizing investments in medium and heavy-duty charging,  
13 and electrifying public transit, school bus transit, and  
14 vehicles operated by or on behalf of public agencies. Those  
15 Volkswagen and capital funds which are allocated to charging  
16 infrastructure must be spent within 3 years of passage and at  
17 least 25% of those funds must be spent per year until the funds  
18 are depleted.

19 (c) The Environmental Protection Agency shall issue  
20 reports, to be posted on its public website and sent to the  
21 Illinois Commerce Commission, summarizing all funds granted  
22 and investments made using funds from the Volkswagen Settlement  
23 Environmental Mitigation Fund, and all grants or investments  
24 currently planned to be made from said fund but not yet  
25 disbursed, at a minimum of the following 3 times:

26 (1) no later than 2 weeks prior to the first meeting of

1       the Plan Development Stakeholder Process initiated by the  
2       Illinois Commerce Commission;

3       (2) no later than 6 months prior to the Initiating  
4       Orders of the Multi-Year Integrated Grid Plan by the  
5       Illinois Commerce Commission; and

6       (3) when the Fund has been fully spent, or when less  
7       than \$1,000,000 remains in the fund for a period of more  
8       than 6 months.

9       Section 90-12. The Energy Efficient Building Act is amended  
10      by changing Sections 10, 15, 20, 30, and 45 and by adding  
11      Section 55 as follows:

12       (20 ILCS 3125/10)

13       Sec. 10. Definitions.

14       "Board" means the Capital Development Board.

15       "Building" includes both residential buildings and  
16      commercial buildings.

17       "Code" means the latest published edition of the  
18      International Code Council's International Energy Conservation  
19      Code as adopted by the Board, including any published  
20      supplements adopted by the Board and any amendments and  
21      adaptations to the Code that are made by the Board.

22       "Commercial building" means any building except a building  
23      that is a residential building, as defined in this Section.

24       "Department" means the Department of Commerce and Economic



1 Opportunity.

2 "Municipality" means any city, village, or incorporated  
3 town.

4 "Residential building" means (i) a detached one-family or  
5 2-family dwelling or (ii) any building that is 3 stories or  
6 less in height above grade that contains multiple dwelling  
7 units, in which the occupants reside on a primarily permanent  
8 basis, such as a townhouse, a row house, an apartment house, a  
9 convent, a monastery, a rectory, a fraternity or sorority  
10 house, a dormitory, and a rooming house; provided, however,  
11 that when applied to a building located within the boundaries  
12 of a municipality having a population of 1,000,000 or more, the  
13 term "residential building" means a building containing one or  
14 more dwelling units, not exceeding 4 stories above grade, where  
15 occupants are primarily permanent.

16 "Site energy index" means a scalar published by the Pacific  
17 Northwest National Laboratories representing the ratio of the  
18 site energy performance of an evaluated code compared to the  
19 site energy performance of the 2006 International Energy  
20 Conservation Code. A site energy index includes only  
21 conservation measures and excludes net energy credit for any  
22 on-site or off-site energy production.

23 (Source: P.A. 101-144, eff. 7-26-19.)

24 (20 ILCS 3125/15)

25 Sec. 15. Energy Efficient Building Code. The Board, in

1 consultation with the Department, shall adopt the Code as  
2 minimum requirements for commercial buildings, applying to the  
3 construction of, renovations to, and additions to all  
4 commercial buildings in the State. The Board, in consultation  
5 with the Department, shall also adopt the Code as ~~the~~ minimum  
6 and maximum requirements for residential buildings, applying  
7 to the construction of, renovations to, and additions to all  
8 residential buildings in the State, except as provided for in  
9 Section 45 of this Act. The Board may appropriately adapt the  
10 International Energy Conservation Code to apply to the  
11 particular economy, population distribution, geography, and  
12 climate of the State and construction therein, consistent with  
13 the public policy objectives of this Act.

14 (Source: P.A. 96-778, eff. 8-28-09.)

15 (20 ILCS 3125/20)

16 Sec. 20. Applicability.

17 (a) The Board shall review and adopt the Code within one  
18 year after its publication. The Code shall take effect within 6  
19 months after it is adopted by the Board, except that, beginning  
20 January 1, 2012, the Code adopted in 2012 shall take effect on  
21 January 1, 2013. Except as otherwise provided in this Act, the  
22 Code shall apply to (i) any new building or structure in this  
23 State for which a building permit application is received by a  
24 municipality or county and (ii) beginning on the effective date  
25 of this amendatory Act of the 100th General Assembly, each

1 State facility specified in Section 4.01 of the Capital  
2 Development Board Act. In the case of any addition, alteration,  
3 renovation, or repair to an existing residential or commercial  
4 structure, the Code adopted under this Act applies only to the  
5 portions of that structure that are being added, altered,  
6 renovated, or repaired. The changes made to this Section by  
7 this amendatory Act of the 97th General Assembly shall in no  
8 way invalidate or otherwise affect contracts entered into on or  
9 before the effective date of this amendatory Act of the 97th  
10 General Assembly.

11 (b) The following buildings shall be exempt from the Code:

12 (1) Buildings otherwise exempt from the provisions of a  
13 locally adopted building code and buildings that do not  
14 contain a conditioned space.

15 (2) Buildings that do not use either electricity or  
16 fossil fuel for comfort conditioning. For purposes of  
17 determining whether this exemption applies, a building  
18 will be presumed to be heated by electricity, even in the  
19 absence of equipment used for electric comfort heating,  
20 whenever the building is provided with electrical service  
21 in excess of 100 amps, unless the code enforcement official  
22 determines that this electrical service is necessary for  
23 purposes other than providing electric comfort heating.

24 (3) Historic buildings. This exemption shall apply to  
25 those buildings that are listed on the National Register of  
26 Historic Places or the Illinois Register of Historic

1 Places, and to those buildings that have been designated as  
2 historically significant by a local governing body that is  
3 authorized to make such designations.

4 (4) (Blank).

5 (5) Other buildings specified as exempt by the  
6 International Energy Conservation Code.

7 (c) Additions, alterations, renovations, or repairs to an  
8 existing building, building system, or portion thereof shall  
9 conform to the provisions of the Code as they relate to new  
10 construction without requiring the unaltered portion of the  
11 existing building or building system to comply with the Code.  
12 The following need not comply with the Code, provided that the  
13 energy use of the building is not increased: (i) storm windows  
14 installed over existing fenestration, (ii) glass-only  
15 replacements in an existing sash and frame, (iii) existing  
16 ceiling, wall, or floor cavities exposed during construction,  
17 provided that these cavities are filled with insulation, and  
18 (iv) construction where the existing roof, wall, or floor is  
19 not exposed.

20 (d) A unit of local government that does not regulate  
21 energy efficient building standards is not required to adopt,  
22 enforce, or administer the Code; however, any energy efficient  
23 building standards adopted by a unit of local government must  
24 comply with this Act. If a unit of local government does not  
25 regulate energy efficient building standards, any  
26 construction, renovation, or addition to buildings or

1 structures is subject to the provisions contained in this Act.

2 (Source: P.A. 100-729, eff. 8-3-18.)

3 (20 ILCS 3125/30)

4 Sec. 30. Enforcement. The Board, in consultation with the  
5 Department, shall determine procedures for compliance with the  
6 Code. These procedures may include but need not be limited to  
7 certification by a national, State, or local accredited energy  
8 conservation program or inspections from private  
9 Code-certified inspectors using the Code. For purposes of the  
10 Illinois Stretch Energy Code under Section 55 of this Act, the  
11 Board shall allow and encourage, as an alternative compliance  
12 mechanism, project certification by a nationally recognized  
13 nonprofit certification organization specializing in  
14 high-performance passive buildings and offering  
15 climate-specific building energy standards that require equal  
16 or better energy performance than the Illinois Stretch Energy  
17 Code.

18 (Source: P.A. 93-936, eff. 8-13-04.)

19 (20 ILCS 3125/45)

20 Sec. 45. Home rule.

21 (a) ~~(Blank) No unit of local government, including any home~~  
22 ~~rule unit, may regulate energy efficient building standards for~~  
23 ~~commercial buildings in a manner that is less stringent than~~  
24 ~~the provisions contained in this Act.~~

1 (b) No unit of local government, including any home rule  
2 unit, may regulate energy efficient building standards for  
3 residential or commercial buildings in a manner that is either  
4 less or more stringent than the standards established pursuant  
5 to this Act; provided, however, that the following entities may  
6 regulate energy efficient building standards for residential  
7 or commercial buildings in a manner that is more stringent than  
8 the provisions contained in this Act: (i) a unit of local  
9 government, including a home rule unit, that has, on or before  
10 May 15, 2009, adopted or incorporated by reference energy  
11 efficient building standards for residential buildings that  
12 are equivalent to or more stringent than the 2006 International  
13 Energy Conservation Code, (ii) a unit of local government,  
14 including a home rule unit, that has, on or before May 15,  
15 2009, provided to the Capital Development Board, as required by  
16 Section 10.18 of the Capital Development Board Act, an  
17 identification of an energy efficient building code or  
18 amendment that is equivalent to or more stringent than the 2006  
19 International Energy Conservation Code, (iii) a municipality  
20 that has adopted the Illinois Stretch Energy Code, and (iv)  
21 ~~(iii)~~ a municipality with a population of 1,000,000 or more.

22 (c) No unit of local government, including any home rule  
23 unit or unit of local government that is subject to State  
24 regulation under the Code as provided in Section 15 of this  
25 Act, may hereafter enact any annexation ordinance or  
26 resolution, or require or enter into any annexation agreement,

1 that imposes energy efficient building standards for  
2 residential or commercial buildings that are either less or  
3 more stringent than the energy efficiency standards in effect,  
4 at the time of construction, throughout the unit of local  
5 government, except for the Illinois Stretch Energy Code.

6 (d) This Section is a denial and limitation of home rule  
7 powers and functions under subsection (i) of Section 6 of  
8 Article VII of the Illinois Constitution on the concurrent  
9 exercise by home rule units of powers and functions exercised  
10 by the State. Nothing in this Section, however, prevents a unit  
11 of local government from adopting an energy efficiency code or  
12 standards for commercial buildings that are more stringent than  
13 the Code under this Act.

14 (Source: P.A. 99-639, eff. 7-28-16.)

15 (20 ILCS 3125/55 new)

16 Sec. 55. Illinois Stretch Energy Code.

17 (a) The Board, in consultation with the Department, shall  
18 create and adopt the Illinois Stretch Energy Code, to allow  
19 municipalities and projects authorized or funded by the Board  
20 to achieve more energy efficiency in buildings than the  
21 Illinois Energy Conservation Code through a consistent pathway  
22 across the State. The Illinois Stretch Energy Code shall be  
23 available for adoption by any municipality and shall set  
24 minimum energy efficiency requirements, taking the place of the  
25 Illinois Energy Conservation Code within any municipality that

1 adopts the Illinois Stretch Energy Code.

2 (b) The Illinois Stretch Energy Code shall have separate  
3 components for commercial and residential buildings, which may  
4 be adopted by the municipality jointly or separately.

5 (c) The Illinois Stretch Energy Code shall apply to all  
6 projects to which an energy conservation code is applicable  
7 that are authorized or funded in any part by the Board after  
8 January 1, 2022.

9 (d) Development of the Illinois Stretch Energy Code shall  
10 be completed and available for adoption by municipalities by  
11 July 1, 2021.

12 (e) Consistent with the requirements under paragraph (2.5)  
13 of subsection (g) of Section 8-103B of the Public Utilities Act  
14 and under paragraph (2) of subsection (j) of Section 8-104.1 of  
15 the Public Utilities Act, municipalities that adopt the  
16 Illinois Stretch Energy Code may use utility programs to  
17 support compliance with the Illinois Stretch Energy Code. The  
18 amount of savings from such utility efforts that may be counted  
19 toward achievement of their cumulative persisting annual  
20 savings goals shall be based on reasonable estimates of the  
21 increase in savings resulting from the utility efforts,  
22 relative to reasonable approximations of what would have  
23 occurred absent the utility involvement.

24 (f) The Illinois Stretch Energy Code's residential  
25 components shall:

26 (1) apply to residential buildings as defined under



1       Section 10;

2           (2) set performance targets using a site energy index  
3       with reductions relative to the 2006 International Energy  
4       Conservation Code; and

5           (3) include stretch energy codes with site energy index  
6       standards and adoption dates as follows: by no later than  
7       December 31, 2022, the Board shall create and adopt a  
8       stretch energy code with a site energy index no greater  
9       than 0.50 of the 2006 International Energy Conservation  
10       Code; by no later than December 31, 2025, the Board shall  
11       create and adopt a stretch energy code with a site energy  
12       index no greater than 0.40 of the 2006 International Energy  
13       Conservation Code, unless the Board identifies  
14       unanticipated burdens associated with the stretch energy  
15       code adopted in 2022, in which case the Board may adopt a  
16       stretch energy code with a site energy index no greater  
17       than 0.42 of the 2006 International Energy Conservation  
18       Code, provided that the more relaxed standard has a site  
19       energy index that is at least 0.05 more restrictive than  
20       the 2024 International Energy Conservation Code; by no  
21       later than December 31, 2028, the Board shall create and  
22       adopt a stretch energy code with a site energy index no  
23       greater than 0.33 of the 2006 International Energy  
24       Conservation Code, unless the Board identifies  
25       unanticipated burdens associated with the stretch energy  
26       code adopted in 2025, in which case the Board may adopt a

1 stretch energy code with a site energy index no greater  
2 than 0.35 of the 2006 International Energy Conservation  
3 Code, but only if that more relaxed standard has a site  
4 energy index that is at least 0.05 more restrictive than  
5 the 2027 International Energy Conservation Code; and by no  
6 later than December 31, 2031, the Board shall create and  
7 adopt a stretch energy code with a site energy index no  
8 greater than 0.25 of the 2006 International Energy  
9 Conservation Code.

10 (g) The Illinois Stretch Energy Code's commercial  
11 components shall:

12 (1) apply to commercial buildings as defined under  
13 Section 10;

14 (2) set performance targets using a site energy index  
15 with reductions relative to the 2006 International Energy  
16 Conservation Code; and

17 (3) include stretch energy codes with site energy index  
18 standards and adoption dates as follows: by no later than  
19 December 31, 2022, the Board shall create and adopt a  
20 stretch energy code with a site energy index no greater  
21 than 0.60 of the 2006 International Energy Conservation  
22 Code; by no later than December 31, 2025, the Board shall  
23 create and adopt a stretch energy code with a site energy  
24 index no greater than 0.50 of the 2006 International Energy  
25 Conservation Code; by no later than December 31, 2028, the  
26 Board shall create and adopt a stretch energy code with a

1 site energy index no greater than 0.44 of the 2006  
2 International Energy Conservation Code; and by no later  
3 than December 31, 2031, the Board shall create and adopt a  
4 stretch energy code with a site energy index no greater  
5 than 0.39 of the 2006 International Energy Conservation  
6 Code.

7 (h) The process for the creation of the Illinois Stretch  
8 Energy Code includes:

9 (1) within 90 days after the effective date of this  
10 amendatory Act of the 101st General Assembly, the Capital  
11 Development Board shall establish an Illinois Stretch  
12 Energy Code Task Force to advise and provide technical  
13 assistance and recommendations to the Capital Development  
14 Board for the Illinois Stretch Energy Code, which shall:

15 (A) advise the Capital Development Board on  
16 creation of interim performance targets, code  
17 requirements, and an implementation plan for the  
18 Illinois Stretch Energy Code;

19 (B) recommend amendments to proposed rules issued  
20 by the Capital Development Board;

21 (C) recommend complementary programs or policies;

22 (D) complete recommendations and development for  
23 the Illinois Stretch Energy Code elements and  
24 requirements within one year of enactment, or in time  
25 for the Capital Development Board to enact the Illinois  
26 Stretch Energy Code by January 1, 2022, whichever is

1 sooner;

2 (E) be composed of, but not limited to,  
3 representatives, or their designees, from the  
4 following entities:

5 (i) a representative from a group that  
6 represents environmental justice;

7 (ii) a representative of a nonprofit or  
8 professional association advocating for the  
9 environment;

10 (iii) a representative of an organization  
11 representing local governments in the metropolitan  
12 Chicago region;

13 (iv) a representative of the City of Chicago;

14 (v) a representative of an organization  
15 representing local governments outside the  
16 metropolitan Chicago region;

17 (vi) a representative for the investor-owned  
18 utilities of Illinois;

19 (vii) an energy-efficiency advocate with  
20 technical expertise in single-family residential  
21 buildings;

22 (viii) an energy-efficiency advocate with  
23 technical expertise in commercial buildings;

24 (ix) an energy-efficiency advocate with  
25 technical expertise in multifamily buildings, such  
26 as an affordable housing developer;

1                   (x) a representative from the architecture or  
2                   engineering industry;

3                   (xi) a representative from a home builders  
4                   association;

5                   (xii) a representative from the commercial  
6                   building industry;

7                   (xiii) a representative of the enforcement  
8                   industry, such as a code official or energy rater;

9                   (xiv) a representative of organized labor; and

10                   (xv) other experts or organizations deemed  
11                   necessary by the Capital Development Board; and

12                   (F) be co-chaired by:

13                   (i) a representative of the environmental  
14                   community;

15                   (ii) a representative of the environmental  
16                   justice community; and

17                   (iii) a municipal representative.

18                   (2) As part of its deliberations, the Illinois Stretch  
19                   Energy Code Task Force shall actively solicit input from  
20                   other energy code stakeholders and interested parties.

21                   Section 90-15. The Illinois Power Agency Act is amended by  
22                   changing Sections 1-5, 1-10, 1-20, 1-56, and 1-75 as follows:

23                   (20 ILCS 3855/1-5)

24                   Sec. 1-5. Legislative declarations and findings. The

1 General Assembly finds and declares:

2 (1) The health, welfare, and prosperity of all Illinois  
3 residents ~~citizens~~ require the provision of adequate,  
4 reliable, affordable, efficient, and environmentally  
5 sustainable electric service at the lowest total cost over  
6 time, taking into account any benefits of price stability.

7 (1.5) To provide the highest quality of life for the  
8 residents of Illinois, and to provide for a clean and  
9 healthy environment, it is the policy of this State to  
10 rapidly transition to 100% renewable energy.

11 (2) (Blank).

12 (3) (Blank).

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

20 (5) Procuring a diverse electricity supply portfolio  
21 will ensure the lowest total cost over time for adequate,  
22 reliable, efficient, and environmentally sustainable  
23 electric service.

24 (6) Including renewable resources and zero emission  
25 credits from zero emission facilities in that portfolio  
26 will reduce long-term direct and indirect costs to

1 consumers by decreasing environmental impacts and by  
2 avoiding or delaying the need for new generation,  
3 transmission, and distribution infrastructure. Developing  
4 new renewable energy resources in Illinois, including  
5 brownfield solar projects and community solar projects,  
6 will help to diversify Illinois electricity supply, avoid  
7 and reduce pollution, reduce peak demand, and enhance  
8 public health and well-being of Illinois residents.

9 (7) Developing community solar projects in Illinois  
10 will help to expand access to renewable energy resources to  
11 more Illinois residents.

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

17 (9) Energy efficiency, demand-response measures, zero  
18 emission energy, and renewable energy are resources  
19 currently underused in Illinois. These resources should be  
20 used, when cost effective, to reduce costs to consumers,  
21 improve reliability, and improve environmental quality and  
22 public health.

23 (10) The State should encourage the use of advanced  
24 clean coal technologies that capture and sequester carbon  
25 dioxide emissions to advance environmental protection  
26 goals and to demonstrate the viability of coal and

1 coal-derived fuels in a carbon-constrained economy.

2 (11) The General Assembly enacted Public Act 96-0795 to  
3 reform the State's purchasing processes, recognizing that  
4 government procurement is susceptible to abuse if  
5 structural and procedural safeguards are not in place to  
6 ensure independence, insulation, oversight, and  
7 transparency.

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

11 (13) To ensure that the benefits of installing  
12 renewable resources are available to all Illinois  
13 residents and located across the State, subject to  
14 appropriation, it is necessary for the Illinois Power  
15 Agency to provide public information and educational  
16 resources on how residents can benefit from the expansion  
17 of renewable energy in Illinois and participate in the  
18 Illinois Solar for All Program established in Section 1-56  
19 of this Act, the Adjustable Block Program established in  
20 Section 1-75 of this Act, the job training programs  
21 established by paragraph (1) of subsection (a) of Section  
22 16-108.12 of the Public Utilities Act, and the programs and  
23 resources established by the Clean Jobs Workforce and  
24 Contractor Equity Act.

25 The General Assembly therefore finds that it is necessary  
26 to create the Illinois Power Agency and that the goals and



1 objectives of that Agency are to accomplish each of the  
2 following:

3 (A) Develop electricity procurement plans to ensure  
4 adequate, reliable, affordable, efficient, and  
5 environmentally sustainable electric service at the lowest  
6 total cost over time, taking into account any benefits of  
7 price stability, for electric utilities that on December  
8 31, 2005 provided electric service to at least 100,000  
9 customers in Illinois and for small multi-jurisdictional  
10 electric utilities that (i) on December 31, 2005 served  
11 less than 100,000 customers in Illinois and (ii) request a  
12 procurement plan for their Illinois jurisdictional load.  
13 The procurement plan shall be updated on an annual basis  
14 and shall include renewable energy resources and,  
15 beginning with the delivery year commencing June 1, 2017,  
16 zero emission credits from zero emission facilities  
17 sufficient to achieve the standards specified in this Act.

18 (B) Conduct the competitive procurement processes  
19 identified in this Act.

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

24 (D) Supply electricity from the Agency's facilities at  
25 cost to one or more of the following: municipal electric  
26 systems, governmental aggregators, or rural electric

1 cooperatives in Illinois.

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

5 (F) Continue to review its policies and practices to  
6 determine how best to meet its mission of providing the  
7 lowest cost power to the greatest number of people, at any  
8 given point in time, in accordance with applicable law.

9 (G) Operate in a structurally insulated, independent,  
10 and transparent fashion so that nothing impedes the  
11 Agency's mission to secure power at the best prices the  
12 market will bear, provided that the Agency meets all  
13 applicable legal requirements.

14 (H) Implement renewable energy procurement and  
15 training programs throughout the State to diversify  
16 Illinois electricity supply, improve reliability, avoid  
17 and reduce pollution, reduce peak demand, and enhance  
18 public health and well-being of Illinois residents,  
19 including low-income residents.

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

21 (20 ILCS 3855/1-10)

22 Sec. 1-10. Definitions.

23 "Agency" means the Illinois Power Agency.

24 "Agency loan agreement" means any agreement pursuant to  
25 which the Illinois Finance Authority agrees to loan the

1 proceeds of revenue bonds issued with respect to a project to  
2 the Agency upon terms providing for loan repayment installments  
3 at least sufficient to pay when due all principal of, interest  
4 and premium, if any, on those revenue bonds, and providing for  
5 maintenance, insurance, and other matters in respect of the  
6 project.

7 "Authority" means the Illinois Finance Authority.

8 "Brownfield site photovoltaic project" means photovoltaics  
9 that are:

10 (1) interconnected to an electric utility as defined in  
11 this Section, a municipal utility as defined in this  
12 Section, a public utility as defined in Section 3-105 of  
13 the Public Utilities Act, or an electric cooperative, as  
14 defined in Section 3-119 of the Public Utilities Act; and

15 (2) located at a site that is regulated by any of the  
16 following entities under the following programs:

17 (A) the United States Environmental Protection  
18 Agency under the federal Comprehensive Environmental  
19 Response, Compensation, and Liability Act of 1980, as  
20 amended;

21 (B) the United States Environmental Protection  
22 Agency under the Corrective Action Program of the  
23 federal Resource Conservation and Recovery Act, as  
24 amended;

25 (C) the Illinois Environmental Protection Agency  
26 under the Illinois Site Remediation Program; or

1 (D) the Illinois Environmental Protection Agency  
2 under the Illinois Solid Waste Program.

3 "Clean coal facility" means an electric generating  
4 facility that uses primarily coal as a feedstock and that  
5 captures and sequesters carbon dioxide emissions at the  
6 following levels: at least 50% of the total carbon dioxide  
7 emissions that the facility would otherwise emit if, at the  
8 time construction commences, the facility is scheduled to  
9 commence operation before 2016, at least 70% of the total  
10 carbon dioxide emissions that the facility would otherwise emit  
11 if, at the time construction commences, the facility is  
12 scheduled to commence operation during 2016 or 2017, and at  
13 least 90% of the total carbon dioxide emissions that the  
14 facility would otherwise emit if, at the time construction  
15 commences, the facility is scheduled to commence operation  
16 after 2017. The power block of the clean coal facility shall  
17 not exceed allowable emission rates for sulfur dioxide,  
18 nitrogen oxides, carbon monoxide, particulates and mercury for  
19 a natural gas-fired combined-cycle facility the same size as  
20 and in the same location as the clean coal facility at the time  
21 the clean coal facility obtains an approved air permit. All  
22 coal used by a clean coal facility shall have high volatile  
23 bituminous rank and greater than 1.7 pounds of sulfur per  
24 million btu content, unless the clean coal facility does not  
25 use gasification technology and was operating as a conventional  
26 coal-fired electric generating facility on June 1, 2009 (the

1 effective date of Public Act 95-1027).

2 "Clean coal SNG brownfield facility" means a facility that  
3 (1) has commenced construction by July 1, 2015 on an urban  
4 brownfield site in a municipality with at least 1,000,000  
5 residents; (2) uses a gasification process to produce  
6 substitute natural gas; (3) uses coal as at least 50% of the  
7 total feedstock over the term of any sourcing agreement with a  
8 utility and the remainder of the feedstock may be either  
9 petroleum coke or coal, with all such coal having a high  
10 bituminous rank and greater than 1.7 pounds of sulfur per  
11 million Btu content unless the facility reasonably determines  
12 that it is necessary to use additional petroleum coke to  
13 deliver additional consumer savings, in which case the facility  
14 shall use coal for at least 35% of the total feedstock over the  
15 term of any sourcing agreement; and (4) captures and sequesters  
16 at least 85% of the total carbon dioxide emissions that the  
17 facility would otherwise emit.

18 "Clean coal SNG facility" means a facility that uses a  
19 gasification process to produce substitute natural gas, that  
20 sequesters at least 90% of the total carbon dioxide emissions  
21 that the facility would otherwise emit, that uses at least 90%  
22 coal as a feedstock, with all such coal having a high  
23 bituminous rank and greater than 1.7 pounds of sulfur per  
24 million btu content, and that has a valid and effective permit  
25 to construct emission sources and air pollution control  
26 equipment and approval with respect to the federal regulations

1 for Prevention of Significant Deterioration of Air Quality  
2 (PSD) for the plant pursuant to the federal Clean Air Act;  
3 provided, however, a clean coal SNG brownfield facility shall  
4 not be a clean coal SNG facility.

5 "Commission" means the Illinois Commerce Commission.

6 "Community renewable generation project" means an electric  
7 generating facility that:

8 (1) is powered by wind, solar thermal energy,  
9 photovoltaic cells or panels, biodiesel, crops and  
10 untreated and unadulterated organic waste biomass, ~~tree~~  
11 ~~waste~~, and hydropower that does not involve new  
12 construction or significant expansion of hydropower dams;

13 (2) is interconnected at the distribution system level  
14 of an electric utility as defined in this Section, a  
15 municipal utility as defined in this Section that owns or  
16 operates electric distribution facilities, a public  
17 utility as defined in Section 3-105 of the Public Utilities  
18 Act, or an electric cooperative, as defined in Section  
19 3-119 of the Public Utilities Act;

20 (3) credits the value of electricity generated by the  
21 facility to the subscribers of the facility; and

22 (4) is limited in nameplate capacity to less than or  
23 equal to 5,000 ~~2,000~~ kilowatts.

24 "Costs incurred in connection with the development and  
25 construction of a facility" means:

26 (1) the cost of acquisition of all real property,

1 fixtures, and improvements in connection therewith and  
2 equipment, personal property, and other property, rights,  
3 and easements acquired that are deemed necessary for the  
4 operation and maintenance of the facility;

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

7 (3) all origination, commitment, utilization,  
8 facility, placement, underwriting, syndication, credit  
9 enhancement, and rating agency fees;

10 (4) engineering, design, procurement, consulting,  
11 legal, accounting, title insurance, survey, appraisal,  
12 escrow, trustee, collateral agency, interest rate hedging,  
13 interest rate swap, capitalized interest, contingency, as  
14 required by lenders, and other financing costs, and other  
15 expenses for professional services; and

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

24 "Delivery services" has the same definition as found in  
25 Section 16-102 of the Public Utilities Act.

26 "Delivery year" means the consecutive 12-month period

1 beginning June 1 of a given year and ending May 31 of the  
2 following year.

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

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

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

9 "Distributed renewable energy generation device" means a  
10 device that is:

11 (1) powered by wind, solar thermal energy,  
12 photovoltaic cells or panels, biodiesel, crops and  
13 untreated and unadulterated organic waste biomass, ~~tree~~  
14 ~~waste~~, and hydropower that does not involve new  
15 construction or significant expansion of hydropower dams;

16 (2) interconnected at the distribution system level of  
17 either an electric utility as defined in this Section, a  
18 municipal utility as defined in this Section that owns or  
19 operates electric distribution facilities, or a rural  
20 electric cooperative as defined in Section 3-119 of the  
21 Public Utilities Act;

22 (3) located on the customer side of the customer's  
23 electric meter and is primarily used to offset that  
24 customer's electricity load; and

25 (4) limited in nameplate capacity to less than or equal  
26 to 2,000 kilowatts.



1 "Energy efficiency" means measures that reduce the amount  
2 of electricity or natural gas consumed in order to achieve a  
3 given end use. "Energy efficiency" includes voltage  
4 optimization measures that optimize the voltage at points on  
5 the electric distribution voltage system and thereby reduce  
6 electricity consumption by electric customers' end use  
7 devices. "Energy efficiency" also includes measures that  
8 reduce the total Btus of electricity, natural gas, and other  
9 fuels needed to meet the end use or uses.

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

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

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

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

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

25 "Municipal utility" means a public utility owned and  
26 operated by any subdivision or municipal corporation of this

1 State.

2 "Nameplate capacity" means the aggregate inverter  
3 nameplate capacity in kilowatts AC.

4 "Person" means any natural person, firm, partnership,  
5 corporation, either domestic or foreign, company, association,  
6 limited liability company, joint stock company, or association  
7 and includes any trustee, receiver, assignee, or personal  
8 representative thereof.

9 "Project" means the planning, bidding, and construction of  
10 a facility.

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

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

19 "Renewable energy credit" means a tradable credit that  
20 represents the environmental attributes of one megawatt hour of  
21 energy produced from a renewable energy resource.

22 "Renewable energy resources" includes energy and its  
23 associated renewable energy credit or renewable energy credits  
24 from wind, solar thermal energy, photovoltaic cells and panels,  
25 biodiesel, anaerobic digestion, crops and untreated and  
26 unadulterated organic waste biomass, ~~tree waste,~~ and

1 hydropower that does not involve new construction or  
2 significant expansion of hydropower dams. For purposes of this  
3 Act, landfill gas produced in the State is considered a  
4 renewable energy resource. "Renewable energy resources" does  
5 not include the incineration or burning of tires, garbage,  
6 general household, institutional, and commercial waste,  
7 industrial lunchroom or office waste, landscape waste ~~other~~  
8 ~~than tree waste~~, railroad crossties, utility poles, or  
9 construction or demolition debris, other than untreated and  
10 unadulterated waste wood.

11 "Retail customer" has the same definition as found in  
12 Section 16-102 of the Public Utilities Act.

13 "Revenue bond" means any bond, note, or other evidence of  
14 indebtedness issued by the Authority, the principal and  
15 interest of which is payable solely from revenues or income  
16 derived from any project or activity of the Agency.

17 "Sequester" means permanent storage of carbon dioxide by  
18 injecting it into a saline aquifer, a depleted gas reservoir,  
19 or an oil reservoir, directly or through an enhanced oil  
20 recovery process that may involve intermediate storage,  
21 regardless of whether these activities are conducted by a clean  
22 coal facility, a clean coal SNG facility, a clean coal SNG  
23 brownfield facility, or a party with which a clean coal  
24 facility, clean coal SNG facility, or clean coal SNG brownfield  
25 facility has contracted for such purposes.

26 "Service area" has the same definition as found in Section

1 16-102 of the Public Utilities Act.

2 "Sourcing agreement" means (i) in the case of an electric  
3 utility, an agreement between the owner of a clean coal  
4 facility and such electric utility, which agreement shall have  
5 terms and conditions meeting the requirements of paragraph (3)  
6 of subsection (d) of Section 1-75, (ii) in the case of an  
7 alternative retail electric supplier, an agreement between the  
8 owner of a clean coal facility and such alternative retail  
9 electric supplier, which agreement shall have terms and  
10 conditions meeting the requirements of Section 16-115(d)(5) of  
11 the Public Utilities Act, and (iii) in case of a gas utility,  
12 an agreement between the owner of a clean coal SNG brownfield  
13 facility and the gas utility, which agreement shall have the  
14 terms and conditions meeting the requirements of subsection  
15 (h-1) of Section 9-220 of the Public Utilities Act.

16 "Subscriber" means a person who (i) takes delivery service  
17 from an electric utility, and (ii) has a subscription of no  
18 less than 200 watts to a community renewable generation project  
19 that is located in the electric utility's service area. No  
20 subscriber's subscriptions may total more than 40% of the  
21 nameplate capacity of an individual community renewable  
22 generation project. Entities that are affiliated by virtue of a  
23 common parent shall not represent multiple subscriptions that  
24 total more than 40% of the nameplate capacity of an individual  
25 community renewable generation project.

26 "Subscription" means an interest in a community renewable

1 generation project expressed in kilowatts, which is sized  
2 primarily to offset part or all of the subscriber's electricity  
3 usage.

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

8 "Total resource cost test" or "TRC test" means a standard  
9 that is met if, for an investment in energy efficiency or  
10 demand-response measures, the benefit-cost ratio is greater  
11 than one. The benefit-cost ratio is the ratio of the net  
12 present value of the total benefits of the program to the net  
13 present value of the total costs as calculated over the  
14 lifetime of the measures. A total resource cost test compares  
15 the sum of avoided electric utility costs, representing the  
16 benefits that accrue to the system and the participant in the  
17 delivery of those efficiency measures and including avoided  
18 costs associated with reduced use of natural gas or other  
19 fuels, avoided costs associated with reduced water  
20 consumption, and avoided costs associated with reduced  
21 operation and maintenance costs, as well as other quantifiable  
22 societal benefits, to the sum of all incremental costs of  
23 end-use measures that are implemented due to the program  
24 (including both utility and participant contributions), plus  
25 costs to administer, deliver, and evaluate each demand-side  
26 program, to quantify the net savings obtained by substituting

1 the demand-side program for supply resources. In calculating  
2 avoided costs of power and energy that an electric utility  
3 would otherwise have had to acquire, reasonable estimates shall  
4 be included of financial costs likely to be imposed by future  
5 regulations and legislation on emissions of greenhouse gases.  
6 In discounting future societal costs and benefits for the  
7 purpose of calculating net present values, a societal discount  
8 rate based on actual, long-term Treasury bond yields should be  
9 used. Notwithstanding anything to the contrary, the TRC test  
10 shall not include or take into account a calculation of market  
11 price suppression effects or demand reduction induced price  
12 effects.

13 "Utility-scale solar project" means an electric generating  
14 facility that:

- 15 (1) generates electricity using photovoltaic cells;  
16 and  
17 (2) has a nameplate capacity that is greater than 2,000  
18 kilowatts.

19 "Utility-scale wind project" means an electric generating  
20 facility that:

- 21 (1) generates electricity using wind; and  
22 (2) has a nameplate capacity that is greater than 2,000  
23 kilowatts.

24 "Zero emission credit" means a tradable credit that  
25 represents the environmental attributes of one megawatt hour of  
26 energy produced from a zero emission facility.

1 "Zero emission facility" means a facility that: (1) is  
2 fueled by nuclear power; and (2) is interconnected with PJM  
3 Interconnection, LLC or the Midcontinent Independent System  
4 Operator, Inc., or their successors.

5 (Source: P.A. 98-90, eff. 7-15-13; 99-906, eff. 6-1-17.)

6 (20 ILCS 3855/1-20)

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

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

9 (1) Develop electricity procurement plans to ensure  
10 adequate, reliable, affordable, efficient, and  
11 environmentally sustainable electric service at the lowest  
12 total cost over time, taking into account any benefits of  
13 price stability, for electric utilities that on December  
14 31, 2005 provided electric service to at least 100,000  
15 customers in Illinois and for small multi-jurisdictional  
16 electric utilities that (A) on December 31, 2005 served  
17 less than 100,000 customers in Illinois and (B) request a  
18 procurement plan for their Illinois jurisdictional load.  
19 Except as provided in paragraph (1.5) of this subsection  
20 (a), the electricity procurement plans shall be updated on  
21 an annual basis and shall include electricity generated  
22 from renewable resources sufficient to achieve the  
23 standards specified in this Act. Beginning with the  
24 delivery year commencing June 1, 2017, develop procurement  
25 plans to include zero emission credits generated from zero

1 emission facilities sufficient to achieve the standards  
2 specified in this Act. Beginning with the procurement for  
3 the delivery year commencing June 1, 2022, the Agency shall  
4 for each year develop a plan, as part of its procurement  
5 plan, to conduct a procurement of capacity from qualified  
6 resources needed to meet capacity requirements of the  
7 retail customers of electric utilities that serve more than  
8 3,000,000 retail customers and are located in the PJM  
9 Interconnection, subject to the open access tariff and  
10 manuals of PJM Interconnection and approved by the Federal  
11 Energy Regulatory Commission. The capacity procurement  
12 plan shall be updated annually and shall include  
13 electricity generated from renewable resources sufficient  
14 to achieve the renewable portfolio standards as specified  
15 in this Act.

16 (1.5) Develop a long-term renewable resources  
17 procurement plan in accordance with subsection (c) of  
18 Section 1-75 of this Act for renewable energy credits in  
19 amounts sufficient to achieve the standards specified in  
20 this Act for delivery years commencing June 1, 2017 and for  
21 the programs and renewable energy credits specified in  
22 Section 1-56 of this Act. Electricity procurement plans for  
23 delivery years commencing after May 31, 2017, shall not  
24 include procurement of renewable energy resources.

25 (2) Conduct competitive procurement processes to  
26 procure the supply resources identified in the electricity



1 procurement plan, pursuant to Section 16-111.5 of the  
2 Public Utilities Act, and, for the delivery year commencing  
3 June 1, 2017, conduct procurement processes to procure zero  
4 emission credits from zero emission facilities, under  
5 subsection (d-5) of Section 1-75 of this Act.

6 (2.5) Beginning with the procurement for the 2017  
7 delivery year, conduct competitive procurement processes  
8 and implement programs to procure renewable energy credits  
9 identified in the long-term renewable resources  
10 procurement plan developed and approved under subsection  
11 (c) of Section 1-75 of this Act and Section 16-111.5 of the  
12 Public Utilities Act.

13 (3) 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 (4) 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 (b) Except as otherwise limited by this Act, the Agency has  
22 all of the powers necessary or convenient to carry out the  
23 purposes and provisions of this Act, including without  
24 limitation, each of the following:

25 (1) To have a corporate seal, and to alter that seal at  
26 pleasure, and to use it by causing it or a facsimile to be

1 affixed or impressed or reproduced in any other manner.

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

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

6 (4) To obtain and employ personnel and hire consultants  
7 that are necessary to fulfill the Agency's purposes, and to  
8 make expenditures for that purpose within the  
9 appropriations for that purpose.

10 (5) To purchase, receive, take by grant, gift, devise,  
11 bequest, or otherwise, lease, or otherwise acquire, own,  
12 hold, improve, employ, use, and otherwise deal in and with,  
13 real or personal property whether tangible or intangible,  
14 or any interest therein, within the State.

15 (6) To acquire real or personal property, whether  
16 tangible or intangible, including without limitation  
17 property rights, interests in property, franchises,  
18 obligations, contracts, and debt and equity securities,  
19 and to do so by the exercise of the power of eminent domain  
20 in accordance with Section 1-21; except that any real  
21 property acquired by the exercise of the power of eminent  
22 domain must be located within the State.

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

1           (8) To purchase, take, receive, subscribe for, or  
2 otherwise acquire, hold, make a tender offer for, vote,  
3 employ, sell, lend, lease, exchange, transfer, or  
4 otherwise dispose of, mortgage, pledge, or grant a security  
5 interest in, use, and otherwise deal in and with, bonds and  
6 other obligations, shares, or other securities (or  
7 interests therein) issued by others, whether engaged in a  
8 similar or different business or activity.

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

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

23           (11) To borrow money at such rate or rates of interest  
24 as the Agency may determine, issue its notes, bonds, or  
25 other obligations to evidence that indebtedness, and  
26 secure any of its obligations by mortgage or pledge of its

1 real or personal property, machinery, equipment,  
2 structures, fixtures, inventories, revenues, grants, and  
3 other funds as provided or any interest therein, wherever  
4 situated.

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

8 (13) To procure insurance against any loss in  
9 connection with its properties or operations in such amount  
10 or amounts and from such insurers, including the federal  
11 government, as it may deem necessary or desirable, and to  
12 pay any premiums therefor.

13 (14) To negotiate and enter into agreements with  
14 trustees or receivers appointed by United States  
15 bankruptcy courts or federal district courts or in other  
16 proceedings involving adjustment of debts and authorize  
17 proceedings involving adjustment of debts and authorize  
18 legal counsel for the Agency to appear in any such  
19 proceedings.

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

23 (16) To enter into management agreements for the  
24 operation of any of the property or facilities owned by the  
25 Agency.

26 (17) To enter into an agreement to transfer and to

1 transfer any land, facilities, fixtures, or equipment of  
2 the Agency to one or more municipal electric systems,  
3 governmental aggregators, or rural electric agencies or  
4 cooperatives, for such consideration and upon such terms as  
5 the Agency may determine to be in the best interest of the  
6 residents ~~citizens~~ of Illinois.

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

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

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

17 (21) To accept and expend appropriations.

18 (22) To engage in any activity or operation that is  
19 incidental to and in furtherance of efficient operation to  
20 accomplish the Agency's purposes, including hiring  
21 employees that the Director deems essential for the  
22 operations of the Agency.

23 (23) To adopt, revise, amend, and repeal rules with  
24 respect to its operations, properties, and facilities as  
25 may be necessary or convenient to carry out the purposes of  
26 this Act, subject to the provisions of the Illinois

1 Administrative Procedure Act and Sections 1-22 and 1-35 of  
2 this Act.

3 (24) To establish and collect charges and fees as  
4 described in this Act.

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

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

14 (27) To request, review and accept proposals, execute  
15 contracts, purchase renewable energy credits and otherwise  
16 dedicate funds from the Illinois Power Agency Renewable  
17 Energy Resources Fund to create and carry out the  
18 objectives of the Illinois Solar for All program in  
19 accordance with Section 1-56 of this Act.

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

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

1 (20 ILCS 3855/1-56)

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

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

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

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

15 (2) The Illinois Power Agency Renewable Energy  
16 Resources Fund shall also be used to create the Illinois  
17 Solar for All Program, which shall include incentives for  
18 low-income distributed generation and community solar  
19 projects, and other associated approved expenditures. The  
20 objectives of the Illinois Solar for All Program are to  
21 bring photovoltaics to low-income communities in this  
22 State in a manner that maximizes the development of new  
23 photovoltaic generating facilities, to create a long-term,  
24 low-income solar marketplace throughout this State, to  
25 integrate, through interaction with stakeholders, with

1 existing energy efficiency initiatives, and to minimize  
2 administrative costs. The Agency shall strive to ensure  
3 that renewable energy credits procured through the  
4 Illinois Solar for All Program and each of its subprograms  
5 are purchased from projects across the breadth of  
6 low-income and environmental justice communities in  
7 Illinois, including both urban and rural communities, and  
8 are neither concentrated in a few communities nor excluding  
9 particular low-income or environmental justice  
10 communities. The Agency shall include a description of its  
11 proposed approach to the design, administration,  
12 implementation and evaluation of the Illinois Solar for All  
13 Program, as part of the long-term renewable resources  
14 procurement plan authorized by subsection (c) of Section  
15 1-75 of this Act, and the program shall be designed to grow  
16 the low-income solar market. The Agency or utility, as  
17 applicable, shall purchase renewable energy credits from  
18 the (i) photovoltaic distributed renewable energy  
19 generation projects and (ii) community solar projects that  
20 are procured under procurement processes authorized by the  
21 long-term renewable resources procurement plans approved  
22 by the Commission.

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



1 and, subject to appropriation, pay the approximate amounts  
2 identified using monies available in the Illinois Power  
3 Agency 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 subparagraphs  
14 ~~subparagraph~~ (A) and (E) of this paragraph (2), 37.5% of  
15 these funds shall be allocated to programs described in  
16 subparagraph (B) of this paragraph (2), 15% of these funds  
17 shall be allocated to programs described in subparagraph  
18 (C) of this paragraph (2), and 25% of these funds, but in  
19 no event more than \$50,000,000, shall be allocated to  
20 programs described in subparagraph (D) of this paragraph  
21 (2). The allocation of funds among subparagraphs (A), (B),  
22 ~~or~~ (C), and (E) of this paragraph (2) may be changed if the  
23 Agency or administrator, through delegated authority,  
24 determines incentives in subparagraph ~~subparagraphs~~ (A),  
25 (B), ~~or~~ (C), or (E) of this paragraph (2) have not been  
26 adequately subscribed to fully utilize the Illinois Power

1 Agency Renewable Energy Resources Fund. The determination  
2 of reallocation shall include consideration of input  
3 obtained ~~input~~ through a stakeholder process. The program  
4 offerings described in subparagraphs (A) through (E) ~~(D)~~ of  
5 this paragraph (2) shall also be implemented through  
6 contracts funded from such additional amounts as are  
7 allocated to one or more of the programs in the long-term  
8 renewable resources procurement plans as specified in  
9 subsection (c) of Section 1-75 of this Act and subparagraph  
10 (O) of paragraph (1) of such subsection (c).

11 Contracts that will be paid with funds in the Illinois  
12 Power Agency Renewable Energy Resources Fund shall be  
13 executed by the Agency. Contracts that will be paid with  
14 funds collected by an electric utility shall be executed by  
15 the electric utility.

16 Contracts under the Illinois Solar for All Program  
17 shall include an approach, as set forth in the long-term  
18 renewable resources procurement plans, to ensure the  
19 wholesale market value of the energy is credited to  
20 participating low-income customers or organizations and to  
21 ensure tangible economic benefits flow directly to program  
22 participants, except in the case of low-income  
23 multi-family housing where the low-income customer does  
24 not directly pay for energy. Priority shall be given to  
25 projects that demonstrate meaningful involvement of  
26 low-income community members in designing the initial

1 proposals. Acceptable proposals to implement projects must  
2 demonstrate the applicant's ability to conduct initial  
3 community outreach, education, and recruitment of  
4 low-income participants in the community. Projects must  
5 include job training opportunities if available, and shall  
6 endeavor to coordinate with the job training programs  
7 described in paragraph (1) of subsection (a) of Section  
8 16-108.12 of the Public Utilities Act.

9 The Agency shall make every effort to ensure that small  
10 and emerging businesses, particularly those located in  
11 low-income and environmental justice communities are able  
12 to participate in the Illinois Solar for All Program. These  
13 efforts may include, but shall not be limited to, proactive  
14 support from the program administrator, different or  
15 preferred access to subprograms and  
16 administrator-identified customers or grassroots education  
17 provider-identified customers, and different incentive  
18 levels. The Agency shall report on progress and barriers to  
19 participation of small and emerging businesses in the  
20 Illinois Solar for All Program at least once a year. The  
21 report shall be made available on the Agency's website and,  
22 in years when the Agency is updating its long-term  
23 renewable resources procurement plan, included in that  
24 plan.

25 (A) Low-income single-family and small multifamily  
26 solar distributed generation incentive. This program

1 will provide incentives to low-income customers,  
2 either directly or through solar providers, to  
3 increase the participation of low-income households in  
4 photovoltaic on-site distributed generation at  
5 residential buildings containing one to 4 units.

6 Companies participating in this program that install  
7 solar panels shall commit to hiring job trainees for a  
8 portion of their low-income installations, and an  
9 administrator shall facilitate partnering the  
10 companies that install solar panels with entities that  
11 provide solar panel installation job training. It is a  
12 goal of this program that a minimum of 25% of the  
13 incentives for this program be allocated to projects  
14 located within environmental justice communities. The  
15 Agency shall reserve a portion of this program for  
16 projects that promote energy sovereignty through  
17 ownership of projects by low-income households,  
18 not-for-profit organizations providing services to  
19 low-income households, affordable housing owners, or  
20 community-based limited liability companies providing  
21 services to low-income households. To count as  
22 promoting energy sovereignty, 49% of the ownership  
23 interest of the project must be held by low-income  
24 households, not-for-profit organizations providing  
25 direct services to low-income households, affordable  
26 housing owners, or community-based limited liability

1 companies providing services to low-income households,  
2 by no later than 6 years after the device is  
3 interconnected at the distribution system level of the  
4 utility and energized. Incentives for projects that  
5 promote energy sovereignty may be higher than  
6 incentives for equivalent projects that do not promote  
7 energy sovereignty under this same program. Contracts  
8 entered into under this paragraph may be entered into  
9 with an entity that will develop and administer the  
10 program and shall also include contracts for renewable  
11 energy credits from the photovoltaic distributed  
12 generation that is the subject of the program, as set  
13 forth in the long-term renewable resources procurement  
14 plan.

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

1 ~~households, not-for-profit organizations, and~~  
2 ~~affordable housing owners.~~ Companies participating in  
3 this program that develop or install solar projects  
4 shall commit to hiring job trainees for a portion of  
5 their low-income installations, and an administrator  
6 shall facilitate partnering the companies that install  
7 solar projects with entities that provide solar  
8 installation and related job training. It is a goal of  
9 this program that a minimum of 25% of the incentives  
10 for this program be allocated to community  
11 photovoltaic projects in environmental justice  
12 communities. The Agency shall reserve a portion of this  
13 program for projects that promote energy sovereignty  
14 through ownership of projects by low-income  
15 households, not-for-profit organizations providing  
16 services to low-income households, affordable housing  
17 owners, or community-based limited liability companies  
18 providing services to low-income households. To count  
19 as promoting energy sovereignty, 49% of the ownership  
20 interest of the project must be held by low-income  
21 subscribers, not-for-profit organizations providing  
22 direct services to low-income households, affordable  
23 housing owners, or community-based limited liability  
24 companies providing services to low-income households,  
25 by no later than 6 years after the device is  
26 interconnected at the distribution system level of the

1 utility and energized. Incentives for projects that  
2 promote energy sovereignty may be higher than  
3 incentives for equivalent projects that do not promote  
4 energy sovereignty under this same program. Contracts  
5 entered into under this paragraph may be entered into  
6 with developers and shall also include contracts for  
7 renewable energy credits related to the program.

8 (C) Incentives for non-profits and public  
9 facilities. Under this program funds shall be used to  
10 support on-site photovoltaic distributed renewable  
11 energy generation devices to serve the load associated  
12 with not-for-profit customers and to support  
13 photovoltaic distributed renewable energy generation  
14 that uses photovoltaic technology to serve the load  
15 associated with public sector customers taking service  
16 at public buildings. Companies participating in this  
17 program that develop or install solar projects shall  
18 commit to hiring job trainees for a portion of their  
19 low-income installations, and an administrator shall  
20 facilitate partnering the companies that install solar  
21 projects with entities that provide solar installation  
22 and related job training. It is a goal of this program  
23 that at least 25% of the incentives for this program be  
24 allocated to projects located in environmental justice  
25 communities. Contracts entered into under this  
26 paragraph may be entered into with an entity that will

1 develop and administer the program or with developers  
2 and shall also include contracts for renewable energy  
3 credits related to the program.

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



1 project proposed by a utility that is implemented under  
2 this subparagraph (D) shall not be included in the  
3 utility's rate base ~~ratebase~~.

4 (E) Low-income large multifamily solar incentive.  
5 This program shall provide incentives to low-income  
6 customers, either directly or through solar providers,  
7 to increase the participation of low-income households  
8 in photovoltaic on-site distributed generation at  
9 residential buildings with 5 or more units. Companies  
10 participating in this program that develop or install  
11 solar projects shall commit to hiring job trainees for  
12 a portion of their low-income installations, and an  
13 administrator shall facilitate partnering the  
14 companies that install solar projects with entities  
15 that provide solar installation and related job  
16 training. It is a goal of this program that a minimum  
17 of 25% of the incentives for this program be allocated  
18 to projects located within environmental justice  
19 communities. The Agency shall reserve a portion of this  
20 program for projects that promote energy sovereignty  
21 through ownership of projects by low-income  
22 households, not-for-profit organizations providing  
23 services to low-income households, affordable housing  
24 owners, or community-based limited liability companies  
25 providing services to low-income households. To count  
26 as promoting energy sovereignty, 49% of the ownership

1 interest of the project must be held by low-income  
2 households, not-for-profit organizations providing  
3 direct services to low-income households, affordable  
4 housing owners, or community-based limited liability  
5 companies providing services to low-income households,  
6 by no later than 6 years after the device is  
7 interconnected at the distribution system level of the  
8 utility and energized. Incentives for projects that  
9 promote energy sovereignty may be higher than  
10 incentives for equivalent projects that do not promote  
11 energy sovereignty under this same program. Contracts  
12 entered into under this paragraph may be entered into  
13 with an entity that will develop and administer the  
14 program and shall include contracts for renewable  
15 energy credits from the photovoltaic distributed  
16 generation that is the subject of the program, as set  
17 forth in the long-term renewable resources procurement  
18 plan.

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

23 (3) Costs associated with the Illinois Solar for All  
24 Program and its components described in paragraph (2) of  
25 this subsection (b), including, but not limited to, costs  
26 associated with procuring experts, consultants, and the

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

1 up to 5% of the funds available under the Illinois Solar  
2 for All Program to community-based groups to assist in  
3 grassroots education efforts related to the Illinois Solar  
4 for All Program. The Agency shall retire any renewable  
5 energy credits purchased from this program and the credits  
6 shall count towards the obligation under subsection (c) of  
7 Section 1-75 of this Act for the electric utility to which  
8 the project is interconnected. The Agency may combine the  
9 funding for the Adjustable Block Program established in  
10 subparagraph (K) of paragraph (1) of subsection (c) of  
11 Section 1-75 and the Illinois Solar for All Program to  
12 purchase renewable energy credits from new photovoltaic  
13 projects that would be eligible for either program so long  
14 as: the annual ratepayer funds collected to purchase  
15 renewable resources pursuant to subsection (c) of Section  
16 1-75 is at least double the amount collected in the  
17 2019-2020 delivery year, no more than 20% of any individual  
18 block within the Adjustable Block Program is allocated to  
19 Solar for All-eligible projects, and the funding sources  
20 for both programs are the same for projects so funded. Any  
21 renewable energy credits purchased from this program in  
22 combination with the Adjustable Block Program shall count  
23 toward the obligation for new photovoltaic projects under  
24 subparagraph (C) of paragraph (1) of subsection (c) of  
25 Section 1-75 of this Act. Any photovoltaic projects  
26 selected for this program in combination with the

1 Adjustable Block Program are subject to the requirements of  
2 the Illinois Solar for All Program and may receive Illinois  
3 Solar for All Program pricing, with the Illinois Solar for  
4 All Program budget covering the difference between the  
5 renewable energy credit price from the currently open block  
6 of the Adjustable Block Program and the Solar for All  
7 renewable energy credit price. Illinois Solar for All  
8 subprograms providing funding for installation of  
9 distributed renewable energy generation devices shall use  
10 funding in this manner from Adjustable Block Program  
11 distributed renewable energy generation device blocks. The  
12 Illinois Solar for All Low-Income Community Solar  
13 subprogram shall use funding in this manner from the  
14 Adjustable Block Program community renewable generation  
15 project blocks, if such blocks are legally authorized. If  
16 no Adjustable Block Program community renewable generation  
17 project block is currently legally authorized and if a  
18 competitively procured Community Solar Program is legally  
19 authorized under Section 1-75 of this Act, then (i) a  
20 portion of the utility-held renewable resources budget  
21 allocated by the Agency to such competitive Community Solar  
22 Program each year shall be reserved for the Solar for All  
23 Low-Income Community Solar subprogram as if such budget  
24 came from an Adjustable Block Program block for purposes of  
25 this paragraph (3) and (ii) the average renewable energy  
26 credit price of Community Solar Program selected projects

1 from the prior delivery year (or a shorter period, if a  
2 full delivery year of the Community Solar Program has not  
3 been completed) shall be used for allocating funding to the  
4 Solar for All Low-Income Community Solar subprogram in lieu  
5 of the Adjustable Block Program renewable energy credit  
6 block price mentioned earlier in this paragraph (3). The  
7 Agency shall try to manage program capacities and budgets  
8 to make the fullest use of this option to accommodate Solar  
9 for All project applications.

10 (4) The Agency shall, consistent with the requirements  
11 of this subsection (b), propose the Illinois Solar for All  
12 Program terms, conditions, and requirements, including the  
13 prices to be paid for renewable energy credits, and which  
14 prices may be determined through a formula, through the  
15 development, review, and approval of the Agency's  
16 long-term renewable resources procurement plan described  
17 in subsection (c) of Section 1-75 of this Act and Section  
18 16-111.5 of the Public Utilities Act. In the course of the  
19 Commission proceeding initiated to review and approve the  
20 plan, including the Illinois Solar for All Program proposed  
21 by the Agency, a party may propose an additional low-income  
22 solar or solar incentive program, or modifications to the  
23 programs proposed by the Agency, and the Commission may  
24 approve an additional program, or modifications to the  
25 Agency's proposed program, if the additional or modified  
26 program more effectively maximizes the benefits to

1 low-income customers after taking into account all  
2 relevant factors, including, but not limited to, the extent  
3 to which a competitive market for low-income solar has  
4 developed. Following the Commission's approval of the  
5 Illinois Solar for All Program, the Agency or a party may  
6 propose adjustments to the program terms, conditions, and  
7 requirements, including the price offered to new systems,  
8 to ensure the long-term viability and success of the  
9 program. The Commission shall review and approve any  
10 modifications to the program through the plan revision  
11 process described in Section 16-111.5 of the Public  
12 Utilities Act.

13 (5) The Agency shall issue a request for qualifications  
14 for a third-party program administrator or administrators  
15 to administer all or a portion of the Illinois Solar for  
16 All Program. The third-party program administrator shall  
17 be chosen through a competitive bid process based on  
18 selection criteria and requirements developed by the  
19 Agency, including, but not limited to, experience in  
20 administering low-income energy programs and overseeing  
21 statewide clean energy or energy efficiency services. If  
22 the Agency retains a program administrator or  
23 administrators to implement all or a portion of the  
24 Illinois Solar for All Program, each administrator shall  
25 periodically submit reports to the Agency and Commission  
26 for each program that it administers, at appropriate

1 intervals to be identified by the Agency in its long-term  
2 renewable resources procurement plan, provided that the  
3 reporting interval is at least quarterly. Administration  
4 of the Illinois Solar for All Program shall include  
5 facilitation of the partnering of companies that develop or  
6 install solar projects through this program or any other  
7 Illinois program with graduates of Illinois-based job  
8 training programs, particularly graduates who reside in  
9 environmental justice communities.

10 (6) The long-term renewable resources procurement plan  
11 shall also provide for an independent evaluation of the  
12 Illinois Solar for All Program. At least every 2 years, the  
13 Agency shall select an independent evaluator to review and  
14 report on the Illinois Solar for All Program and the  
15 performance of the third-party program administrator of  
16 the Illinois Solar for All Program. The evaluation shall be  
17 based on objective criteria developed through a public  
18 stakeholder process. The process shall include feedback  
19 and participation from Illinois Solar for All Program  
20 stakeholders, including participants and organizations in  
21 environmental justice and historically underserved  
22 communities. The report shall include a summary of the  
23 evaluation of the Illinois Solar for All Program based on  
24 the stakeholder developed objective criteria. The report  
25 shall include the number of projects installed; the total  
26 installed capacity in kilowatts; the average cost per



1 kilowatt of installed capacity to the extent reasonably  
2 obtainable by the Agency; the number of jobs or job  
3 opportunities created; economic, social, and environmental  
4 benefits created; and the total administrative costs  
5 expended by the Agency and program administrator to  
6 implement and evaluate the program. The report shall be  
7 delivered to the Commission and posted on the Agency's  
8 website, and shall be used, as needed, to revise the  
9 Illinois Solar for All Program. The Commission shall also  
10 consider the results of the evaluation as part of its  
11 review of the long-term renewable resources procurement  
12 plan under subsection (c) of Section 1-75 of this Act.

13 (7) If additional funding for the programs described in  
14 this subsection (b) is available under subsection (k) of  
15 Section 16-108 of the Public Utilities Act, then the Agency  
16 shall submit a procurement plan to the Commission no later  
17 than September 1, 2018, that proposes how the Agency will  
18 procure programs on behalf of the applicable utility. After  
19 notice and hearing, the Commission shall approve, or  
20 approve with modification, the plan no later than November  
21 1, 2018.

22 (8) As part of the development and update of the  
23 long-term renewable resources procurement plan authorized  
24 by subsection (c) of Section 1-75 of this Act, the Agency  
25 shall plan for: (A) actions to refer customers from the  
26 Illinois Solar for All Program to electric and natural gas

1 income-qualified energy efficiency programs, and vice  
2 versa, with the goal of increasing participation in both of  
3 these programs; (B) effective procedures for data sharing,  
4 as needed, to effectuate referrals between the Illinois  
5 Solar for All Program and both electric and natural gas  
6 income-qualified energy efficiency programs, including  
7 sharing customer information directly with the utilities,  
8 as needed and appropriate; and (C) efforts to identify any  
9 existing deferred maintenance programs for which  
10 prospective Solar for All customers may be eligible and  
11 connect prospective customers for whom deferred  
12 maintenance is or may be a barrier to solar installation to  
13 those programs.

14 As used in this subsection (b), "low-income households"  
15 means persons and families whose income does not exceed 80% of  
16 area median income, adjusted for family size and revised every  
17 5 years.

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

1 ~~plan development, to ensure, to the extent practicable,~~  
2 ~~compatibility with other agencies' definitions and may, for~~  
3 ~~guidance, look to the definitions used by federal, state, or~~  
4 ~~local governments.~~

5 (b-5) After the receipt of all payments required by Section  
6 16-115D of the Public Utilities Act, no additional funds shall  
7 be deposited into the Illinois Power Agency Renewable Energy  
8 Resources Fund unless directed by order of the Commission.

9 (b-10) After the receipt of all payments required by  
10 Section 16-115D of the Public Utilities Act and payment in full  
11 of all contracts executed by the Agency under subsections (b)  
12 and (i) of this Section, if the balance of the Illinois Power  
13 Agency Renewable Energy Resources Fund is under \$5,000, then  
14 the Fund shall be inoperative and any remaining funds and any  
15 funds submitted to the Fund after that date, shall be  
16 transferred to the Supplemental Low-Income Energy Assistance  
17 Fund for use in the Low-Income Home Energy Assistance Program,  
18 as authorized by the Energy Assistance Act.

19 (c) (Blank).

20 (d) (Blank).

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

24 (f) The selection of one or more third-party program  
25 managers or administrators, the selection of the independent  
26 evaluator, and the procurement processes described in this

1 Section are exempt from the requirements of the Illinois  
2 Procurement Code, under Section 20-10 of that Code.

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

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

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

24 (i) Supplemental procurement process.

25 (1) Within 90 days after the effective date of this  
26 amendatory Act of the 98th General Assembly, the Agency

1 shall develop a one-time supplemental procurement plan  
2 limited to the procurement of renewable energy credits, if  
3 available, from new or existing photovoltaics, including,  
4 but not limited to, distributed photovoltaic generation.  
5 Nothing in this subsection (i) requires procurement of wind  
6 generation through the supplemental procurement.

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

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

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

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

23 For the purposes of this paragraph (1), "install" means  
24 the major activities and actions required to connect, in  
25 accordance with applicable building and electrical codes,  
26 the conductors, connectors, and all associated fittings,

1 devices, power outlets, or apparatuses mounted at the  
2 premises that are directly involved in delivering energy to  
3 the premises' electrical wiring from the photovoltaics,  
4 including, but not limited to, to distributed photovoltaic  
5 generation.

6 The renewable energy credits procured pursuant to the  
7 supplemental procurement plan shall be procured using up to  
8 \$30,000,000 from the Illinois Power Agency Renewable  
9 Energy Resources Fund. The Agency shall not plan to use  
10 funds from the Illinois Power Agency Renewable Energy  
11 Resources Fund in excess of the monies on deposit in such  
12 fund or projected to be deposited into such fund. The  
13 supplemental procurement plan shall ensure adequate,  
14 reliable, affordable, efficient, and environmentally  
15 sustainable renewable energy resources (including credits)  
16 at the lowest total cost over time, taking into account any  
17 benefits of price stability.

18 To the extent available, 50% of the renewable energy  
19 credits procured from distributed renewable energy  
20 generation shall come from devices of less than 25  
21 kilowatts in nameplate capacity. Procurement of renewable  
22 energy credits from distributed renewable energy  
23 generation devices shall be done through multi-year  
24 contracts of no less than 5 years. The Agency shall create  
25 credit requirements for counterparties. In order to  
26 minimize the administrative burden on contracting

1 entities, the Agency shall solicit the use of third parties  
2 to aggregate distributed renewable energy. These third  
3 parties shall enter into and administer contracts with  
4 individual distributed renewable energy generation device  
5 owners. An individual distributed renewable energy  
6 generation device owner shall have the ability to measure  
7 the output of his or her distributed renewable energy  
8 generation device.

9 In developing the supplemental procurement plan, the  
10 Agency shall hold at least one workshop open to the public  
11 within 90 days after the effective date of this amendatory  
12 Act of the 98th General Assembly and shall consider any  
13 comments made by stakeholders or the public. Upon  
14 development of the supplemental procurement plan within  
15 this 90-day period, copies of the supplemental procurement  
16 plan shall be posted and made publicly available on the  
17 Agency's and Commission's websites. All interested parties  
18 shall have 14 days following the date of posting to provide  
19 comment to the Agency on the supplemental procurement plan.  
20 All comments submitted to the Agency shall be specific,  
21 supported by data or other detailed analyses, and, if  
22 objecting to all or a portion of the supplemental  
23 procurement plan, accompanied by specific alternative  
24 wording or proposals. All comments shall be posted on the  
25 Agency's and Commission's websites. Within 14 days  
26 following the end of the 14-day review period, the Agency



1 shall revise the supplemental procurement plan as  
2 necessary based on the comments received and file its  
3 revised supplemental procurement plan with the Commission  
4 for approval.

5 (2) Within 5 days after the filing of the supplemental  
6 procurement plan at the Commission, any person objecting to  
7 the supplemental procurement plan shall file an objection  
8 with the Commission. Within 10 days after the filing, the  
9 Commission shall determine whether a hearing is necessary.  
10 The Commission shall enter its order confirming or  
11 modifying the supplemental procurement plan within 90 days  
12 after the filing of the supplemental procurement plan by  
13 the Agency.

14 (3) The Commission shall approve the supplemental  
15 procurement plan of renewable energy credits to be procured  
16 from new or existing photovoltaics, including, but not  
17 limited to, distributed photovoltaic generation, if the  
18 Commission determines that it will ensure adequate,  
19 reliable, affordable, efficient, and environmentally  
20 sustainable electric service in the form of renewable  
21 energy credits at the lowest total cost over time, taking  
22 into account any benefits of price stability.

23 (4) The supplemental procurement process under this  
24 subsection (i) shall include each of the following  
25 components:

26 (A) Procurement administrator. The Agency may

1 retain a procurement administrator in the manner set  
2 forth in item (2) of subsection (a) of Section 1-75 of  
3 this Act to conduct the supplemental procurement or may  
4 elect to use the same procurement administrator  
5 administering the Agency's annual procurement under  
6 Section 1-75.

7 (B) Procurement monitor. The procurement monitor  
8 retained by the Commission pursuant to Section  
9 16-111.5 of the Public Utilities Act shall:

10 (i) monitor interactions among the procurement  
11 administrator and bidders and suppliers;

12 (ii) monitor and report to the Commission on  
13 the progress of the supplemental procurement  
14 process;

15 (iii) provide an independent confidential  
16 report to the Commission regarding the results of  
17 the procurement events;

18 (iv) assess compliance with the procurement  
19 plan approved by the Commission for the  
20 supplemental procurement process;

21 (v) preserve the confidentiality of supplier  
22 and bidding information in a manner consistent  
23 with all applicable laws, rules, regulations, and  
24 tariffs;

25 (vi) provide expert advice to the Commission  
26 and consult with the procurement administrator

1           regarding issues related to procurement process  
2           design, rules, protocols, and policy-related  
3           matters;

4           (vii) consult with the procurement  
5           administrator regarding the development and use of  
6           benchmark criteria, standard form contracts,  
7           credit policies, and bid documents; and

8           (viii) perform, with respect to the  
9           supplemental procurement process, any other  
10          procurement monitor duties specifically delineated  
11          within subsection (i) of this Section.

12          (C) Solicitation, pre-qualification, and  
13          registration of bidders. The procurement administrator  
14          shall disseminate information to potential bidders to  
15          promote a procurement event, notify potential bidders  
16          that the procurement administrator may enter into a  
17          post-bid price negotiation with bidders that meet the  
18          applicable benchmarks, provide supply requirements,  
19          and otherwise explain the competitive procurement  
20          process. In addition to such other publication as the  
21          procurement administrator determines is appropriate,  
22          this information shall be posted on the Agency's and  
23          the Commission's websites. The procurement  
24          administrator shall also administer the  
25          prequalification process, including evaluation of  
26          credit worthiness, compliance with procurement rules,

1 and agreement to the standard form contract developed  
2 pursuant to item (D) of this paragraph (4). The  
3 procurement administrator shall then identify and  
4 register bidders to participate in the procurement  
5 event.

6 (D) Standard contract forms and credit terms and  
7 instruments. The procurement administrator, in  
8 consultation with the Agency, the Commission, and  
9 other interested parties and subject to Commission  
10 oversight, shall develop and provide standard contract  
11 forms for the supplier contracts that meet generally  
12 accepted industry practices as well as include any  
13 applicable State of Illinois terms and conditions that  
14 are required for contracts entered into by an agency of  
15 the State of Illinois. Standard credit terms and  
16 instruments that meet generally accepted industry  
17 practices shall be similarly developed. Contracts for  
18 new photovoltaics shall include a provision attesting  
19 that the supplier will use a qualified person for the  
20 installation of the device pursuant to paragraph (1) of  
21 subsection (i) of this Section. The procurement  
22 administrator shall make available to the Commission  
23 all written comments it receives on the contract forms,  
24 credit terms, or instruments. If the procurement  
25 administrator cannot reach agreement with the parties  
26 as to the contract terms and conditions, the

1 procurement administrator must notify the Commission  
2 of any disputed terms and the Commission shall resolve  
3 the dispute. The terms of the contracts shall not be  
4 subject to negotiation by winning bidders, and the  
5 bidders must agree to the terms of the contract in  
6 advance so that winning bids are selected solely on the  
7 basis of price.

8 (E) Requests for proposals; competitive  
9 procurement process. The procurement administrator  
10 shall design and issue requests for proposals to supply  
11 renewable energy credits in accordance with the  
12 supplemental procurement plan, as approved by the  
13 Commission. The requests for proposals shall set forth  
14 a procedure for sealed, binding commitment bidding  
15 with pay-as-bid settlement, and provision for  
16 selection of bids on the basis of price, provided,  
17 however, that no bid shall be accepted if it exceeds  
18 the benchmark developed pursuant to item (F) of this  
19 paragraph (4).

20 (F) Benchmarks. Benchmarks for each product to be  
21 procured shall be developed by the procurement  
22 administrator in consultation with Commission staff,  
23 the Agency, and the procurement monitor for use in this  
24 supplemental procurement.

25 (G) A plan for implementing contingencies in the  
26 event of supplier default, Commission rejection of

1 results, or any other cause.

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

21 (6) Within 3 business days after the Commission  
22 decision approving the results of a procurement event, the  
23 Agency shall enter into binding contractual arrangements  
24 with the winning suppliers using the standard form  
25 contracts.

26 (7) The names of the successful bidders and the average

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

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

20 (9) Expenses incurred in connection with the  
21 procurement process held pursuant to this Section,  
22 including, but not limited to, the cost of developing the  
23 supplemental procurement plan, the procurement  
24 administrator, procurement monitor, and the cost of the  
25 retirement of renewable energy credits purchased pursuant  
26 to the supplemental procurement shall be paid for from the

1 Illinois Power Agency Renewable Energy Resources Fund. The  
2 Agency shall enter into an interagency agreement with the  
3 Commission to reimburse the Commission for its costs  
4 associated with the procurement monitor for the  
5 supplemental procurement process.

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

7 (20 ILCS 3855/1-75)

8 Sec. 1-75. Planning and Procurement Bureau. The Planning  
9 and Procurement Bureau has the following duties and  
10 responsibilities:

11 (a) The Planning and Procurement Bureau shall each year,  
12 beginning in 2008, develop procurement plans and conduct  
13 competitive procurement processes in accordance with the  
14 requirements of Section 16-111.5 of the Public Utilities Act  
15 for the eligible retail customers of electric utilities that on  
16 December 31, 2005 provided electric service to at least 100,000  
17 customers in Illinois. Beginning with the delivery year  
18 commencing on June 1, 2017, the Planning and Procurement Bureau  
19 shall develop plans and processes for the procurement of zero  
20 emission credits from zero emission facilities in accordance  
21 with the requirements of subsection (d-5) of this Section. The  
22 Planning and Procurement Bureau shall also develop procurement  
23 plans and conduct competitive procurement processes in  
24 accordance with the requirements of Section 16-111.5 of the  
25 Public Utilities Act for the eligible retail customers of small



1 multi-jurisdictional electric utilities that (i) on December  
2 31, 2005 served less than 100,000 customers in Illinois and  
3 (ii) request a procurement plan for their Illinois  
4 jurisdictional load. This Section shall not apply to a small  
5 multi-jurisdictional utility until such time as a small  
6 multi-jurisdictional utility requests the Agency to prepare a  
7 procurement plan for their Illinois jurisdictional load. For  
8 the purposes of this Section, the term "eligible retail  
9 customers" has the same definition as found in Section  
10 16-111.5(a) of the Public Utilities Act.

11 Beginning with the plan or plans to be implemented in the  
12 2017 delivery year, the Agency shall no longer include the  
13 procurement of renewable energy resources in the annual  
14 procurement plans required by this subsection (a), except as  
15 provided in subsection (q) of Section 16-111.5 of the Public  
16 Utilities Act and subsection (j) of this Section, and shall  
17 instead develop a long-term renewable resources procurement  
18 plan in accordance with subsection (c) of this Section and  
19 Section 16-111.5 of the Public Utilities Act.

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

26 (A) direct previous experience assembling

1 large-scale power supply plans or portfolios for  
2 end-use customers;

3 (B) an advanced degree in economics, mathematics,  
4 engineering, risk management, or a related area of  
5 study;

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

8 (D) expertise in wholesale electricity market  
9 rules, including those established by the Federal  
10 Energy Regulatory Commission and regional transmission  
11 organizations;

12 (E) expertise in credit protocols and familiarity  
13 with contract protocols;

14 (F) adequate resources to perform and fulfill the  
15 required functions and responsibilities; and

16 (G) the absence of a conflict of interest and  
17 inappropriate bias for or against potential bidders or  
18 the affected electric utilities.

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

25 (A) direct previous experience administering a  
26 large-scale competitive procurement process;

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

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

5 (D) expertise in wholesale electricity market  
6 rules, including those established by the Federal  
7 Energy Regulatory Commission and regional transmission  
8 organizations;

9 (E) expertise in credit and contract protocols;

10 (F) adequate resources to perform and fulfill the  
11 required functions and responsibilities; and

12 (G) the absence of a conflict of interest and  
13 inappropriate bias for or against potential bidders or  
14 the affected electric utilities.

15 (3) The Agency shall provide affected utilities and  
16 other interested parties with the lists of qualified  
17 experts or expert consulting firms identified through the  
18 request for qualifications processes that are under  
19 consideration to develop the procurement plans and to serve  
20 as the procurement administrator. The Agency shall also  
21 provide each qualified expert's or expert consulting  
22 firm's response to the request for qualifications. All  
23 information provided under this subparagraph shall also be  
24 provided to the Commission. The Agency may provide by rule  
25 for fees associated with supplying the information to  
26 utilities and other interested parties. These parties

1 shall, within 5 business days, notify the Agency in writing  
2 if they object to any experts or expert consulting firms on  
3 the lists. Objections shall be based on:

4 (A) failure to satisfy qualification criteria;

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

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

8 The Agency shall remove experts or expert consulting  
9 firms from the lists within 10 days if there is a  
10 reasonable basis for an objection and provide the updated  
11 lists to the affected utilities and other interested  
12 parties. If the Agency fails to remove an expert or expert  
13 consulting firm from a list, an objecting party may seek  
14 review by the Commission within 5 days thereafter by filing  
15 a petition, and the Commission shall render a ruling on the  
16 petition within 10 days. There is no right of appeal of the  
17 Commission's ruling.

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

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

26 (6) The Agency shall select an expert or expert

1 consulting firm, with approval of the Commission, to serve  
2 as procurement administrator based on the proposals  
3 submitted. If the Commission rejects, within 5 days, the  
4 Agency's selection, the Agency shall submit another  
5 recommendation within 3 days based on the proposals  
6 submitted. The Agency shall award a 5-year contract to the  
7 expert or expert consulting firm so selected with  
8 Commission approval.

9 (b) The experts or expert consulting firms retained by the  
10 Agency shall, as appropriate, prepare procurement plans, and  
11 conduct a competitive procurement process as prescribed in  
12 Section 16-111.5 of the Public Utilities Act, to ensure  
13 adequate, reliable, affordable, efficient, and environmentally  
14 sustainable electric service at the lowest total cost over  
15 time, taking into account any benefits of price stability, for  
16 eligible retail customers of electric utilities that on  
17 December 31, 2005 provided electric service to at least 100,000  
18 customers in the State of Illinois, and for eligible Illinois  
19 retail customers of small multi-jurisdictional electric  
20 utilities that (i) on December 31, 2005 served less than  
21 100,000 customers in Illinois and (ii) request a procurement  
22 plan for their Illinois jurisdictional load.

23 (c) Renewable portfolio standard.

24 (1) (A) The Agency shall develop a long-term renewable  
25 resources procurement plan that shall include procurement  
26 programs and competitive procurement events necessary to

1 meet the goals set forth in this subsection (c). The  
2 initial long-term renewable resources procurement plan  
3 shall be released for comment no later than 160 days after  
4 June 1, 2017 (the effective date of Public Act 99-906). The  
5 Agency shall review, and may revise on an expedited basis,  
6 the long-term renewable resources procurement plan at  
7 least every 2 years, which shall be conducted in  
8 conjunction with the procurement plan under Section  
9 16-111.5 of the Public Utilities Act to the extent  
10 practicable to minimize administrative expense. No later  
11 than 90 days after the effective date of this amendatory  
12 Act of the 101st General Assembly, the Agency shall release  
13 for comment a revision to the long-term renewable resources  
14 procurement plan, updating only elements of the most  
15 recently approved plan as needed to comply with this  
16 amendatory Act of the 101st General Assembly. The long-term  
17 renewable resources procurement plans shall be subject to  
18 review and approval by the Commission under Section  
19 16-111.5 of the Public Utilities Act.

20 (B) Subject to subparagraph (F) of this paragraph (1),  
21 the long-term renewable resources procurement plan shall  
22 include the goals for procurement of renewable energy  
23 credits to meet at least the following overall percentages:  
24 13% by the 2017 delivery year; increasing by at least 1.5%  
25 each delivery year thereafter to at least 25% by the 2025  
26 delivery year; increasing by at least 4% each delivery year

1 after the 2025 delivery year to at least 45% by 2030;  
2 increasing by at least 3% each delivery year after the 2030  
3 delivery year to at least 60% by 2035, 75% by 2040, and 90%  
4 by 2045; increasing by at least 2% each delivery year after  
5 the 2045 delivery year to 100% by the 2050 delivery year  
6 and continuing at 100% ~~no less than 25%~~ for each delivery  
7 year thereafter. In the event of a conflict between these  
8 goals and the new wind and new photovoltaic procurement  
9 requirements described in items (i) through (iii) of  
10 subparagraph (C) of this paragraph (1), the long-term plan  
11 shall prioritize compliance with the new wind and new  
12 photovoltaic procurement requirements described in items  
13 (i) through (iii) of subparagraph (C) of this paragraph (1)  
14 over the annual percentage targets described in this  
15 subparagraph (B). The Agency shall not comply with the  
16 annual percentage targets described in this subparagraph  
17 (B) by procuring renewable energy credits on the spot  
18 market that are unlikely to lead to the development of new  
19 renewable resources.

20 For the delivery year beginning June 1, 2017, the  
21 procurement plan shall include cost-effective renewable  
22 energy resources equal to at least 13% of each utility's  
23 load for eligible retail customers and 13% of the  
24 applicable portion of each utility's load for retail  
25 customers who are not eligible retail customers, which  
26 applicable portion shall equal 50% of the utility's load

1 for retail customers who are not eligible retail customers  
2 on February 28, 2017.

3 For the delivery year beginning June 1, 2018, the  
4 procurement plan shall include cost-effective renewable  
5 energy resources equal to at least 14.5% of each utility's  
6 load for eligible retail customers and 14.5% of the  
7 applicable portion of each utility's load for retail  
8 customers who are not eligible retail customers, which  
9 applicable portion shall equal 75% of the utility's load  
10 for retail customers who are not eligible retail customers  
11 on February 28, 2017.

12 For the delivery year beginning June 1, 2019, and for  
13 each year thereafter, the procurement plans shall include  
14 cost-effective renewable energy resources equal to a  
15 minimum percentage of each utility's load for all retail  
16 customers as follows: 16% by June 1, 2019; increasing by  
17 1.5% each year thereafter to 25% by June 1, 2025;  
18 increasing by at least 4% each year thereafter to at least  
19 45% by June 1, 2030; increasing by at least 3% each year  
20 thereafter to at least 90% by June 1, 2045; increasing by  
21 at least 2% each year thereafter to at least 100% by June  
22 1, 2050 ~~and 25% by June 1, 2026~~ and each year thereafter.

23 For each delivery year, the Agency shall first  
24 recognize each utility's obligations for that delivery  
25 year under existing contracts. Any renewable energy  
26 credits under existing contracts, including renewable



1 energy credits as part of renewable energy resources, shall  
2 be used to meet the goals set forth in this subsection (c)  
3 for the delivery year.

4 (C) Of the renewable energy credits procured under this  
5 subsection (c), at least 75% shall come from wind and  
6 photovoltaic projects. The long-term renewable resources  
7 procurement plan described in subparagraph (A) of this  
8 paragraph (1) shall include the procurement of renewable  
9 energy credits in amounts equal to ~~at least the following:~~

10 at least 5,000,000 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, 2020, unless the project has delays in the  
14 establishment of an operating interconnection with the  
15 applicable transmission or distribution system as a  
16 result of the actions or inactions of the transmission  
17 or distribution provider, or other causes for force  
18 majeure as outlined in the procurement contract, in  
19 which case, not later than June 1, 2022;

20 at least 13,000,000 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, 2021;

24 at least 18,000,000 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, 2022;

2 at least 23,000,000 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, 2023;

6 at least 28,000,000 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, 2024;

10 at least 33,000,000 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, 2025;

14 at least 38,000,000 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, 2026;

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

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

26 at least 53,000,000 renewable energy credits from

1 new wind and new photovoltaic projects for each  
2 delivery year by the end of the delivery year beginning  
3 June 1, 2029; and

4 at least 58,000,000 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, 2030.

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

9 ~~At least 2,000,000 renewable energy credits~~  
10 ~~for each delivery year shall come from new wind~~  
11 ~~projects; and~~

12 Of the renewable energy credits procured from  
13 new wind and new photovoltaic projects for each  
14 delivery year ~~At least 2,000,000 renewable energy~~  
15 ~~credits for each delivery year shall come from new~~  
16 ~~photovoltaic projects; of that amount, to the~~  
17 ~~extent possible, the Agency shall procure 50% from~~  
18 new wind projects and 50% from new photovoltaic  
19 projects. Of the amount to be procured from new  
20 photovoltaic projects, the Agency shall procure,  
21 to the extent reasonably practicable: at least 33%  
22 ~~50%~~ from distributed and community solar  
23 photovoltaic projects using the programs ~~program~~  
24 outlined in subparagraphs ~~subparagraph~~ (K) and (N)  
25 of this paragraph (1) through the 2021 delivery  
26 year, increasing ratably beginning in the 2022

1           delivery year to at least 50% by the 2037 delivery  
2           year and for each delivery year thereafter ~~from~~  
3           ~~distributed renewable energy generation devices or~~  
4           ~~community renewable generation projects;~~ at least  
5           40% from utility-scale solar projects; at least 7%  
6           ~~2%~~ from brownfield site photovoltaic projects that  
7           are not community renewable generation projects;  
8           and the remainder shall be determined through the  
9           long-term planning process described in  
10          subparagraph (A) of this paragraph (1).

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

23          Of the amount of renewable energy credits to be  
24          procured from either distributed or community solar  
25          photovoltaic projects using the programs outlined in  
26          subparagraph (K) of this paragraph (1), the long-term plan

1 developed through the process described in subparagraph  
2 (A) of this paragraph (1) shall use the following initial  
3 breakdown, which may be adjusted upon review by the Agency  
4 and approval by the Commission:

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

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

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

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

17 The ratable procurement of new renewable resources  
18 discussed in this subparagraph (C) shall involve annual  
19 procurements of new wind and new photovoltaic projects and,  
20 in the case of the Adjustable Block Program created by  
21 subparagraph (K) of this paragraph (1), the annual release  
22 of new blocks of capacity each year with the goal of  
23 encouraging stability and steady growth in the renewable  
24 resources market and avoiding boom-bust cycles.

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

26 ~~At least 3,000,000 renewable energy credits~~

1 ~~for each delivery year shall come from new wind~~  
2 ~~projects; and~~

3 ~~At least 3,000,000 renewable energy credits~~  
4 ~~for each delivery year shall come from new~~  
5 ~~photovoltaic projects; of that amount, to the~~  
6 ~~extent possible, the Agency shall procure: at~~  
7 ~~least 50% from solar photovoltaic projects using~~  
8 ~~the program outlined in subparagraph (K) of this~~  
9 ~~paragraph (1) from distributed renewable energy~~  
10 ~~devices or community renewable generation~~  
11 ~~projects; at least 40% from utility-scale solar~~  
12 ~~projects; at least 2% from brownfield site~~  
13 ~~photovoltaic projects that are not community~~  
14 ~~renewable generation projects; and the remainder~~  
15 ~~shall be determined through the long term planning~~  
16 ~~process described in subparagraph (A) of this~~  
17 ~~paragraph (1).~~

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

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

22 ~~At least 4,000,000 renewable energy credits~~  
23 ~~for each delivery year shall come from new~~  
24 ~~photovoltaic projects; of that amount, to the~~  
25 ~~extent possible, the Agency shall procure: at~~  
26 ~~least 50% from solar photovoltaic projects using~~

~~the program outlined in subparagraph (K) of this paragraph (1) from distributed renewable energy devices or community renewable generation projects; at least 40% from utility scale solar projects; at least 2% from brownfield site photovoltaic projects that are not community renewable generation projects; and the remainder shall be determined through the long term planning process described in subparagraph (A) of this paragraph (1).~~

For purposes of this Section:

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

"New photovoltaic projects" means photovoltaic renewable energy facilities that are energized after June 1, 2017. Photovoltaic projects developed under Section 1-56 of this Act shall not apply towards the new photovoltaic project requirements in this subparagraph (C) unless they are purchased in combination with the Adjustable Block Program established in subparagraph (K) of this paragraph (1), as described in paragraph (3.5) of subsection (b) of Section 1-56 of this

1           Act.

2           (D) Renewable energy credits shall be cost effective.  
3           For purposes of this subsection (c), "cost effective" means  
4           that the costs of procuring renewable energy resources do  
5           not cause the limit stated in subparagraph (E) of this  
6           paragraph (1) to be exceeded and, for renewable energy  
7           credits procured through a competitive procurement event,  
8           do not exceed benchmarks based on market prices for like  
9           products in the region. For purposes of this subsection  
10          (c), "like products" means contracts for renewable energy  
11          credits from the same or substantially similar technology,  
12          same or substantially similar vintage (new or existing),  
13          the same or substantially similar quantity, and the same or  
14          substantially similar contract length and structure.  
15          Benchmarks shall be developed by the procurement  
16          administrator, in consultation with the Commission staff,  
17          Agency staff, and the procurement monitor and shall be  
18          subject to Commission review and approval. If price  
19          benchmarks for like products in the region are not  
20          available, the procurement administrator shall establish  
21          price benchmarks based on publicly available data on  
22          regional technology costs and expected current and future  
23          regional energy prices. The benchmarks in this Section  
24          shall not be used to curtail or otherwise reduce  
25          contractual obligations entered into by or through the  
26          Agency prior to June 1, 2017 (the effective date of Public



1 Act 99-906).

2 (E) For purposes of this subsection (c), the required  
3 procurement of cost-effective renewable energy resources  
4 for a particular year commencing prior to June 1, 2017  
5 shall be measured as a percentage of the actual amount of  
6 electricity (megawatt-hours) supplied by the electric  
7 utility to eligible retail customers in the delivery year  
8 ending immediately prior to the procurement, and, for  
9 delivery years commencing on and after June 1, 2017, the  
10 required procurement of cost-effective renewable energy  
11 resources for a particular year shall be measured as a  
12 percentage of the actual amount of electricity  
13 (megawatt-hours) delivered by the electric utility in the  
14 delivery year ending immediately prior to the procurement,  
15 to all retail customers in its service territory. For  
16 purposes of this subsection (c), the amount paid per  
17 kilowatthour means the total amount paid for electric  
18 service expressed on a per kilowatthour basis. For purposes  
19 of this subsection (c), the total amount paid for electric  
20 service includes without limitation amounts paid for  
21 supply, transmission, distribution, surcharges, and add-on  
22 taxes.

23 Notwithstanding the requirements of this subsection  
24 (c), the total of renewable energy resources procured under  
25 the procurement plan for any single year shall be subject  
26 to the limitations of this subparagraph (E). Until the

1 delivery year beginning June 1, 2023, such ~~Such~~ procurement  
2 shall be reduced for all retail customers based on the  
3 amount necessary to limit the annual estimated average net  
4 increase due to the costs of these resources included in  
5 the amounts paid by eligible retail customers in connection  
6 with electric service to no more than the greater of 2.67%  
7 ~~2.015%~~ of the amount paid per kilowatthour by those  
8 customers during the year ending May 31, 2009 ~~2007~~ or the  
9 incremental amount per kilowatthour paid for these  
10 resources in 2011. Beginning with the delivery year  
11 beginning June 1, 2023, such procurement shall be reduced  
12 for all retail customers based on the amount necessary to  
13 limit the annual estimated average net increase due to the  
14 costs of these resources included in the amounts paid by  
15 eligible retail customers in connection with electric  
16 service to no more than the greater of 4.88% of the amount  
17 paid per kilowatt hour by those customers during the year  
18 ending May 31, 2009 or the incremental amount per kilowatt  
19 hour paid for these resources in 2011. To arrive at a  
20 maximum dollar amount of renewable energy resources to be  
21 procured for the particular delivery year, the resulting  
22 per kilowatthour amount shall be applied to the actual  
23 amount of kilowatthours of electricity delivered, or  
24 applicable portion of such amount as specified in paragraph  
25 (1) of this subsection (c), as applicable, by the electric  
26 utility in the delivery year immediately prior to the

1 procurement to all retail customers in its service  
2 territory. The calculations required by this subparagraph  
3 (E) shall be made only once for each delivery year at the  
4 time that the renewable energy resources are procured. Once  
5 the determination as to the amount of renewable energy  
6 resources to procure is made based on the calculations set  
7 forth in this subparagraph (E) and the contracts procuring  
8 those amounts are executed, no subsequent rate impact  
9 determinations shall be made and no adjustments to those  
10 contract amounts shall be allowed. All costs incurred under  
11 such contracts shall be fully recoverable by the electric  
12 utility as provided in this Section.

13 (F) If the limitation on the amount of renewable energy  
14 resources procured in subparagraph (E) of this paragraph  
15 (1) prevents the Agency from meeting all of the goals in  
16 this subsection (c), the Agency's long-term plan shall  
17 prioritize compliance with the requirements of this  
18 subsection (c) regarding renewable energy credits in the  
19 following order:

20 (i) renewable energy credits under existing  
21 contractual obligations;

22 (i-5) funding for the Illinois Solar for All  
23 Program, as described in subparagraph (O) of this  
24 paragraph (1);

25 (ii) renewable energy credits necessary to comply  
26 with the new wind and new photovoltaic procurement

1 requirements described in items (i) through (iii) of  
2 subparagraph (C) of this paragraph (1); and

3 (iii) renewable energy credits necessary to meet  
4 the remaining requirements of this subsection (c).

5 (G) The following provisions shall apply to the  
6 Agency's procurement of renewable energy credits under  
7 this subsection (c):

8 (i) Notwithstanding whether a long-term renewable  
9 resources procurement plan has been approved, the  
10 Agency shall conduct an initial forward procurement  
11 for renewable energy credits from new utility-scale  
12 wind projects within 160 days after June 1, 2017 (the  
13 effective date of Public Act 99-906). For the purposes  
14 of this initial forward procurement, the Agency shall  
15 solicit 15-year contracts for delivery of 1,000,000  
16 renewable energy credits delivered annually from new  
17 utility-scale wind projects to begin delivery on June  
18 1, 2019, if available, but not later than June 1, 2021,  
19 unless the project has delays in the establishment of  
20 an operating interconnection with the applicable  
21 transmission or distribution system as a result of the  
22 actions or inactions of the transmission or  
23 distribution provider, or other causes for force  
24 majeure as outlined in the procurement contract, in  
25 which case, not later than June 1, 2022. Payments to  
26 suppliers of renewable energy credits shall commence

1       upon delivery. Renewable energy credits procured under  
2       this initial procurement shall be included in the  
3       Agency's long-term plan and shall apply to all  
4       renewable energy goals in this subsection (c).

5       (ii) Notwithstanding whether a long-term renewable  
6       resources procurement plan has been approved, the  
7       Agency shall conduct an initial forward procurement  
8       for renewable energy credits from new utility-scale  
9       solar projects and brownfield site photovoltaic  
10      projects within one year after June 1, 2017 (the  
11      effective date of Public Act 99-906). For the purposes  
12      of this initial forward procurement, the Agency shall  
13      solicit 15-year contracts for delivery of 1,000,000  
14      renewable energy credits delivered annually from new  
15      utility-scale solar projects and brownfield site  
16      photovoltaic projects to begin delivery on June 1,  
17      2019, if available, but not later than June 1, 2021,  
18      unless the project has delays in the establishment of  
19      an operating interconnection with the applicable  
20      transmission or distribution system as a result of the  
21      actions or inactions of the transmission or  
22      distribution provider, or other causes for force  
23      majeure as outlined in the procurement contract, in  
24      which case, not later than June 1, 2022. The Agency may  
25      structure this initial procurement in one or more  
26      discrete procurement events. Payments to suppliers of

1 renewable energy credits shall commence upon delivery.  
2 Renewable energy credits procured under this initial  
3 procurement shall be included in the Agency's  
4 long-term plan and shall apply to all renewable energy  
5 goals in this subsection (c).

6 (iii) Notwithstanding whether the Commission has  
7 approved the periodic long-term renewable resources  
8 procurement plan revision described in Section  
9 16-111.5 of the Public Utilities Act, the Agency shall  
10 conduct at least one subsequent forward procurement  
11 for renewable energy credits from new utility-scale  
12 wind projects, new utility-scale solar, and new  
13 brownfield site photovoltaic projects within 120 days  
14 after the effective date of this amendatory Act of the  
15 101st General Assembly in quantities needed to meet the  
16 requirements of subparagraph (C) through the delivery  
17 year beginning June 1, 2021. The Agency shall also  
18 release additional blocks of capacity into the  
19 Adjustable Block Program, as needed to sustain the  
20 market for distributed renewable energy generation  
21 devices with nameplate capacities both smaller and  
22 larger than 25 kilowatts through the subsequent  
23 long-term renewable resources procurement plan  
24 revision process, within 120 days after the effective  
25 date of this amendatory Act of the 101st General  
26 Assembly notwithstanding whether the Commission has

1 approved the periodic long-term renewable resources  
2 procurement plan revision described in Section  
3 16-111.5 of the Public Utilities Act. Subsequent  
4 ~~forward procurements for utility scale wind projects~~  
5 ~~shall solicit at least 1,000,000 renewable energy~~  
6 ~~credits delivered annually per procurement event and~~  
7 ~~shall be planned, scheduled, and designed such that the~~  
8 ~~cumulative amount of renewable energy credits~~  
9 ~~delivered from all new wind projects in each delivery~~  
10 ~~year shall not exceed the Agency's projection of the~~  
11 ~~cumulative amount of renewable energy credits that~~  
12 ~~will be delivered from all new photovoltaic projects,~~  
13 ~~including utility scale and distributed photovoltaic~~  
14 ~~devices, in the same delivery year at the time~~  
15 ~~scheduled for wind contract delivery.~~

16 ~~(iv) If, at any time after the time set for~~  
17 ~~delivery of renewable energy credits pursuant to the~~  
18 ~~initial procurements in items (i) and (ii) of this~~  
19 ~~subparagraph (G), the cumulative amount of renewable~~  
20 ~~energy credits projected to be delivered from all new~~  
21 ~~wind projects in a given delivery year exceeds the~~  
22 ~~cumulative amount of renewable energy credits~~  
23 ~~projected to be delivered from all new photovoltaic~~  
24 ~~projects in that delivery year by 200,000 or more~~  
25 ~~renewable energy credits, then the Agency shall within~~  
26 ~~60 days adjust the procurement programs in the~~

~~long-term renewable resources procurement plan to ensure that the projected cumulative amount of renewable energy credits to be delivered from all new wind projects does not exceed the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects by 200,000 or more renewable energy credits, provided that nothing in this Section shall preclude the projected cumulative amount of renewable energy credits to be delivered from all new photovoltaic projects from exceeding the projected cumulative amount of renewable energy credits to be delivered from all new wind projects in each delivery year and provided further that nothing in this item (iv) shall require the curtailment of an executed contract. The Agency shall update, on a quarterly basis, its projection of the renewable energy credits to be delivered from all projects in each delivery year. Notwithstanding anything to the contrary, the Agency may adjust the timing of procurement events conducted under this subparagraph (G). The long-term renewable resources procurement plan shall set forth the process by which the adjustments may be made.~~

(iv) ~~(v)~~ All procurements under this subparagraph (G) shall comply with the geographic requirements in subparagraph (I) of this paragraph (1) and shall follow



1 the procurement processes and procedures described in  
2 this Section and Section 16-111.5 of the Public  
3 Utilities Act to the extent practicable, and these  
4 processes and procedures may be expedited to  
5 accommodate the schedule established by this  
6 subparagraph (G).

7 (H) The procurement of renewable energy resources for a  
8 given delivery year shall be reduced as described in this  
9 subparagraph (H) if an alternative retail electric  
10 supplier meets the requirements described in this  
11 subparagraph (H).

12 (i) Within 45 days after June 1, 2017 (the  
13 effective date of Public Act 99-906), an alternative  
14 retail electric supplier or its successor shall submit  
15 an informational filing to the Illinois Commerce  
16 Commission certifying that, as of December 31, 2015,  
17 the alternative retail electric supplier owned one or  
18 more electric generating facilities that generates  
19 renewable energy resources as defined in Section 1-10  
20 of this Act, provided that such facilities are not  
21 powered by wind or photovoltaics, and the facilities  
22 generate one renewable energy credit for each  
23 megawatthour of energy produced from the facility.

24 The informational filing shall identify each  
25 facility that was eligible to satisfy the alternative  
26 retail electric supplier's obligations under Section

1 16-115D of the Public Utilities Act as described in  
2 this item (i).

3 (ii) For a given delivery year, the alternative  
4 retail electric supplier may elect to supply its retail  
5 customers with renewable energy credits from the  
6 facility or facilities described in item (i) of this  
7 subparagraph (H) that continue to be owned by the  
8 alternative retail electric supplier.

9 (iii) The alternative retail electric supplier  
10 shall notify the Agency and the applicable utility, no  
11 later than February 28 of the year preceding the  
12 applicable delivery year or 15 days after June 1, 2017  
13 (the effective date of Public Act 99-906), whichever is  
14 later, of its election under item (ii) of this  
15 subparagraph (H) to supply renewable energy credits to  
16 retail customers of the utility. Such election shall  
17 identify the amount of renewable energy credits to be  
18 supplied by the alternative retail electric supplier  
19 to the utility's retail customers and the source of the  
20 renewable energy credits identified in the  
21 informational filing as described in item (i) of this  
22 subparagraph (H), subject to the following  
23 limitations:

24 For the delivery year beginning June 1, 2018,  
25 the maximum amount of renewable energy credits to  
26 be supplied by an alternative retail electric

1 supplier under this subparagraph (H) shall be 68%  
2 multiplied by 25% multiplied by 14.5% multiplied  
3 by the amount of metered electricity  
4 (megawatt-hours) delivered by the alternative  
5 retail electric supplier to Illinois retail  
6 customers during the delivery year ending May 31,  
7 2016.

8 For delivery years beginning June 1, 2019 and  
9 each year thereafter, the maximum amount of  
10 renewable energy credits to be supplied by an  
11 alternative retail electric supplier under this  
12 subparagraph (H) shall be 68% multiplied by 50%  
13 multiplied by 16% multiplied by the amount of  
14 metered electricity (megawatt-hours) delivered by  
15 the alternative retail electric supplier to  
16 Illinois retail customers during the delivery year  
17 ending May 31, 2016, provided that the 16% value  
18 shall increase by 1.5% each delivery year  
19 thereafter to 25% by the delivery year beginning  
20 June 1, 2025, and thereafter the 25% value shall  
21 apply to each delivery year.

22 For each delivery year, the total amount of  
23 renewable energy credits supplied by all alternative  
24 retail electric suppliers under this subparagraph (H)  
25 shall not exceed 9% of the Illinois target renewable  
26 energy credit quantity. The Illinois target renewable

1 energy credit quantity for the delivery year beginning  
2 June 1, 2018 is 14.5% multiplied by the total amount of  
3 metered electricity (megawatt-hours) delivered in the  
4 delivery year immediately preceding that delivery  
5 year, provided that the 14.5% shall increase by 1.5%  
6 each delivery year thereafter to 25% by the delivery  
7 year beginning June 1, 2025, and thereafter the 25%  
8 value shall apply to each delivery year.

9 If the requirements set forth in items (i) through  
10 (iii) of this subparagraph (H) are met, the charges  
11 that would otherwise be applicable to the retail  
12 customers of the alternative retail electric supplier  
13 under paragraph (6) of this subsection (c) for the  
14 applicable delivery year shall be reduced by the ratio  
15 of the quantity of renewable energy credits supplied by  
16 the alternative retail electric supplier compared to  
17 that supplier's target renewable energy credit  
18 quantity. The supplier's target renewable energy  
19 credit quantity for the delivery year beginning June 1,  
20 2018 is 14.5% multiplied by the total amount of metered  
21 electricity (megawatt-hours) delivered by the  
22 alternative retail supplier in that delivery year,  
23 provided that the 14.5% shall increase by 1.5% each  
24 delivery year thereafter to 25% by the delivery year  
25 beginning June 1, 2025, and thereafter the 25% value  
26 shall apply to each delivery year.

1           On or before April 1 of each year, the Agency shall  
2           annually publish a report on its website that  
3           identifies the aggregate amount of renewable energy  
4           credits supplied by alternative retail electric  
5           suppliers under this subparagraph (H).

6           (I) The Agency shall design its long-term renewable  
7           energy procurement plan to maximize the State's interest in  
8           the health, safety, and welfare of its residents, including  
9           but not limited to minimizing sulfur dioxide, nitrogen  
10          oxide, particulate matter and other pollution that  
11          adversely affects public health in this State, increasing  
12          fuel and resource diversity in this State, enhancing the  
13          reliability and resiliency of the electricity distribution  
14          system in this State, meeting goals to limit carbon dioxide  
15          emissions under federal or State law, and contributing to a  
16          cleaner and healthier environment for the residents  
17          ~~citizens~~ of this State. In order to further these  
18          legislative purposes, renewable energy credits shall be  
19          eligible to be counted toward the renewable energy  
20          requirements of this subsection (c) if they are generated  
21          from facilities located in this State. The Agency may  
22          qualify renewable energy credits from facilities located  
23          in states adjacent to Illinois if the generator  
24          demonstrates and the Agency determines that the operation  
25          of such facility or facilities will help promote the  
26          State's interest in the health, safety, and welfare of its

1 residents based on the public interest criteria described  
2 above. To ensure that the public interest criteria are  
3 applied to the procurement and given full effect, the  
4 Agency's long-term procurement plan shall describe in  
5 detail how each public interest factor shall be considered  
6 and weighted for facilities located in states adjacent to  
7 Illinois.

8 (J) In order to promote the competitive development of  
9 renewable energy resources in furtherance of the State's  
10 interest in the health, safety, and welfare of its  
11 residents, renewable energy credits shall not be eligible  
12 to be counted toward the renewable energy requirements of  
13 this subsection (c) if they are sourced from a generating  
14 unit whose costs were being recovered through rates  
15 regulated by this State or any other state or states on or  
16 after January 1, 2017. Each contract executed to purchase  
17 renewable energy credits under this subsection (c) shall  
18 provide for the contract's termination if the costs of the  
19 generating unit supplying the renewable energy credits  
20 subsequently begin to be recovered through rates regulated  
21 by this State or any other state or states; and each  
22 contract shall further provide that, in that event, the  
23 supplier of the credits must return 110% of all payments  
24 received under the contract. Amounts returned under the  
25 requirements of this subparagraph (J) shall be retained by  
26 the utility and all of these amounts shall be used for the

1 procurement of additional renewable energy credits from  
2 new wind or new photovoltaic resources as defined in this  
3 subsection (c). The long-term plan shall provide that these  
4 renewable energy credits shall be procured in the next  
5 procurement event.

6 Notwithstanding the limitations of this subparagraph  
7 (J), renewable energy credits sourced from generating  
8 units that are constructed, purchased, owned, or leased by  
9 an electric utility as part of an approved project,  
10 program, or pilot under Section 1-56 of this Act shall be  
11 eligible to be counted toward the renewable energy  
12 requirements of this subsection (c), regardless of how the  
13 costs of these units are recovered.

14 (K) The long-term renewable resources procurement plan  
15 developed by the Agency in accordance with subparagraph (A)  
16 of this paragraph (1) shall include an Adjustable Block  
17 program for the procurement of renewable energy credits  
18 from new photovoltaic projects that are distributed  
19 renewable energy generation devices ~~or new photovoltaic~~  
20 ~~community renewable generation projects~~. The Adjustable  
21 Block program shall be designed to provide for the steady,  
22 predictable, and sustainable growth of new solar  
23 photovoltaic development in Illinois. To this end, the  
24 Adjustable Block program shall provide a transparent  
25 annual schedule of prices and quantities to enable the  
26 photovoltaic market to scale up and for renewable energy

1 credit prices to adjust at a predictable rate over time.  
2 The prices set by the Adjustable Block program can be  
3 reflected as a set value or as the product of a formula.

4 The Adjustable Block program shall include for each  
5 category of eligible projects: a schedule of standard block  
6 purchase prices to be offered; a series of steps, with  
7 associated nameplate capacity and purchase prices that  
8 adjust from step to step; and automatic opening of the next  
9 step as soon as the nameplate capacity and available  
10 purchase prices for an open step are fully committed or  
11 reserved. Only projects energized on or after June 1, 2017  
12 shall be eligible for the Adjustable Block program. The  
13 Agency shall develop program features and implementation  
14 processes that create consistent market signals, making  
15 the program predictable and sustainable for solar industry  
16 companies, thus allowing them to scale up long-term hiring  
17 and investment activities. For each block group the Agency  
18 shall determine the number of blocks, the amount of  
19 generation capacity in each block, and the purchase price  
20 for each block, provided that the purchase price provided  
21 and the total amount of generation in all blocks for all  
22 block groups shall be sufficient to meet the goals in this  
23 subsection (c). The Agency shall establish program  
24 eligibility requirements that ensure that projects that  
25 enter the program are sufficiently mature to indicate a  
26 demonstrable path to completion. The Agency may



1 periodically review its prior decisions establishing the  
2 number of blocks, the amount of generation capacity in each  
3 block, and the purchase price for each block, and may  
4 propose, on an expedited basis, changes to these previously  
5 set values, including but not limited to redistributing  
6 these amounts and the available funds as necessary and  
7 appropriate, subject to Commission approval as part of the  
8 periodic plan revision process described in Section  
9 16-111.5 of the Public Utilities Act. The Agency may define  
10 different block sizes, purchase prices, or other distinct  
11 terms and conditions for projects located in different  
12 utility service territories if the Agency deems it  
13 necessary to meet the goals in this subsection (c).

14 The Adjustable Block program shall include at least the  
15 following block groups ~~in at least the following amounts,~~  
16 which may be adjusted upon review by the Agency and  
17 approval by the Commission as described in this  
18 subparagraph (K):

19 (i) ~~At least 25% from~~ distributed renewable energy  
20 generation devices with a nameplate capacity of no more  
21 than 25 ~~10~~ kilowatts.

22 (ii) ~~At least 25% from~~ distributed renewable  
23 energy generation devices with a nameplate capacity of  
24 more than 25 ~~10~~ kilowatts and no more than 2,000  
25 kilowatts. The Agency may create sub-categories within  
26 this category to account for the differences between

1 projects for small commercial customers, large  
2 commercial customers, and public or non-profit  
3 customers.

4 (iii) other block groups as specified by the Agency  
5 and approved by the Commission in the long-term  
6 renewable resources procurement plan in order to meet  
7 the goals of this subsection (c) ~~At least 25% from~~  
8 ~~photovoltaic community renewable generation projects.~~

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

12 The Adjustable Block program shall be designed to  
13 ensure that renewable energy credits are procured from  
14 photovoltaic distributed renewable energy generation  
15 devices ~~and new photovoltaic community renewable energy~~  
16 ~~generation projects~~ in diverse locations, including urban  
17 and rural areas, and are not concentrated in a few  
18 geographic areas or excluding particular geographic areas.

19 The Adjustable Block program shall reserve 15% of each  
20 block's capacity at the block's pricing to be available for  
21 qualified vendors that are participants in the Illinois  
22 Clean Energy Black, Indigenous, and People of Color  
23 Contractor Accelerator, as described in the Clean Jobs,  
24 Workforce and Contractor Equity Act, and a total of 40% of  
25 each block's capacity at the block's price to be available  
26 for qualified vendors that score no less than 105 points in

1 the equity points system described in subparagraphs (A)  
2 through (H) of paragraph (7) of this subsection (c).  
3 Nothing in this paragraph shall prohibit the opening of  
4 additional blocks for the unreserved capacity of each  
5 block. Beginning with the first update to the Long-Term  
6 Renewable Resources Procurement Plan in after December 31,  
7 2024, the Agency shall review the reserved capacity level  
8 for future blocks. In developing its annual budgets, the  
9 Agency shall project the amount of development in each  
10 block, at the prices of each block, expected to occur in  
11 the budget timeframe.

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

18 (L) The procurement of photovoltaic renewable energy  
19 credits under the Adjustable Block Program established  
20 under ~~items (i) through (iv)~~ of subparagraph (K) and the  
21 Community Solar Program established under subparagraph (N)  
22 of this paragraph (1) shall be subject to the following  
23 contract and payment terms:

24 (i) The Agency shall procure contracts of at least  
25 15 years in length.

26 (ii) For those renewable energy credits that

1       qualify and are procured from projects with a nameplate  
2       capacity of no more than 10 kilowatts ~~under item (i) of~~  
3       ~~subparagraph (K) of this paragraph (1)~~, the renewable  
4       energy credit purchase price shall be paid in full by  
5       the contracting utilities at the time that the facility  
6       producing the renewable energy credits is  
7       interconnected at the distribution system level of the  
8       utility and energized. The electric utility shall  
9       receive and retire all renewable energy credits  
10      generated by the project for the first 15 years of  
11      operation.

12       (iii) For those renewable energy credits that  
13      qualify and are procured from projects with a nameplate  
14      capacity of more than 10 kilowatts but no more than 200  
15      kilowatts or, if approved at the recommendation of the  
16      Agency in its long-term plan, from projects that  
17      include a community ownership component or are owned by  
18      a nonprofit or public entity ~~under item (ii) and (iii)~~  
19      ~~of subparagraph (K) of this paragraph (1) and any~~  
20      ~~additional categories of distributed generation~~  
21      ~~included in the long-term renewable resources~~  
22      ~~procurement plan and approved by the Commission, 20~~  
23      percent of the renewable energy credit purchase price  
24      shall be paid by the contracting utilities at the time  
25      that the facility producing the renewable energy  
26      credits is interconnected at the distribution system

1 level of the utility and energized. The remaining  
2 portion shall be paid ratably over the subsequent  
3 4-year period. The electric utility shall receive and  
4 retire all renewable energy credits generated by the  
5 project for the first 15 years of operation.

6 (iv) For those renewable energy credits that  
7 qualify and are procured from all other projects under  
8 subparagraph (K) or (N) of this paragraph (1), the  
9 renewable energy credit purchase price shall be paid by  
10 the contracting utilities over the 15-year life of the  
11 contract. The electric utility shall receive and  
12 retire all renewable energy credits generated by the  
13 project for the first 15 years of operation.

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

17 (vi) ~~(v)~~ The utility shall be the counterparty to  
18 the contracts executed under this subparagraph (L)  
19 that are approved by the Commission under the process  
20 described in Section 16-111.5 of the Public Utilities  
21 Act. No contract shall be executed for an amount that  
22 is less than one renewable energy credit per year.

23 (vii) ~~(vi)~~ If, at any time, approved applications  
24 for the Adjustable Block program exceed funds  
25 collected by the electric utility or would cause the  
26 Agency to exceed the limitation described in

1        subparagraph (E) of this paragraph (1) on the amount of  
2        renewable energy resources that may be procured, then  
3        the Agency shall consider future uncommitted funds to  
4        be reserved for these contracts on a first-come,  
5        first-served basis, with the delivery of renewable  
6        energy credits required beginning at the time that the  
7        reserved funds become available.

8        (viii) ~~(vii)~~ Nothing in this Section shall require  
9        the utility to advance any payment or pay any amounts  
10       that exceed, in a given delivery year, (i) the actual  
11       amount of revenues collected by the utility in the  
12       delivery year and unspent available revenues from  
13       prior delivery years, in both cases under paragraph (6)  
14       of this subsection (c) and subsection (k) of Section  
15       16-108 of the Public Utilities Act and (ii) other  
16       utility-held funds authorized for renewables  
17       procurement by order of the Illinois Commerce  
18       Commission. Contracts ~~, and contracts~~ executed under  
19       this Section shall expressly incorporate this  
20       limitation.

21       (ix) Notwithstanding items (ii), (iii), and (iv)  
22       of this subparagraph (L), the Agency shall not be  
23       restricted from offering additional payment structures  
24       if it determines that such adjustments will better  
25       achieve the goals of this subsection (c), as  
26       prioritized in subparagraph (F) of this paragraph (1)

1       of this subsection (c). Any such adjustments shall be  
2       approved by the Commission as a long-term plan  
3       amendment under Section 16-111.5 of the Public  
4       Utilities Act.

5       (x) Notwithstanding other requirements of this  
6       subparagraph (L), no modification shall be required to  
7       Adjustable Block Program contracts if they were  
8       already executed before new contract forms are  
9       implemented under the revised long-term plan that  
10      follows this amendatory Act of the 101st General  
11      Assembly, as described in subparagraph (A) of this  
12      paragraph (1).

13       (M) The Agency shall be authorized to retain one or  
14      more experts or expert consulting firms to develop,  
15      administer, implement, operate, and evaluate the  
16      Adjustable Block program described in subparagraph (K) of  
17      this paragraph (1), and the Agency shall retain the  
18      consultant or consultants in the same manner, to the extent  
19      practicable, as the Agency retains others to administer  
20      provisions of this Act, including, but not limited to, the  
21      procurement administrator. The selection of experts and  
22      expert consulting firms and the procurement process  
23      described in this subparagraph (M) are exempt from the  
24      requirements of Section 20-10 of the Illinois Procurement  
25      Code, under Section 20-10 of that Code. The Agency shall  
26      strive to minimize administrative expenses in the

1 implementation of the Adjustable Block program.

2 The Agency and its consultant or consultants shall  
3 monitor block activity, share program activity with  
4 stakeholders and conduct regularly scheduled meetings to  
5 discuss program activity and market conditions. If  
6 necessary, the Agency may make prospective administrative  
7 adjustments to the Adjustable Block program design, such as  
8 redistributing available funds or making adjustments to  
9 purchase prices as necessary to achieve the goals of this  
10 subsection (c). Program modifications to any price,  
11 capacity block, or other program element that do not  
12 deviate from the Commission's approved value by more than  
13 25% shall take effect immediately and are not subject to  
14 Commission review and approval. Program modifications to  
15 any price, capacity block, or other program element that  
16 deviate more than 25% from the Commission's approved value  
17 must be approved by the Commission as a long-term plan  
18 amendment under Section 16-111.5 of the Public Utilities  
19 Act. The Agency shall consider stakeholder feedback when  
20 making adjustments to the Adjustable Block design and shall  
21 notify stakeholders in advance of any planned changes.

22 Immediately upon the effective date of this amendatory  
23 Act of the 101st General Assembly, the Agency shall  
24 consider whether changes to Adjustable Block Program  
25 elements of less than 25% can and should be adopted to  
26 bring the Adjustable Block Program in line with the updated



1 goals and targets of this subsection (c).

2 (N) The long-term renewable resources procurement plan  
3 required by this subsection (c) shall include a Community  
4 Solar Program for solar photovoltaic community renewable  
5 generation projects and may include additional community  
6 renewable generation programs or procurements open to  
7 other or additional renewable technology ~~program~~. The  
8 Agency shall establish the terms, conditions, and ~~program~~  
9 requirements for the Community Solar Program and for any  
10 other program or procurement for community renewable  
11 generation projects with a goal to expand renewable energy  
12 generating facility access to a broader group of energy  
13 consumers, to ensure robust participation opportunities  
14 for residential and small commercial customers and those  
15 who cannot install renewable energy on their own  
16 properties, create opportunities for subscribers to  
17 participate in local renewables projects in both urban and  
18 rural communities across the State, enable communities to  
19 self-organize their own renewables projects, and increase  
20 community ownership of renewables projects. Any plan  
21 approved by the Commission shall allow subscriptions to  
22 community renewable generation projects to be portable and  
23 transferable. For purposes of this subparagraph (N):

24 "Community" means:

25 (i) a social unit in which people come together  
26 regularly to effect change;

1           (ii) a social unit in which participants are  
2 marked by a cooperative spirit, a common purpose,  
3 or shared interests or characteristics; or

4           (iii) a space understood by its residents to be  
5 delineated through geographic boundaries or  
6 landmarks.

7           "Community benefit" means:

8           (i) a range of services and activities that  
9 provide affirmative, economic, environmental,  
10 social, cultural, or physical value to a  
11 community; or

12           (ii) a mechanism that enables economic  
13 development, high-quality employment, and  
14 education opportunities for local workers and  
15 residents, or formal monitoring and oversight  
16 structures such that community members may ensure  
17 that those services and activities respond to  
18 local knowledge and needs.

19           "Community ownership" means an arrangement in  
20 which:

21           (i) an electric generating facility is, or  
22 over time will be, in significant part, owned  
23 collectively by members of the community to which  
24 an electric generating facility provides benefits;

25           (ii) members of that community participate in  
26 decisions regarding the governance, operation,

1 maintenance, and upgrades of and to that facility;

2 and

3 (iii) members of that community benefit from  
4 regular use of that facility.

5 "Portable", ~~"portable"~~ means that subscriptions  
6 may be retained by the subscriber even if the  
7 subscriber relocates or changes its address within the  
8 same utility service territory.

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

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

14 The Community Solar Program established under this  
15 subparagraph (N) shall be designed to give preference to  
16 the procurement of renewable energy credits from projects  
17 that meet one or more of the following community criteria  
18 for a portion of the overall renewable energy credits to be  
19 procured under the Community Solar Program:

20 (i) include community ownership;

21 (ii) are put forward by approved vendors or  
22 companies that take higher numbers of the equity  
23 actions described in paragraph (7) of this subsection

24 (c);

25 (iii) provide additional community benefit, beyond  
26 project participation as a subscriber;

1           (iv) ensure meaningful involvement in project  
2           organization and development by nonprofit  
3           organizations, public entities, or community members;

4           (v) increase the geographic diversity of projects  
5           in the Community Solar Program;

6           (vi) are also brownfield site photovoltaic  
7           projects;

8           (vii) ensure engagement in project operations and  
9           management by nonprofit organizations, public  
10           entities, or community members; or

11           (viii) serve only local subscribers.

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

17           The Community Solar Program shall procure renewable  
18           energy credits in the following manner:

19           (1) For a portion of the overall renewable energy  
20           credits to be procured under the Community Solar  
21           Program, the Agency shall initiate a request for  
22           projects that serve a minimum of 50% residential and  
23           small business subscribers and maximize the community  
24           criteria in this subparagraph (N). The Agency shall  
25           score all projects submitted under this request for  
26           projects based on their ability to meet the community

1 criteria. Both projects that better meet individual  
2 criteria as well as projects that address a higher  
3 number of criteria shall receive a higher score. The  
4 Agency shall also consider renewable energy credit  
5 price when qualifying and scoring projects. The Agency  
6 shall select the highest scoring projects to advance,  
7 subject to budget availability, reserving a portion of  
8 the capacity selected through the request for those  
9 projects that include a community ownership component.

10 (2) Once projects that maximize the community  
11 criteria have been selected, the Agency shall initiate  
12 a procurement for the remaining renewable energy  
13 credits from photovoltaic community renewable  
14 generation projects needed to meet the goals of  
15 subparagraph (C) of this paragraph (1). The Agency  
16 shall strive to procure renewable energy credits  
17 through the Community Solar Program 4 times per  
18 delivery year. This manner of procuring renewable  
19 energy credits for the Community Solar Program may be  
20 adjusted upon review by the Agency and approval by the  
21 Commission through the long-term renewable resources  
22 procurement plan update process in order to better meet  
23 the goals of this subsection (c) and the requirements  
24 of this subparagraph (N).

25 Electric utilities shall provide a monetary credit to a  
26 subscriber's subsequent bill for service for the

1 proportional output of a community renewable generation  
2 project attributable to that subscriber as specified in  
3 Section 16-107.5 of the Public Utilities Act.

4 The Agency shall procure ~~purchase~~ renewable energy  
5 credits from subscribed shares of photovoltaic community  
6 renewable generation projects through the Community Solar  
7 Program described in this subparagraph (N) ~~Adjustable~~  
8 ~~Block program described in subparagraph (K) of this~~  
9 ~~paragraph (1)~~ or through the Illinois Solar for All Program  
10 described in Section 1-56 of this Act. The Agency shall  
11 procure renewable energy credits from unsubscribed shares  
12 of photovoltaic community renewable generation projects  
13 that have achieved a subscription level of 80% or higher at  
14 the average winning price from the most recent procurement  
15 of renewable energy credits from utility-scale solar  
16 photovoltaic projects or another amount established  
17 through the long-term planning process described in  
18 subparagraph (A) of this paragraph (1) of this subsection  
19 (c). The electric utility shall purchase any unsubscribed  
20 energy from community renewable generation projects that  
21 are Qualifying Facilities ("QF") under the electric  
22 utility's tariff for purchasing the output from QFs under  
23 Public Utilities Regulatory Policies Act of 1978.

24 The owners of and any subscribers to a community  
25 renewable generation project shall not be considered  
26 public utilities or alternative retail electricity

1 suppliers under the Public Utilities Act solely as a result  
2 of their interest in or subscription to a community  
3 renewable generation project and shall not be required to  
4 become an alternative retail electric supplier by  
5 participating in a community renewable generation project  
6 with a public utility.

7 (O) For the delivery year beginning June 1, 2018, the  
8 long-term renewable resources procurement plan required by  
9 this subsection (c) shall provide for the Agency to procure  
10 contracts to continue offering the Illinois Solar for All  
11 Program described in subsection (b) of Section 1-56 of this  
12 Act, and the contracts approved by the Commission shall be  
13 executed by the utilities that are subject to this  
14 subsection (c). The long-term renewable resources  
15 procurement plan shall allocate 5% of the funds available  
16 under the plan for the applicable delivery year, or  
17 \$10,000,000 per delivery year, whichever is greater, to  
18 fund the programs, and the plan shall determine the amount  
19 of funding to be apportioned to the programs identified in  
20 subsection (b) of Section 1-56 of this Act; provided that  
21 for the delivery years beginning June 1, 2017, June 1,  
22 2021, and June 1, 2025, the long-term renewable resources  
23 procurement plan shall allocate 10% of the funds available  
24 under the plan for the applicable delivery year, or  
25 \$20,000,000 per delivery year, whichever is greater, and  
26 \$10,000,000 of such funds in such year shall be used by an

1 electric utility that serves more than 3,000,000 retail  
2 customers in the State to implement a Commission-approved  
3 plan under Section 16-108.12 of the Public Utilities Act.  
4 In making the determinations required under this  
5 subparagraph (O), the Commission shall consider the  
6 experience and performance under the programs and any  
7 evaluation reports. The Commission shall also provide for  
8 an independent evaluation of those programs on a periodic  
9 basis that are funded under this subparagraph (O).

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

14 (i) agriculture-friendly benefits;

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

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

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



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

3           (vi) land use, design, siting, and construction  
4           practices that minimize interference with natural  
5           habitat and wildlife; and

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

10          (1.5) No Later than May 31, 2022, all Illinois electric  
11          cooperatives and municipal utilities shall develop a plan  
12          to ensure that their members and customers have access to  
13          renewable energy on a reasonably equivalent basis to all  
14          other residents in the State, including the overall  
15          percentage goals listed in subparagraph (A) of paragraph  
16          (1) of this Section and the carbon-free resources goals of  
17          subsection (k) of this Section 1-75. These plans shall be  
18          developed through a public process involving municipal  
19          utility and cooperative members, customers, and other  
20          members of the public, and shall be filed with the Illinois  
21          Commerce Commission at least every 2 years.

22           (2) (Blank).

23           (3) (Blank).

24           (4) The electric utility shall retire all renewable  
25          energy credits used to comply with the standard.

26           (5) Beginning with the 2010 delivery year and ending

1 June 1, 2017, an electric utility subject to this  
2 subsection (c) shall apply the lesser of the maximum  
3 alternative compliance payment rate or the most recent  
4 estimated alternative compliance payment rate for its  
5 service territory for the corresponding compliance period,  
6 established pursuant to subsection (d) of Section 16-115D  
7 of the Public Utilities Act to its retail customers that  
8 take service pursuant to the electric utility's hourly  
9 pricing tariff or tariffs. The electric utility shall  
10 retain all amounts collected as a result of the application  
11 of the alternative compliance payment rate or rates to such  
12 customers, and, beginning in 2011, the utility shall  
13 include in the information provided under item (1) of  
14 subsection (d) of Section 16-111.5 of the Public Utilities  
15 Act the amounts collected under the alternative compliance  
16 payment rate or rates for the prior year ending May 31.  
17 Notwithstanding any limitation on the procurement of  
18 renewable energy resources imposed by item (2) of this  
19 subsection (c), the Agency shall increase its spending on  
20 the purchase of renewable energy resources to be procured  
21 by the electric utility for the next plan year by an amount  
22 equal to the amounts collected by the utility under the  
23 alternative compliance payment rate or rates in the prior  
24 year ending May 31.

25 (6) The electric utility shall be entitled to recover  
26 all of its costs associated with the procurement of

1 renewable energy credits under plans approved under this  
2 Section and Section 16-111.5 of the Public Utilities Act.  
3 These costs shall include associated reasonable expenses  
4 for implementing the procurement programs, including, but  
5 not limited to, the costs of administering and evaluating  
6 the Adjustable Block program, through an automatic  
7 adjustment clause tariff in accordance with subsection (k)  
8 of Section 16-108 of the Public Utilities Act.

9 (7) Renewable energy credits procured from new  
10 photovoltaic projects or new distributed renewable energy  
11 generation devices under this Section after June 1, 2017  
12 (the effective date of Public Act 99-906) must be procured  
13 from devices installed by a qualified person in compliance  
14 with the requirements of Section 16-128A of the Public  
15 Utilities Act and any rules or regulations adopted  
16 thereunder.

17 In meeting the renewable energy requirements of this  
18 subsection (c), to the extent feasible and consistent with  
19 State and federal law, the renewable energy credit  
20 procurements, Adjustable Block solar program, and  
21 community renewable generation program, and Illinois Solar  
22 for All Program shall provide employment opportunities for  
23 all segments of the population and workforce, including  
24 black, indigenous, and people of color-owned  
25 ~~minority-owned~~ and women-owned ~~female-owned~~ business  
26 enterprises, as well as black, indigenous, and people of

1 color-owned and women-owned worker-owned cooperatives or  
2 other such employee-owned entities, and shall not,  
3 consistent with State and federal law, discriminate based  
4 on race or socioeconomic status.

5 Specifically, as the Agency conducts competitive  
6 procurement processes and implements programs to procure  
7 renewable energy credits identified in the long-term  
8 renewable resources procurement plan, the Agency must give  
9 preference to the procurement of renewable energy credits  
10 from those entities, including approved vendors,  
11 companies, nonprofit organizations, and worker-owned  
12 cooperatives, as described in the equity actions points  
13 calculation in this paragraph (7). Entities from whom the  
14 Agency procures renewable energy credits shall comply with  
15 submitting an annual report of elements described in the  
16 equity actions points calculation in this paragraph (7) for  
17 the first 3 years after the year of the procurement event  
18 in which renewable energy credits were procured on June 1  
19 of each applicable year. For the purposes of this  
20 subsection (c):

21 "BIPOC" and "black, indigenous, and people of color"  
22 are identical in meaning and have the same definition as  
23 used in the Clean Jobs, Workforce and Contractor Equity  
24 Act.

25 "Labor peace agreement" means an agreement between an  
26 entity and any labor organization recognized under the

1 National Labor Relations Act, referred to in this Act as a  
2 bona fide labor organization, that may prohibit labor  
3 organizations and members from engaging in picketing, work  
4 stoppages, boycotts, and any other economic interference  
5 with the entity. This agreement means that the entity has  
6 agreed not to disrupt efforts by the bona fide labor  
7 organization to communicate with, and attempt to organize  
8 and represent, the entity's employees. The agreement shall  
9 provide a bona fide labor organization access at reasonable  
10 times to areas in which the entity's employees work, for  
11 the purpose of meeting with employees to discuss their  
12 right to representation, employment rights under State  
13 law, and terms and conditions of employment. This type of  
14 agreement shall not mandate a particular method of election  
15 or certification of the bona fide labor organization.

16 "Energy worker" has the meaning set forth in Section  
17 20-10 of the Energy Community Reinvestment Act.

18 The Illinois Power Agency, using alternative bidding  
19 procedures as provided for in subsection (i) of Section  
20 20-10 of the Illinois Procurement Code, shall track and  
21 award equity actions in bids for the renewable energy  
22 credit procurements, Adjustable Block solar program,  
23 community renewable generation program, and Illinois Solar  
24 for All Program using a points system totaling a maximum of  
25 260 points. This system shall consider both equity actions  
26 to meet the goals described in paragraph (7), and the bid

1 prices, as follows:

2 (A) Hiring Equity Action (up to 20 points): awarded  
3 based on the percentage of the company's or entity's  
4 workforce (measured by full-time equivalents as  
5 defined by the Government Accountability Office of the  
6 United States Congress) are BIPOC and are paid at or  
7 above the prevailing wage; one point shall be awarded  
8 for each 5% of the workforce which is composed of BIPOC  
9 who are also paid at or above the prevailing wage, up  
10 to a maximum of 20 points.

11 (B) Clean Jobs Workforce Hubs Action and Returning  
12 Residents Action (up to 20 points): awarded based on  
13 the percentage of the workers associated with the  
14 project who are graduates or trainees from the Clean  
15 Jobs Workforce Hubs Network Program, or the Returning  
16 Residents Clean Jobs Training Program, or equivalent  
17 certification, and paid at or above the prevailing  
18 wage; one point shall be awarded for each 5% of the  
19 workforce which is composed of Clean Jobs Workforce  
20 Hubs Network Program graduates or trainees or  
21 Returning Residents Clean Jobs Training Program  
22 graduates or trainees who are also paid a living wage,  
23 up to a maximum of 20 points.

24 (C) Minority Business Enterprise Action (30  
25 points): being an entity defined as a minority-owned  
26 business under Section 2 of the Business Enterprise for

1 Minorities, Women, and Persons with Disabilities Act  
2 or (ii) an entity, including a business, a nonprofit,  
3 or a worker-owned cooperative registered with other  
4 state, regional, or local programs intended to certify  
5 minority-owned businesses.

6 (D) Contracting Equity Action (20 points): awarded  
7 based on the percentage of the company's or entity's  
8 subcontractors or vendors are BIPOC-owned businesses  
9 are entities defined as a minority-owned business or a  
10 women-owned business under Section 2 of the Business  
11 Enterprise for Minorities, Women, and Persons with  
12 Disabilities Act or on the percentage of the  
13 subcontracted workers associated with the project,  
14 including from all subcontractors and vendors, are  
15 Black, indigenous, and people of color paid at or above  
16 the prevailing wage; 5 points shall be awarded for each  
17 10% of either subcontractors or subcontractors'  
18 workers who are Black, indigenous, and people of color,  
19 whichever is greater, up to a maximum of 20 points.  
20 Bids may not be eligible for points under this  
21 subjection unless they plan to use subcontractors. If a  
22 company or entity does not use subcontractors, points  
23 awarded for the Contracting Equity Action shall be  
24 equivalent to the point value awarded for the Hiring  
25 Equity Action under subparagraph (A).

26 (E) Expanding Clean Energy Entrepreneurship Action

1       (20 points): awarded to entities who are current or  
2       former participant contractors in the Expanding Clean  
3       Energy Entrepreneurship and Contractor Incubators  
4       Network Program or current or former participants in  
5       the Illinois Clean Energy Black, Indigenous, and  
6       People of Color Primes Contractor Accelerator Program.

7       (F) Community Benefits Action (15 points): (i) for  
8       projects 100 kW in size or larger, project has an  
9       executed Community Benefits Agreement that could  
10      include, but is not limited to, a commitment to hire  
11      local workers, union workers, energy workers  
12      transitioning to clean energy jobs, Clean Jobs  
13      Workforce Hubs Network Program graduates, or current  
14      or former participant contractors in the Expanding  
15      Clean Energy Entrepreneurship and Contractor  
16      Incubators Network Program a commitment to pay workers  
17      at or above the prevailing wage, and a commitment to  
18      give communities ownership opportunities in clean  
19      energy projects; and (ii) for projects under 100 kW in  
20      size, companies pay their workforces at or above the  
21      prevailing wage.

22      (G) Small Business Action (15 points): company's  
23      workforce is composed of 3 or fewer full-time employees  
24      (measured by full-time equivalents as defined by the  
25      Government Accountability Office of the United States  
26      Congress).



1           (H) Labor Peace Agreement Action (10 points): (i)  
2           for a bidder with 20 or more employees: the bidder  
3           attests that the bidder has entered into a labor peace  
4           agreement, will abide by the terms of the agreement,  
5           and will submit a copy of the page of the labor peace  
6           agreement that contains the signatures of the union  
7           representative and the installer, or (ii) for a bidder  
8           that is a party to a labor peace agreement with a bona  
9           fide labor organization that currently represents, or  
10           is actively seeking to represent energy efficiency  
11           installers and other workers in Illinois, or (iii) the  
12           bidder submits an attestation affirming that the  
13           bidder will use best efforts to use union labor in the  
14           bidder's projects and in the construction or retrofit  
15           of the facilities associated with the bidder's  
16           renewable energy operations, where applicable.

17           (I) Price of bid (130 points): as scored by the  
18           Illinois Power Agency.

19           Bids scoring fewer than 135 points shall not be awarded  
20           contracts.

21           (8) To the greatest extent practical, the Agency shall  
22           give preference to the procurement of renewable energy  
23           credits from proposed utility-scale projects that are  
24           located in Clean Energy Empowerment Zones as defined in the  
25           Energy Community Reinvestment Act. If this paragraph (8)  
26           conflicts with other provisions of law or the Agency

1 determines that full compliance with this paragraph (8)  
2 would be unreasonably costly or administratively  
3 impractical, the Agency shall be authorized to propose  
4 alternative approaches to achieve development of renewable  
5 energy resources in Clean Energy Empowerment Zones or seek  
6 an exemption from this requirement from the Commission.

7 (d) Clean coal portfolio standard.

8 (1) The procurement plans shall include electricity  
9 generated using clean coal. Each utility shall enter into  
10 one or more sourcing agreements with the initial clean coal  
11 facility, as provided in paragraph (3) of this subsection  
12 (d), covering electricity generated by the initial clean  
13 coal facility representing at least 5% of each utility's  
14 total supply to serve the load of eligible retail customers  
15 in 2015 and each year thereafter, as described in paragraph  
16 (3) of this subsection (d), subject to the limits specified  
17 in paragraph (2) of this subsection (d). It is the goal of  
18 the State that by January 1, 2025, 25% of the electricity  
19 used in the State shall be generated by cost-effective  
20 clean coal facilities. For purposes of this subsection (d),  
21 "cost-effective" means that the expenditures pursuant to  
22 such sourcing agreements do not cause the limit stated in  
23 paragraph (2) of this subsection (d) to be exceeded and do  
24 not exceed cost-based benchmarks, which shall be developed  
25 to assess all expenditures pursuant to such sourcing  
26 agreements covering electricity generated by clean coal

1 facilities, other than the initial clean coal facility, by  
2 the procurement administrator, in consultation with the  
3 Commission staff, Agency staff, and the procurement  
4 monitor and shall be subject to Commission review and  
5 approval.

6 A utility party to a sourcing agreement shall  
7 immediately retire any emission credits that it receives in  
8 connection with the electricity covered by such agreement.

9 Utilities shall maintain adequate records documenting  
10 the purchases under the sourcing agreement to comply with  
11 this subsection (d) and shall file an accounting with the  
12 load forecast that must be filed with the Agency by July 15  
13 of each year, in accordance with subsection (d) of Section  
14 16-111.5 of the Public Utilities Act.

15 A utility shall be deemed to have complied with the  
16 clean coal portfolio standard specified in this subsection  
17 (d) if the utility enters into a sourcing agreement as  
18 required by this subsection (d).

19 (2) For purposes of this subsection (d), the required  
20 execution of sourcing agreements with the initial clean  
21 coal facility for a particular year shall be measured as a  
22 percentage of the actual amount of electricity  
23 (megawatt-hours) supplied by the electric utility to  
24 eligible retail customers in the planning year ending  
25 immediately prior to the agreement's execution. For  
26 purposes of this subsection (d), the amount paid per

1 kilowatthour means the total amount paid for electric  
2 service expressed on a per kilowatthour basis. For purposes  
3 of this subsection (d), the total amount paid for electric  
4 service includes without limitation amounts paid for  
5 supply, transmission, distribution, surcharges and add-on  
6 taxes.

7 Notwithstanding the requirements of this subsection  
8 (d), the total amount paid under sourcing agreements with  
9 clean coal facilities pursuant to the procurement plan for  
10 any given year shall be reduced by an amount necessary to  
11 limit the annual estimated average net increase due to the  
12 costs of these resources included in the amounts paid by  
13 eligible retail customers in connection with electric  
14 service to:

15 (A) in 2010, no more than 0.5% of the amount paid  
16 per kilowatthour by those customers during the year  
17 ending May 31, 2009;

18 (B) in 2011, the greater of an additional 0.5% of  
19 the amount paid per kilowatthour by those customers  
20 during the year ending May 31, 2010 or 1% of the amount  
21 paid per kilowatthour by those customers during the  
22 year ending May 31, 2009;

23 (C) in 2012, the greater of an additional 0.5% of  
24 the amount paid per kilowatthour by those customers  
25 during the year ending May 31, 2011 or 1.5% of the  
26 amount paid per kilowatthour by those customers during

1 the year ending May 31, 2009;

2 (D) in 2013, the greater of an additional 0.5% of  
3 the amount paid per kilowatthour by those customers  
4 during the year ending May 31, 2012 or 2% of the amount  
5 paid per kilowatthour by those customers during the  
6 year ending May 31, 2009; and

7 (E) thereafter, the total amount paid under  
8 sourcing agreements with clean coal facilities  
9 pursuant to the procurement plan for any single year  
10 shall be reduced by an amount necessary to limit the  
11 estimated average net increase due to the cost of these  
12 resources included in the amounts paid by eligible  
13 retail customers in connection with electric service  
14 to no more than the greater of (i) 2.015% of the amount  
15 paid per kilowatthour by those customers during the  
16 year ending May 31, 2009 or (ii) the incremental amount  
17 per kilowatthour paid for these resources in 2013.  
18 These requirements may be altered only as provided by  
19 statute.

20 No later than June 30, 2015, the Commission shall  
21 review the limitation on the total amount paid under  
22 sourcing agreements, if any, with clean coal facilities  
23 pursuant to this subsection (d) and report to the General  
24 Assembly its findings as to whether that limitation unduly  
25 constrains the amount of electricity generated by  
26 cost-effective clean coal facilities that is covered by

1 sourcing agreements.

2 (3) Initial clean coal facility. In order to promote  
3 development of clean coal facilities in Illinois, each  
4 electric utility subject to this Section shall execute a  
5 sourcing agreement to source electricity from a proposed  
6 clean coal facility in Illinois (the "initial clean coal  
7 facility") that will have a nameplate capacity of at least  
8 500 MW when commercial operation commences, that has a  
9 final Clean Air Act permit on June 1, 2009 (the effective  
10 date of Public Act 95-1027), and that will meet the  
11 definition of clean coal facility in Section 1-10 of this  
12 Act when commercial operation commences. The sourcing  
13 agreements with this initial clean coal facility shall be  
14 subject to both approval of the initial clean coal facility  
15 by the General Assembly and satisfaction of the  
16 requirements of paragraph (4) of this subsection (d) and  
17 shall be executed within 90 days after any such approval by  
18 the General Assembly. The Agency and the Commission shall  
19 have authority to inspect all books and records associated  
20 with the initial clean coal facility during the term of  
21 such a sourcing agreement. A utility's sourcing agreement  
22 for electricity produced by the initial clean coal facility  
23 shall include:

24 (A) a formula contractual price (the "contract  
25 price") approved pursuant to paragraph (4) of this  
26 subsection (d), which shall:

1           (i) be determined using a cost of service  
2 methodology employing either a level or deferred  
3 capital recovery component, based on a capital  
4 structure consisting of 45% equity and 55% debt,  
5 and a return on equity as may be approved by the  
6 Federal Energy Regulatory Commission, which in any  
7 case may not exceed the lower of 11.5% or the rate  
8 of return approved by the General Assembly  
9 pursuant to paragraph (4) of this subsection (d);  
10 and

11           (ii) provide that all miscellaneous net  
12 revenue, including but not limited to net revenue  
13 from the sale of emission allowances, if any,  
14 substitute natural gas, if any, grants or other  
15 support provided by the State of Illinois or the  
16 United States Government, firm transmission  
17 rights, if any, by-products produced by the  
18 facility, energy or capacity derived from the  
19 facility and not covered by a sourcing agreement  
20 pursuant to paragraph (3) of this subsection (d) or  
21 item (5) of subsection (d) of Section 16-115 of the  
22 Public Utilities Act, whether generated from the  
23 synthesis gas derived from coal, from SNG, or from  
24 natural gas, shall be credited against the revenue  
25 requirement for this initial clean coal facility;

26           (B) power purchase provisions, which shall:

1           (i) provide that the utility party to such  
2 sourcing agreement shall pay the contract price  
3 for electricity delivered under such sourcing  
4 agreement;

5           (ii) require delivery of electricity to the  
6 regional transmission organization market of the  
7 utility that is party to such sourcing agreement;

8           (iii) require the utility party to such  
9 sourcing agreement to buy from the initial clean  
10 coal facility in each hour an amount of energy  
11 equal to all clean coal energy made available from  
12 the initial clean coal facility during such hour  
13 times a fraction, the numerator of which is such  
14 utility's retail market sales of electricity  
15 (expressed in kilowatthours sold) in the State  
16 during the prior calendar month and the  
17 denominator of which is the total retail market  
18 sales of electricity (expressed in kilowatthours  
19 sold) in the State by utilities during such prior  
20 month and the sales of electricity (expressed in  
21 kilowatthours sold) in the State by alternative  
22 retail electric suppliers during such prior month  
23 that are subject to the requirements of this  
24 subsection (d) and paragraph (5) of subsection (d)  
25 of Section 16-115 of the Public Utilities Act,  
26 provided that the amount purchased by the utility



1 in any year will be limited by paragraph (2) of  
2 this subsection (d); and

3 (iv) be considered pre-existing contracts in  
4 such utility's procurement plans for eligible  
5 retail customers;

6 (C) contract for differences provisions, which  
7 shall:

8 (i) require the utility party to such sourcing  
9 agreement to contract with the initial clean coal  
10 facility in each hour with respect to an amount of  
11 energy equal to all clean coal energy made  
12 available from the initial clean coal facility  
13 during such hour times a fraction, the numerator of  
14 which is such utility's retail market sales of  
15 electricity (expressed in kilowatthours sold) in  
16 the utility's service territory in the State  
17 during the prior calendar month and the  
18 denominator of which is the total retail market  
19 sales of electricity (expressed in kilowatthours  
20 sold) in the State by utilities during such prior  
21 month and the sales of electricity (expressed in  
22 kilowatthours sold) in the State by alternative  
23 retail electric suppliers during such prior month  
24 that are subject to the requirements of this  
25 subsection (d) and paragraph (5) of subsection (d)  
26 of Section 16-115 of the Public Utilities Act,

1 provided that the amount paid by the utility in any  
2 year will be limited by paragraph (2) of this  
3 subsection (d);

4 (ii) provide that the utility's payment  
5 obligation in respect of the quantity of  
6 electricity determined pursuant to the preceding  
7 clause (i) shall be limited to an amount equal to  
8 (1) the difference between the contract price  
9 determined pursuant to subparagraph (A) of  
10 paragraph (3) of this subsection (d) and the  
11 day-ahead price for electricity delivered to the  
12 regional transmission organization market of the  
13 utility that is party to such sourcing agreement  
14 (or any successor delivery point at which such  
15 utility's supply obligations are financially  
16 settled on an hourly basis) (the "reference  
17 price") on the day preceding the day on which the  
18 electricity is delivered to the initial clean coal  
19 facility busbar, multiplied by (2) the quantity of  
20 electricity determined pursuant to the preceding  
21 clause (i); and

22 (iii) not require the utility to take physical  
23 delivery of the electricity produced by the  
24 facility;

25 (D) general provisions, which shall:

26 (i) specify a term of no more than 30 years,

1           commencing on the commercial operation date of the  
2           facility;

3           (ii) provide that utilities shall maintain  
4           adequate records documenting purchases under the  
5           sourcing agreements entered into to comply with  
6           this subsection (d) and shall file an accounting  
7           with the load forecast that must be filed with the  
8           Agency by July 15 of each year, in accordance with  
9           subsection (d) of Section 16-111.5 of the Public  
10          Utilities Act;

11          (iii) provide that all costs associated with  
12          the initial clean coal facility will be  
13          periodically reported to the Federal Energy  
14          Regulatory Commission and to purchasers in  
15          accordance with applicable laws governing  
16          cost-based wholesale power contracts;

17          (iv) permit the Illinois Power Agency to  
18          assume ownership of the initial clean coal  
19          facility, without monetary consideration and  
20          otherwise on reasonable terms acceptable to the  
21          Agency, if the Agency so requests no less than 3  
22          years prior to the end of the stated contract term;

23          (v) require the owner of the initial clean coal  
24          facility to provide documentation to the  
25          Commission each year, starting in the facility's  
26          first year of commercial operation, accurately

1 reporting the quantity of carbon emissions from  
2 the facility that have been captured and  
3 sequestered and report any quantities of carbon  
4 released from the site or sites at which carbon  
5 emissions were sequestered in prior years, based  
6 on continuous monitoring of such sites. If, in any  
7 year after the first year of commercial operation,  
8 the owner of the facility fails to demonstrate that  
9 the initial clean coal facility captured and  
10 sequestered at least 50% of the total carbon  
11 emissions that the facility would otherwise emit  
12 or that sequestration of emissions from prior  
13 years has failed, resulting in the release of  
14 carbon dioxide into the atmosphere, the owner of  
15 the facility must offset excess emissions. Any  
16 such carbon offsets must be permanent, additional,  
17 verifiable, real, located within the State of  
18 Illinois, and legally and practicably enforceable.  
19 The cost of such offsets for the facility that are  
20 not recoverable shall not exceed \$15 million in any  
21 given year. No costs of any such purchases of  
22 carbon offsets may be recovered from a utility or  
23 its customers. All carbon offsets purchased for  
24 this purpose and any carbon emission credits  
25 associated with sequestration of carbon from the  
26 facility must be permanently retired. The initial

1 clean coal facility shall not forfeit its  
2 designation as a clean coal facility if the  
3 facility fails to fully comply with the applicable  
4 carbon sequestration requirements in any given  
5 year, provided the requisite offsets are  
6 purchased. However, the Attorney General, on  
7 behalf of the People of the State of Illinois, may  
8 specifically enforce the facility's sequestration  
9 requirement and the other terms of this contract  
10 provision. Compliance with the sequestration  
11 requirements and offset purchase requirements  
12 specified in paragraph (3) of this subsection (d)  
13 shall be reviewed annually by an independent  
14 expert retained by the owner of the initial clean  
15 coal facility, with the advance written approval  
16 of the Attorney General. The Commission may, in the  
17 course of the review specified in item (vii),  
18 reduce the allowable return on equity for the  
19 facility if the facility willfully fails to comply  
20 with the carbon capture and sequestration  
21 requirements set forth in this item (v);

22 (vi) include limits on, and accordingly  
23 provide for modification of, the amount the  
24 utility is required to source under the sourcing  
25 agreement consistent with paragraph (2) of this  
26 subsection (d);

1           (vii) require Commission review: (1) to  
2           determine the justness, reasonableness, and  
3           prudence of the inputs to the formula referenced in  
4           subparagraphs (A)(i) through (A)(iii) of paragraph  
5           (3) of this subsection (d), prior to an adjustment  
6           in those inputs including, without limitation, the  
7           capital structure and return on equity, fuel  
8           costs, and other operations and maintenance costs  
9           and (2) to approve the costs to be passed through  
10          to customers under the sourcing agreement by which  
11          the utility satisfies its statutory obligations.  
12          Commission review shall occur no less than every 3  
13          years, regardless of whether any adjustments have  
14          been proposed, and shall be completed within 9  
15          months;

16          (viii) limit the utility's obligation to such  
17          amount as the utility is allowed to recover through  
18          tariffs filed with the Commission, provided that  
19          neither the clean coal facility nor the utility  
20          waives any right to assert federal pre-emption or  
21          any other argument in response to a purported  
22          disallowance of recovery costs;

23          (ix) limit the utility's or alternative retail  
24          electric supplier's obligation to incur any  
25          liability until such time as the facility is in  
26          commercial operation and generating power and

1 energy and such power and energy is being delivered  
2 to the facility busbar;

3 (x) provide that the owner or owners of the  
4 initial clean coal facility, which is the  
5 counterparty to such sourcing agreement, shall  
6 have the right from time to time to elect whether  
7 the obligations of the utility party thereto shall  
8 be governed by the power purchase provisions or the  
9 contract for differences provisions;

10 (xi) append documentation showing that the  
11 formula rate and contract, insofar as they relate  
12 to the power purchase provisions, have been  
13 approved by the Federal Energy Regulatory  
14 Commission pursuant to Section 205 of the Federal  
15 Power Act;

16 (xii) provide that any changes to the terms of  
17 the contract, insofar as such changes relate to the  
18 power purchase provisions, are subject to review  
19 under the public interest standard applied by the  
20 Federal Energy Regulatory Commission pursuant to  
21 Sections 205 and 206 of the Federal Power Act; and

22 (xiii) conform with customary lender  
23 requirements in power purchase agreements used as  
24 the basis for financing non-utility generators.

25 (4) Effective date of sourcing agreements with the  
26 initial clean coal facility. Any proposed sourcing

1 agreement with the initial clean coal facility shall not  
2 become effective unless the following reports are prepared  
3 and submitted and authorizations and approvals obtained:

4 (i) Facility cost report. The owner of the initial  
5 clean coal facility shall submit to the Commission, the  
6 Agency, and the General Assembly a front-end  
7 engineering and design study, a facility cost report,  
8 method of financing (including but not limited to  
9 structure and associated costs), and an operating and  
10 maintenance cost quote for the facility (collectively  
11 "facility cost report"), which shall be prepared in  
12 accordance with the requirements of this paragraph (4)  
13 of subsection (d) of this Section, and shall provide  
14 the Commission and the Agency access to the work  
15 papers, relied upon documents, and any other backup  
16 documentation related to the facility cost report.

17 (ii) Commission report. Within 6 months following  
18 receipt of the facility cost report, the Commission, in  
19 consultation with the Agency, shall submit a report to  
20 the General Assembly setting forth its analysis of the  
21 facility cost report. Such report shall include, but  
22 not be limited to, a comparison of the costs associated  
23 with electricity generated by the initial clean coal  
24 facility to the costs associated with electricity  
25 generated by other types of generation facilities, an  
26 analysis of the rate impacts on residential and small



1 business customers over the life of the sourcing  
2 agreements, and an analysis of the likelihood that the  
3 initial clean coal facility will commence commercial  
4 operation by and be delivering power to the facility's  
5 busbar by 2016. To assist in the preparation of its  
6 report, the Commission, in consultation with the  
7 Agency, may hire one or more experts or consultants,  
8 the costs of which shall be paid for by the owner of  
9 the initial clean coal facility. The Commission and  
10 Agency may begin the process of selecting such experts  
11 or consultants prior to receipt of the facility cost  
12 report.

13 (iii) General Assembly approval. The proposed  
14 sourcing agreements shall not take effect unless,  
15 based on the facility cost report and the Commission's  
16 report, the General Assembly enacts authorizing  
17 legislation approving (A) the projected price, stated  
18 in cents per kilowatthour, to be charged for  
19 electricity generated by the initial clean coal  
20 facility, (B) the projected impact on residential and  
21 small business customers' bills over the life of the  
22 sourcing agreements, and (C) the maximum allowable  
23 return on equity for the project; and

24 (iv) Commission review. If the General Assembly  
25 enacts authorizing legislation pursuant to  
26 subparagraph (iii) approving a sourcing agreement, the

1 Commission shall, within 90 days of such enactment,  
2 complete a review of such sourcing agreement. During  
3 such time period, the Commission shall implement any  
4 directive of the General Assembly, resolve any  
5 disputes between the parties to the sourcing agreement  
6 concerning the terms of such agreement, approve the  
7 form of such agreement, and issue an order finding that  
8 the sourcing agreement is prudent and reasonable.

9 The facility cost report shall be prepared as follows:

10 (A) The facility cost report shall be prepared by  
11 duly licensed engineering and construction firms  
12 detailing the estimated capital costs payable to one or  
13 more contractors or suppliers for the engineering,  
14 procurement and construction of the components  
15 comprising the initial clean coal facility and the  
16 estimated costs of operation and maintenance of the  
17 facility. The facility cost report shall include:

18 (i) an estimate of the capital cost of the core  
19 plant based on one or more front end engineering  
20 and design studies for the gasification island and  
21 related facilities. The core plant shall include  
22 all civil, structural, mechanical, electrical,  
23 control, and safety systems.

24 (ii) an estimate of the capital cost of the  
25 balance of the plant, including any capital costs  
26 associated with sequestration of carbon dioxide

1 emissions and all interconnects and interfaces  
2 required to operate the facility, such as  
3 transmission of electricity, construction or  
4 backfeed power supply, pipelines to transport  
5 substitute natural gas or carbon dioxide, potable  
6 water supply, natural gas supply, water supply,  
7 water discharge, landfill, access roads, and coal  
8 delivery.

9 The quoted construction costs shall be expressed  
10 in nominal dollars as of the date that the quote is  
11 prepared and shall include capitalized financing costs  
12 during construction, taxes, insurance, and other  
13 owner's costs, and an assumed escalation in materials  
14 and labor beyond the date as of which the construction  
15 cost quote is expressed.

16 (B) The front end engineering and design study for  
17 the gasification island and the cost study for the  
18 balance of plant shall include sufficient design work  
19 to permit quantification of major categories of  
20 materials, commodities and labor hours, and receipt of  
21 quotes from vendors of major equipment required to  
22 construct and operate the clean coal facility.

23 (C) The facility cost report shall also include an  
24 operating and maintenance cost quote that will provide  
25 the estimated cost of delivered fuel, personnel,  
26 maintenance contracts, chemicals, catalysts,

1 consumables, spares, and other fixed and variable  
2 operations and maintenance costs. The delivered fuel  
3 cost estimate will be provided by a recognized third  
4 party expert or experts in the fuel and transportation  
5 industries. The balance of the operating and  
6 maintenance cost quote, excluding delivered fuel  
7 costs, will be developed based on the inputs provided  
8 by duly licensed engineering and construction firms  
9 performing the construction cost quote, potential  
10 vendors under long-term service agreements and plant  
11 operating agreements, or recognized third party plant  
12 operator or operators.

13 The operating and maintenance cost quote  
14 (including the cost of the front end engineering and  
15 design study) shall be expressed in nominal dollars as  
16 of the date that the quote is prepared and shall  
17 include taxes, insurance, and other owner's costs, and  
18 an assumed escalation in materials and labor beyond the  
19 date as of which the operating and maintenance cost  
20 quote is expressed.

21 (D) The facility cost report shall also include an  
22 analysis of the initial clean coal facility's ability  
23 to deliver power and energy into the applicable  
24 regional transmission organization markets and an  
25 analysis of the expected capacity factor for the  
26 initial clean coal facility.

1           (E) Amounts paid to third parties unrelated to the  
2           owner or owners of the initial clean coal facility to  
3           prepare the core plant construction cost quote,  
4           including the front end engineering and design study,  
5           and the operating and maintenance cost quote will be  
6           reimbursed through Coal Development Bonds.

7           (5) Re-powering and retrofitting coal-fired power  
8           plants previously owned by Illinois utilities to qualify as  
9           clean coal facilities. During the 2009 procurement  
10          planning process and thereafter, the Agency and the  
11          Commission shall consider sourcing agreements covering  
12          electricity generated by power plants that were previously  
13          owned by Illinois utilities and that have been or will be  
14          converted into clean coal facilities, as defined by Section  
15          1-10 of this Act. Pursuant to such procurement planning  
16          process, the owners of such facilities may propose to the  
17          Agency sourcing agreements with utilities and alternative  
18          retail electric suppliers required to comply with  
19          subsection (d) of this Section and item (5) of subsection  
20          (d) of Section 16-115 of the Public Utilities Act, covering  
21          electricity generated by such facilities. In the case of  
22          sourcing agreements that are power purchase agreements,  
23          the contract price for electricity sales shall be  
24          established on a cost of service basis. In the case of  
25          sourcing agreements that are contracts for differences,  
26          the contract price from which the reference price is

1 subtracted shall be established on a cost of service basis.  
2 The Agency and the Commission may approve any such utility  
3 sourcing agreements that do not exceed cost-based  
4 benchmarks developed by the procurement administrator, in  
5 consultation with the Commission staff, Agency staff and  
6 the procurement monitor, subject to Commission review and  
7 approval. The Commission shall have authority to inspect  
8 all books and records associated with these clean coal  
9 facilities during the term of any such contract.

10 (6) Costs incurred under this subsection (d) or  
11 pursuant to a contract entered into under this subsection  
12 (d) shall be deemed prudently incurred and reasonable in  
13 amount and the electric utility shall be entitled to full  
14 cost recovery pursuant to the tariffs filed with the  
15 Commission.

16 (d-5) Zero emission standard.

17 (1) Beginning with the delivery year commencing on June  
18 1, 2017, the Agency shall, for electric utilities that  
19 serve at least 100,000 retail customers in this State,  
20 procure contracts with zero emission facilities that are  
21 reasonably capable of generating cost-effective zero  
22 emission credits in an amount approximately equal to 16% of  
23 the actual amount of electricity delivered by each electric  
24 utility to retail customers in the State during calendar  
25 year 2014. For an electric utility serving fewer than  
26 100,000 retail customers in this State that requested,

1 under Section 16-111.5 of the Public Utilities Act, that  
2 the Agency procure power and energy for all or a portion of  
3 the utility's Illinois load for the delivery year  
4 commencing June 1, 2016, the Agency shall procure contracts  
5 with zero emission facilities that are reasonably capable  
6 of generating cost-effective zero emission credits in an  
7 amount approximately equal to 16% of the portion of power  
8 and energy to be procured by the Agency for the utility.  
9 The duration of the contracts procured under this  
10 subsection (d-5) shall be for a term of 10 years ending May  
11 31, 2027. The quantity of zero emission credits to be  
12 procured under the contracts shall be all of the zero  
13 emission credits generated by the zero emission facility in  
14 each delivery year; however, if the zero emission facility  
15 is owned by more than one entity, then the quantity of zero  
16 emission credits to be procured under the contracts shall  
17 be the amount of zero emission credits that are generated  
18 from the portion of the zero emission facility that is  
19 owned by the winning supplier.

20 The 16% value identified in this paragraph (1) is the  
21 average of the percentage targets in subparagraph (B) of  
22 paragraph (1) of subsection (c) of this Section for the 5  
23 delivery years beginning June 1, 2017.

24 The procurement process shall be subject to the  
25 following provisions:

26 (A) Those zero emission facilities that intend to

1           participate in the procurement shall submit to the  
2           Agency the following eligibility information for each  
3           zero emission facility on or before the date  
4           established by the Agency:

5                   (i) the in-service date and remaining useful  
6                   life of the zero emission facility;

7                   (ii) the amount of power generated annually  
8                   for each of the years 2005 through 2015, and the  
9                   projected zero emission credits to be generated  
10                  over the remaining useful life of the zero emission  
11                  facility, which shall be used to determine the  
12                  capability of each facility;

13                  (iii) the annual zero emission facility cost  
14                  projections, expressed on a per megawatthour  
15                  basis, over the next 6 delivery years, which shall  
16                  include the following: operation and maintenance  
17                  expenses; fully allocated overhead costs, which  
18                  shall be allocated using the methodology developed  
19                  by the Institute for Nuclear Power Operations;  
20                  fuel expenditures; non-fuel capital expenditures;  
21                  spent fuel expenditures; a return on working  
22                  capital; the cost of operational and market risks  
23                  that could be avoided by ceasing operation; and any  
24                  other costs necessary for continued operations,  
25                  provided that "necessary" means, for purposes of  
26                  this item (iii), that the costs could reasonably be



1           avoided only by ceasing operations of the zero  
2           emission facility; and

3           (iv) a commitment to continue operating, for  
4           the duration of the contract or contracts executed  
5           under the procurement held under this subsection  
6           (d-5), the zero emission facility that produces  
7           the zero emission credits to be procured in the  
8           procurement.

9           The information described in item (iii) of this  
10          subparagraph (A) may be submitted on a confidential  
11          basis and shall be treated and maintained by the  
12          Agency, the procurement administrator, and the  
13          Commission as confidential and proprietary and exempt  
14          from disclosure under subparagraphs (a) and (g) of  
15          paragraph (1) of Section 7 of the Freedom of  
16          Information Act. The Office of Attorney General shall  
17          have access to, and maintain the confidentiality of,  
18          such information pursuant to Section 6.5 of the  
19          Attorney General Act.

20          (B) The price for each zero emission credit  
21          procured under this subsection (d-5) for each delivery  
22          year shall be in an amount that equals the Social Cost  
23          of Carbon, expressed on a price per megawatthour basis.  
24          However, to ensure that the procurement remains  
25          affordable to retail customers in this State if  
26          electricity prices increase, the price in an

1 applicable delivery year shall be reduced below the  
2 Social Cost of Carbon by the amount ("Price  
3 Adjustment") by which the market price index for the  
4 applicable delivery year exceeds the baseline market  
5 price index for the consecutive 12-month period ending  
6 May 31, 2016. If the Price Adjustment is greater than  
7 or equal to the Social Cost of Carbon in an applicable  
8 delivery year, then no payments shall be due in that  
9 delivery year. The components of this calculation are  
10 defined as follows:

11 (i) Social Cost of Carbon: The Social Cost of  
12 Carbon is \$16.50 per megawatthour, which is based  
13 on the U.S. Interagency Working Group on Social  
14 Cost of Carbon's price in the August 2016 Technical  
15 Update using a 3% discount rate, adjusted for  
16 inflation for each year of the program. Beginning  
17 with the delivery year commencing June 1, 2023, the  
18 price per megawatthour shall increase by \$1 per  
19 megawatthour, and continue to increase by an  
20 additional \$1 per megawatthour each delivery year  
21 thereafter.

22 (ii) Baseline market price index: The baseline  
23 market price index for the consecutive 12-month  
24 period ending May 31, 2016 is \$31.40 per  
25 megawatthour, which is based on the sum of (aa) the  
26 average day-ahead energy price across all hours of

1           such 12-month period at the PJM Interconnection  
2           LLC Northern Illinois Hub, (bb) 50% multiplied by  
3           the Base Residual Auction, or its successor,  
4           capacity price for the rest of the RTO zone group  
5           determined by PJM Interconnection LLC, divided by  
6           24 hours per day, and (cc) 50% multiplied by the  
7           Planning Resource Auction, or its successor,  
8           capacity price for Zone 4 determined by the  
9           Midcontinent Independent System Operator, Inc.,  
10          divided by 24 hours per day.

11           (iii) Market price index: The market price  
12          index for a delivery year shall be the sum of  
13          projected energy prices and projected capacity  
14          prices determined as follows:

15           (aa) Projected energy prices: the  
16          projected energy prices for the applicable  
17          delivery year shall be calculated once for the  
18          year using the forward market price for the PJM  
19          Interconnection, LLC Northern Illinois Hub.  
20          The forward market price shall be calculated as  
21          follows: the energy forward prices for each  
22          month of the applicable delivery year averaged  
23          for each trade date during the calendar year  
24          immediately preceding that delivery year to  
25          produce a single energy forward price for the  
26          delivery year. The forward market price

1 calculation shall use data published by the  
2 Intercontinental Exchange, or its successor.

3 (bb) Projected capacity prices:

4 (I) For the delivery years commencing  
5 June 1, 2017, June 1, 2018, and June 1,  
6 2019, the projected capacity price shall  
7 be equal to the sum of (1) 50% multiplied  
8 by the Base Residual Auction, or its  
9 successor, price for the rest of the RTO  
10 zone group as determined by PJM  
11 Interconnection LLC, divided by 24 hours  
12 per day and, (2) 50% multiplied by the  
13 resource auction price determined in the  
14 resource auction administered by the  
15 Midcontinent Independent System Operator,  
16 Inc., in which the largest percentage of  
17 load cleared for Local Resource Zone 4,  
18 divided by 24 hours per day, and where such  
19 price is determined by the Midcontinent  
20 Independent System Operator, Inc.

21 (II) For the delivery year commencing  
22 June 1, 2020, and each year thereafter, the  
23 projected capacity price shall be equal to  
24 the sum of (1) 50% multiplied by the Base  
25 Residual Auction, or its successor, price  
26 for the ComEd zone as determined by PJM

1 Interconnection LLC, divided by 24 hours  
2 per day, and (2) 50% multiplied by the  
3 resource auction price determined in the  
4 resource auction administered by the  
5 Midcontinent Independent System Operator,  
6 Inc., in which the largest percentage of  
7 load cleared for Local Resource Zone 4,  
8 divided by 24 hours per day, and where such  
9 price is determined by the Midcontinent  
10 Independent System Operator, Inc.

11 For purposes of this subsection (d-5):

12 "Rest of the RTO" and "ComEd Zone" shall have  
13 the meaning ascribed to them by PJM  
14 Interconnection, LLC.

15 "RTO" means regional transmission  
16 organization.

17 (C) No later than 45 days after June 1, 2017 (the  
18 effective date of Public Act 99-906), the Agency shall  
19 publish its proposed zero emission standard  
20 procurement plan. The plan shall be consistent with the  
21 provisions of this paragraph (1) and shall provide that  
22 winning bids shall be selected based on public interest  
23 criteria that include, but are not limited to,  
24 minimizing carbon dioxide emissions that result from  
25 electricity consumed in Illinois and minimizing sulfur  
26 dioxide, nitrogen oxide, and particulate matter

1 emissions that adversely affect the residents ~~citizens~~  
2 of this State. In particular, the selection of winning  
3 bids shall take into account the incremental  
4 environmental benefits resulting from the procurement,  
5 such as any existing environmental benefits that are  
6 preserved by the procurements held under Public Act  
7 99-906 and would cease to exist if the procurements  
8 were not held, including the preservation of zero  
9 emission facilities. The plan shall also describe in  
10 detail how each public interest factor shall be  
11 considered and weighted in the bid selection process to  
12 ensure that the public interest criteria are applied to  
13 the procurement and given full effect.

14 For purposes of developing the plan, the Agency  
15 shall consider any reports issued by a State agency,  
16 board, or commission under House Resolution 1146 of the  
17 98th General Assembly and paragraph (4) of subsection  
18 (d) of this Section, as well as publicly available  
19 analyses and studies performed by or for regional  
20 transmission organizations that serve the State and  
21 their independent market monitors.

22 Upon publishing of the zero emission standard  
23 procurement plan, copies of the plan shall be posted  
24 and made publicly available on the Agency's website.  
25 All interested parties shall have 10 days following the  
26 date of posting to provide comment to the Agency on the

1 plan. All comments shall be posted to the Agency's  
2 website. Following the end of the comment period, but  
3 no more than 60 days later than June 1, 2017 (the  
4 effective date of Public Act 99-906), the Agency shall  
5 revise the plan as necessary based on the comments  
6 received and file its zero emission standard  
7 procurement plan with the Commission.

8 If the Commission determines that the plan will  
9 result in the procurement of cost-effective zero  
10 emission credits, then the Commission shall, after  
11 notice and hearing, but no later than 45 days after the  
12 Agency filed the plan, approve the plan or approve with  
13 modification. For purposes of this subsection (d-5),  
14 "cost effective" means the projected costs of  
15 procuring zero emission credits from zero emission  
16 facilities do not cause the limit stated in paragraph  
17 (2) of this subsection to be exceeded.

18 (C-5) As part of the Commission's review and  
19 acceptance or rejection of the procurement results,  
20 the Commission shall, in its public notice of  
21 successful bidders:

22 (i) identify how the winning bids satisfy the  
23 public interest criteria described in subparagraph  
24 (C) of this paragraph (1) of minimizing carbon  
25 dioxide emissions that result from electricity  
26 consumed in Illinois and minimizing sulfur

1           dioxide, nitrogen oxide, and particulate matter  
2           emissions that adversely affect the residents  
3           ~~citizens~~ of this State;

4           (ii) specifically address how the selection of  
5           winning bids takes into account the incremental  
6           environmental benefits resulting from the  
7           procurement, including any existing environmental  
8           benefits that are preserved by the procurements  
9           held under Public Act 99-906 and would have ceased  
10          to exist if the procurements had not been held,  
11          such as the preservation of zero emission  
12          facilities;

13          (iii) quantify the environmental benefit of  
14          preserving the resources identified in item (ii)  
15          of this subparagraph (C-5), including the  
16          following:

17               (aa) the value of avoided greenhouse gas  
18               emissions measured as the product of the zero  
19               emission facilities' output over the contract  
20               term multiplied by the U.S. Environmental  
21               Protection Agency eGrid subregion carbon  
22               dioxide emission rate and the U.S. Interagency  
23               Working Group on Social Cost of Carbon's price  
24               in the August 2016 Technical Update using a 3%  
25               discount rate, adjusted for inflation for each  
26               delivery year; and



1 (bb) the costs of replacement with other  
2 zero carbon dioxide resources, including wind  
3 and photovoltaic, based upon the simple  
4 average of the following:

5 (I) the price, or if there is more than  
6 one price, the average of the prices, paid  
7 for renewable energy credits from new  
8 utility-scale wind projects in the  
9 procurement events specified in item (i)  
10 of subparagraph (G) of paragraph (1) of  
11 subsection (c) of this Section; and

12 (II) the price, or if there is more  
13 than one price, the average of the prices,  
14 paid for renewable energy credits from new  
15 utility-scale solar projects and  
16 brownfield site photovoltaic projects in  
17 the procurement events specified in item  
18 (ii) of subparagraph (G) of paragraph (1)  
19 of subsection (c) of this Section and,  
20 after January 1, 2015, renewable energy  
21 credits from photovoltaic distributed  
22 generation projects in procurement events  
23 held under subsection (c) of this Section.

24 Each utility shall enter into binding contractual  
25 arrangements with the winning suppliers.

26 The procurement described in this subsection

1 (d-5), including, but not limited to, the execution of  
2 all contracts procured, shall be completed no later  
3 than May 10, 2017. Based on the effective date of  
4 Public Act 99-906, the Agency and Commission may, as  
5 appropriate, modify the various dates and timelines  
6 under this subparagraph and subparagraphs (C) and (D)  
7 of this paragraph (1). The procurement and plan  
8 approval processes required by this subsection (d-5)  
9 shall be conducted in conjunction with the procurement  
10 and plan approval processes required by subsection (c)  
11 of this Section and Section 16-111.5 of the Public  
12 Utilities Act, to the extent practicable.  
13 Notwithstanding whether a procurement event is  
14 conducted under Section 16-111.5 of the Public  
15 Utilities Act, the Agency shall immediately initiate a  
16 procurement process on June 1, 2017 (the effective date  
17 of Public Act 99-906).

18 (D) Following the procurement event described in  
19 this paragraph (1) and consistent with subparagraph  
20 (B) of this paragraph (1), the Agency shall calculate  
21 the payments to be made under each contract for the  
22 next delivery year based on the market price index for  
23 that delivery year. The Agency shall publish the  
24 payment calculations no later than May 25, 2017 and  
25 every May 25 thereafter.

26 (E) Notwithstanding the requirements of this

1 subsection (d-5), the contracts executed under this  
2 subsection (d-5) shall provide that the zero emission  
3 facility may, as applicable, suspend or terminate  
4 performance under the contracts in the following  
5 instances:

6 (i) A zero emission facility shall be excused  
7 from its performance under the contract for any  
8 cause beyond the control of the resource,  
9 including, but not restricted to, acts of God,  
10 flood, drought, earthquake, storm, fire,  
11 lightning, epidemic, war, riot, civil disturbance  
12 or disobedience, labor dispute, labor or material  
13 shortage, sabotage, acts of public enemy,  
14 explosions, orders, regulations or restrictions  
15 imposed by governmental, military, or lawfully  
16 established civilian authorities, which, in any of  
17 the foregoing cases, by exercise of commercially  
18 reasonable efforts the zero emission facility  
19 could not reasonably have been expected to avoid,  
20 and which, by the exercise of commercially  
21 reasonable efforts, it has been unable to  
22 overcome. In such event, the zero emission  
23 facility shall be excused from performance for the  
24 duration of the event, including, but not limited  
25 to, delivery of zero emission credits, and no  
26 payment shall be due to the zero emission facility

1 during the duration of the event.

2 (ii) A zero emission facility shall be  
3 permitted to terminate the contract if legislation  
4 is enacted into law by the General Assembly that  
5 imposes or authorizes a new tax, special  
6 assessment, or fee on the generation of  
7 electricity, the ownership or leasehold of a  
8 generating unit, or the privilege or occupation of  
9 such generation, ownership, or leasehold of  
10 generation units by a zero emission facility.  
11 However, the provisions of this item (ii) do not  
12 apply to any generally applicable tax, special  
13 assessment or fee, or requirements imposed by  
14 federal law.

15 (iii) A zero emission facility shall be  
16 permitted to terminate the contract in the event  
17 that the resource requires capital expenditures in  
18 excess of \$40,000,000 that were neither known nor  
19 reasonably foreseeable at the time it executed the  
20 contract and that a prudent owner or operator of  
21 such resource would not undertake.

22 (iv) A zero emission facility shall be  
23 permitted to terminate the contract in the event  
24 the Nuclear Regulatory Commission terminates the  
25 resource's license.

26 (F) If the zero emission facility elects to

1           terminate a contract under subparagraph (E) of this  
2           paragraph (1), then the Commission shall reopen the  
3           docket in which the Commission approved the zero  
4           emission standard procurement plan under subparagraph  
5           (C) of this paragraph (1) and, after notice and  
6           hearing, enter an order acknowledging the contract  
7           termination election if such termination is consistent  
8           with the provisions of this subsection (d-5).

9           (2) For purposes of this subsection (d-5), the amount  
10          paid per kilowatthour means the total amount paid for  
11          electric service expressed on a per kilowatthour basis. For  
12          purposes of this subsection (d-5), the total amount paid  
13          for electric service includes, without limitation, amounts  
14          paid for supply, transmission, distribution, surcharges,  
15          and add-on taxes.

16          Notwithstanding the requirements of this subsection  
17          (d-5), the contracts executed under this subsection (d-5)  
18          shall provide that the total of zero emission credits  
19          procured under a procurement plan shall be subject to the  
20          limitations of this paragraph (2). For each delivery year,  
21          the contractual volume receiving payments in such year  
22          shall be reduced for all retail customers based on the  
23          amount necessary to limit the net increase that delivery  
24          year to the costs of those credits included in the amounts  
25          paid by eligible retail customers in connection with  
26          electric service to no more than 1.65% of the amount paid

1 per kilowatthour by eligible retail customers during the  
2 year ending May 31, 2009. The result of this computation  
3 shall apply to and reduce the procurement for all retail  
4 customers, and all those customers shall pay the same  
5 single, uniform cents per kilowatthour charge under  
6 subsection (k) of Section 16-108 of the Public Utilities  
7 Act. To arrive at a maximum dollar amount of zero emission  
8 credits to be paid for the particular delivery year, the  
9 resulting per kilowatthour amount shall be applied to the  
10 actual amount of kilowatthours of electricity delivered by  
11 the electric utility in the delivery year immediately prior  
12 to the procurement, to all retail customers in its service  
13 territory. Unpaid contractual volume for any delivery year  
14 shall be paid in any subsequent delivery year in which such  
15 payments can be made without exceeding the amount specified  
16 in this paragraph (2). The calculations required by this  
17 paragraph (2) shall be made only once for each procurement  
18 plan year. Once the determination as to the amount of zero  
19 emission credits to be paid is made based on the  
20 calculations set forth in this paragraph (2), no subsequent  
21 rate impact determinations shall be made and no adjustments  
22 to those contract amounts shall be allowed. All costs  
23 incurred under those contracts and in implementing this  
24 subsection (d-5) shall be recovered by the electric utility  
25 as provided in this Section.

26 No later than June 30, 2019, the Commission shall

1 review the limitation on the amount of zero emission  
2 credits procured under this subsection (d-5) and report to  
3 the General Assembly its findings as to whether that  
4 limitation unduly constrains the procurement of  
5 cost-effective zero emission credits.

6 (3) Six years after the execution of a contract under  
7 this subsection (d-5), the Agency shall determine whether  
8 the actual zero emission credit payments received by the  
9 supplier over the 6-year period exceed the Average ZEC  
10 Payment. In addition, at the end of the term of a contract  
11 executed under this subsection (d-5), or at the time, if  
12 any, a zero emission facility's contract is terminated  
13 under subparagraph (E) of paragraph (1) of this subsection  
14 (d-5), then the Agency shall determine whether the actual  
15 zero emission credit payments received by the supplier over  
16 the term of the contract exceed the Average ZEC Payment,  
17 after taking into account any amounts previously credited  
18 back to the utility under this paragraph (3). If the Agency  
19 determines that the actual zero emission credit payments  
20 received by the supplier over the relevant period exceed  
21 the Average ZEC Payment, then the supplier shall credit the  
22 difference back to the utility. The amount of the credit  
23 shall be remitted to the applicable electric utility no  
24 later than 120 days after the Agency's determination, which  
25 the utility shall reflect as a credit on its retail  
26 customer bills as soon as practicable; however, the credit

1       remitted to the utility shall not exceed the total amount  
2       of payments received by the facility under its contract.

3       For purposes of this Section, the Average ZEC Payment  
4       shall be calculated by multiplying the quantity of zero  
5       emission credits delivered under the contract times the  
6       average contract price. The average contract price shall be  
7       determined by subtracting the amount calculated under  
8       subparagraph (B) of this paragraph (3) from the amount  
9       calculated under subparagraph (A) of this paragraph (3), as  
10      follows:

11           (A) The average of the Social Cost of Carbon, as  
12           defined in subparagraph (B) of paragraph (1) of this  
13           subsection (d-5), during the term of the contract.

14           (B) The average of the market price indices, as  
15           defined in subparagraph (B) of paragraph (1) of this  
16           subsection (d-5), during the term of the contract,  
17           minus the baseline market price index, as defined in  
18           subparagraph (B) of paragraph (1) of this subsection  
19           (d-5).

20      If the subtraction yields a negative number, then the  
21      Average ZEC Payment shall be zero.

22           (4) Cost-effective zero emission credits procured from  
23           zero emission facilities shall satisfy the applicable  
24           definitions set forth in Section 1-10 of this Act.

25           (5) The electric utility shall retire all zero emission  
26           credits used to comply with the requirements of this



1 subsection (d-5).

2 (6) Electric utilities shall be entitled to recover all  
3 of the costs associated with the procurement of zero  
4 emission credits through an automatic adjustment clause  
5 tariff in accordance with subsection (k) and (m) of Section  
6 16-108 of the Public Utilities Act, and the contracts  
7 executed under this subsection (d-5) shall provide that the  
8 utilities' payment obligations under such contracts shall  
9 be reduced if an adjustment is required under subsection  
10 (m) of Section 16-108 of the Public Utilities Act.

11 (7) This subsection (d-5) shall become inoperative on  
12 January 1, 2028.

13 (e) The draft procurement plans are subject to public  
14 comment, as required by Section 16-111.5 of the Public  
15 Utilities Act.

16 (f) The Agency shall submit the final procurement plan to  
17 the Commission. The Agency shall revise a procurement plan if  
18 the Commission determines that it does not meet the standards  
19 set forth in Section 16-111.5 of the Public Utilities Act.

20 (g) The Agency shall assess fees to each affected utility  
21 to recover the costs incurred in preparation of the annual  
22 procurement plan for the utility.

23 (h) The Agency shall assess fees to each bidder to recover  
24 the costs incurred in connection with a competitive procurement  
25 process.

26 (i) A renewable energy credit, carbon emission credit, or

1 zero emission credit can only be used once to comply with a  
2 single portfolio or other standard as set forth in subsection  
3 (c), subsection (d), or subsection (d-5) of this Section,  
4 respectively. A renewable energy credit, carbon emission  
5 credit, or zero emission credit cannot be used to satisfy the  
6 requirements of more than one standard. If more than one type  
7 of credit is issued for the same megawatt hour of energy, only  
8 one credit can be used to satisfy the requirements of a single  
9 standard. After such use, the credit must be retired together  
10 with any other credits issued for the same megawatt hour of  
11 energy.

12 (j) Renewable energy supply.

13 (1) Beginning with the energy to be delivered in the  
14 delivery year commencing on June 1, 2023, the Agency shall  
15 assess the feasibility of procuring cost-effective,  
16 long-term contracts for energy supply from renewable  
17 energy projects, in accordance with the requirements of  
18 Section 16-111.5 of the Public Utilities Act for the  
19 eligible retail customers of electric utilities that on  
20 December 31, 2005 provided electric service to at least  
21 100,000 customers in Illinois.

22 (2) Long-term contracts as described in this  
23 subsection (j) shall refer to contracts that are preferably  
24 no less than a 15-year period, but in no case less than a  
25 5-year period.

26 (3) The Agency shall evaluate energy supply

1 procurements that enable greater achievement, or more  
2 cost-effective achievement, of the renewable energy goals  
3 in this Section, including through coordination or  
4 bundling with procurements of renewable energy credits, or  
5 capacity from renewable energy resources, as provided  
6 under subparagraph (P) of subsection (c) of this Section,  
7 or capacity from renewable energy resources, as provided  
8 under subsection (k) of this Section.

9 (4) The Agency shall include in its annual procurement  
10 plan the results of this assessment and any recommended  
11 procurements. The Agency shall, at a minimum, reevaluate  
12 its assessment every 3 years, incorporating new  
13 information from updated data, including, but not limited  
14 to, the results of its procurements, competitive market  
15 trends, and energy procurements in other states.

16 (k) Capacity procurement.

17 (1) This Section grants the Illinois Power Agency the  
18 sole authority to conduct auctions for the purpose of  
19 procuring capacity if a public utility in the State elects  
20 to use the Fixed Resource Requirement Alternative as  
21 provided for in the Open Access Transmission Tariff,  
22 Reliability Assurance Agreement, and manuals of PJM  
23 Interconnection, LLC or its successors, and that election  
24 is approved by the Illinois Commerce Commission. Where the  
25 election is approved by the Illinois Commerce Commission,  
26 the Illinois Power Agency shall develop a procurement plan

1 for the procurement of capacity in amounts necessary to  
2 ensure the public utility's resource adequacy pursuant to  
3 PJM's federally-mandated requirements. The Agency is  
4 authorized to conduct Capacity Procurement auctions as  
5 necessary to meet the public utility's resource  
6 obligations while achieving the objectives set forth in  
7 this Section for the duration of the public utility's  
8 election of the Fixed Resource Requirement Alternative.

9 (2) The draft procurement plan is subject to public  
10 comment, as required by Section 16-111.5 of the Public  
11 Utilities Act.

12 (3) The Agency shall design the Capacity Procurement  
13 Plan to achieve the following objectives:

14 (i) Through one or more auctions which procure  
15 capacity for one or more years, meets the public  
16 utility's resource obligation under the Fixed Resource  
17 Requirement Alternative while maximizing benefits that  
18 meet the State's public interest in the health, safety  
19 and welfare of its residents, including, but not  
20 limited to: significantly reduced emissions in the  
21 State from power generation sources; consumer savings;  
22 and those interests described in subparagraph (I) of  
23 paragraph (1) of subsection (c) of Section 1-75 of the  
24 Illinois Power Agency Act.

25 (ii) Implements a limiter on auction payments to  
26 all resources that are not renewable energy resources,

1       demand response, or energy efficiency resources. The  
2       limiter shall be imposed on all other resources such  
3       that total payments under the auction ensure consumer  
4       savings at an amount no less than 5% below a baseline  
5       of previous years' payments.

6           (iii) Implements a limiter on participating  
7       carbon-emitting resources such that emissions decrease  
8       below a baseline of previous years' emissions.

9       (4) As part of its Capacity Procurement plans, the  
10      Agency may implement an auction for an optional bundled  
11      product which includes payments to resources that provide  
12      both capacity and renewable energy credits. Renewable  
13      energy resources that are not eligible to participate in  
14      auctions pursuant to subparagraph (J) of paragraph (1) of  
15      subsection (c) of Section 1-75 of the Illinois Power Agency  
16      Act are not eligible to participate in auctions conducted  
17      to implement Capacity Procurement plans.

18      (Source: P.A. 100-863, eff. 8-14-18; 101-81, eff. 7-12-19;  
19      101-113, eff. 1-1-20.)

20           Section 90-20. The State Finance Act is amended by adding  
21      Sections 5.935, 5.936, 5.937 and as follows:

22           (30 ILCS 105/5.935 new)

23      Sec. 5.935. The Energy Community Reinvestment Fund.

(30 ILCS 105/5.936 new)

Sec. 5.936. The Illinois Commerce Commission Intervenor  
Compensation Fund.

(30 ILCS 105/5.937 new)

Sec. 5.937. Illinois Clean Energy Jobs and Justice Fund.

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

(35 ILCS 5/201)

(Text of Section before amendment by P.A. 101-8)

Sec. 201. Tax imposed.

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

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

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

1 year.

2 (2) In the case of an individual, trust or estate, for  
3 taxable years beginning prior to July 1, 1989 and ending  
4 after June 30, 1989, an amount equal to the sum of (i) 2  
5 1/2% of the taxpayer's net income for the period prior to  
6 July 1, 1989, as calculated under Section 202.3, and (ii)  
7 3% of the taxpayer's net income for the period after June  
8 30, 1989, as calculated under Section 202.3.

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

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

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

24 (5.1) In the case of an individual, trust, or estate,  
25 for taxable years beginning prior to January 1, 2015, and  
26 ending after December 31, 2014, an amount equal to the sum

1 of (i) 5% of the taxpayer's net income for the period prior  
2 to January 1, 2015, as calculated under Section 202.5, and  
3 (ii) 3.75% of the taxpayer's net income for the period  
4 after December 31, 2014, as calculated under Section 202.5.

5 (5.2) In the case of an individual, trust, or estate,  
6 for taxable years beginning on or after January 1, 2015,  
7 and ending prior to July 1, 2017, an amount equal to 3.75%  
8 of the taxpayer's net income for the taxable year.

9 (5.3) In the case of an individual, trust, or estate,  
10 for taxable years beginning prior to July 1, 2017, and  
11 ending after June 30, 2017, an amount equal to the sum of  
12 (i) 3.75% of the taxpayer's net income for the period prior  
13 to July 1, 2017, as calculated under Section 202.5, and  
14 (ii) 4.95% of the taxpayer's net income for the period  
15 after June 30, 2017, as calculated under Section 202.5.

16 (5.4) In the case of an individual, trust, or estate,  
17 for taxable years beginning on or after July 1, 2017, an  
18 amount equal to 4.95% of the taxpayer's net income for the  
19 taxable year.

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

23 (7) In the case of a corporation, for taxable years  
24 beginning prior to July 1, 1989 and ending after June 30,  
25 1989, an amount equal to the sum of (i) 4% of the  
26 taxpayer's net income for the period prior to July 1, 1989,



1 as calculated under Section 202.3, and (ii) 4.8% of the  
2 taxpayer's net income for the period after June 30, 1989,  
3 as calculated under Section 202.3.

4 (8) In the case of a corporation, for taxable years  
5 beginning after June 30, 1989, and ending prior to January  
6 1, 2011, an amount equal to 4.8% of the taxpayer's net  
7 income for the taxable year.

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

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

19 (11) In the case of a corporation, for taxable years  
20 beginning prior to January 1, 2015, and ending after  
21 December 31, 2014, an amount equal to the sum of (i) 7% of  
22 the taxpayer's net income for the period prior to January  
23 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
24 of the taxpayer's net income for the period after December  
25 31, 2014, as calculated under Section 202.5.

26 (12) In the case of a corporation, for taxable years

1 beginning on or after January 1, 2015, and ending prior to  
2 July 1, 2017, an amount equal to 5.25% of the taxpayer's  
3 net income for the taxable year.

4 (13) In the case of a corporation, for taxable years  
5 beginning prior to July 1, 2017, and ending after June 30,  
6 2017, an amount equal to the sum of (i) 5.25% of the  
7 taxpayer's net income for the period prior to July 1, 2017,  
8 as calculated under Section 202.5, and (ii) 7% of the  
9 taxpayer's net income for the period after June 30, 2017,  
10 as calculated under Section 202.5.

11 (14) In the case of a corporation, for taxable years  
12 beginning on or after July 1, 2017, an amount equal to 7%  
13 of the taxpayer's net income for the taxable year.

14 The rates under this subsection (b) are subject to the  
15 provisions of Section 201.5.

16 (b-5) Surcharge; sale or exchange of assets, properties,  
17 and intangibles of organization gaming licensees. For each of  
18 taxable years 2019 through 2027, a surcharge is imposed on all  
19 taxpayers on income arising from the sale or exchange of  
20 capital assets, depreciable business property, real property  
21 used in the trade or business, and Section 197 intangibles (i)  
22 of an organization licensee under the Illinois Horse Racing Act  
23 of 1975 and (ii) of an organization gaming licensee under the  
24 Illinois Gambling Act. The amount of the surcharge is equal to  
25 the amount of federal income tax liability for the taxable year  
26 attributable to those sales and exchanges. The surcharge

1 imposed shall not apply if:

2 (1) the organization gaming license, organization  
3 license, or racetrack property is transferred as a result  
4 of any of the following:

5 (A) bankruptcy, a receivership, or a debt  
6 adjustment initiated by or against the initial  
7 licensee or the substantial owners of the initial  
8 licensee;

9 (B) cancellation, revocation, or termination of  
10 any such license by the Illinois Gaming Board or the  
11 Illinois Racing Board;

12 (C) a determination by the Illinois Gaming Board  
13 that transfer of the license is in the best interests  
14 of Illinois gaming;

15 (D) the death of an owner of the equity interest in  
16 a licensee;

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

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

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

25 (2) the controlling interest in the organization  
26 gaming license, organization license, or racetrack

1 property is transferred in a transaction to lineal  
2 descendants in which no gain or loss is recognized or as a  
3 result of a transaction in accordance with Section 351 of  
4 the Internal Revenue Code in which no gain or loss is  
5 recognized; or

6 (3) live horse racing was not conducted in 2010 at a  
7 racetrack located within 3 miles of the Mississippi River  
8 under a license issued pursuant to the Illinois Horse  
9 Racing Act of 1975.

10 The transfer of an organization gaming license,  
11 organization license, or racetrack property by a person other  
12 than the initial licensee to receive the organization gaming  
13 license is not subject to a surcharge. The Department shall  
14 adopt rules necessary to implement and administer this  
15 subsection.

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

1 this State or by any municipal corporation or political  
2 subdivision thereof.

3 (d) Additional Personal Property Tax Replacement Income  
4 Tax Rates. The personal property tax replacement income tax  
5 imposed by this subsection and subsection (c) of this Section  
6 in the case of a corporation, other than a Subchapter S  
7 corporation and except as adjusted by subsection (d-1), shall  
8 be an additional amount equal to 2.85% of such taxpayer's net  
9 income for the taxable year, except that beginning on January  
10 1, 1981, and thereafter, the rate of 2.85% specified in this  
11 subsection shall be reduced to 2.5%, and in the case of a  
12 partnership, trust or a Subchapter S corporation shall be an  
13 additional amount equal to 1.5% of such taxpayer's net income  
14 for the taxable year.

15 (d-1) Rate reduction for certain foreign insurers. In the  
16 case of a foreign insurer, as defined by Section 35A-5 of the  
17 Illinois Insurance Code, whose state or country of domicile  
18 imposes on insurers domiciled in Illinois a retaliatory tax  
19 (excluding any insurer whose premiums from reinsurance assumed  
20 are 50% or more of its total insurance premiums as determined  
21 under paragraph (2) of subsection (b) of Section 304, except  
22 that for purposes of this determination premiums from  
23 reinsurance do not include premiums from inter-affiliate  
24 reinsurance arrangements), beginning with taxable years ending  
25 on or after December 31, 1999, the sum of the rates of tax  
26 imposed by subsections (b) and (d) shall be reduced (but not

1 increased) to the rate at which the total amount of tax imposed  
2 under this Act, net of all credits allowed under this Act,  
3 shall equal (i) the total amount of tax that would be imposed  
4 on the foreign insurer's net income allocable to Illinois for  
5 the taxable year by such foreign insurer's state or country of  
6 domicile if that net income were subject to all income taxes  
7 and taxes measured by net income imposed by such foreign  
8 insurer's state or country of domicile, net of all credits  
9 allowed or (ii) a rate of zero if no such tax is imposed on such  
10 income by the foreign insurer's state of domicile. For the  
11 purposes of this subsection (d-1), an inter-affiliate includes  
12 a mutual insurer under common management.

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

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

19 (B) the privilege tax imposed by Section 409 of the  
20 Illinois Insurance Code, the fire insurance company  
21 tax imposed by Section 12 of the Fire Investigation  
22 Act, and the fire department taxes imposed under  
23 Section 11-10-1 of the Illinois Municipal Code,  
24 equals 1.25% for taxable years ending prior to December 31,  
25 2003, or 1.75% for taxable years ending on or after  
26 December 31, 2003, of the net taxable premiums written for

1 the taxable year, as described by subsection (1) of Section  
2 409 of the Illinois Insurance Code. This paragraph will in  
3 no event increase the rates imposed under subsections (b)  
4 and (d).

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

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

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

17 (1) A taxpayer shall be allowed a credit equal to .5%  
18 of the basis of qualified property placed in service during  
19 the taxable year, provided such property is placed in  
20 service on or after July 1, 1984. There shall be allowed an  
21 additional credit equal to .5% of the basis of qualified  
22 property placed in service during the taxable year,  
23 provided such property is placed in service on or after  
24 July 1, 1986, and the taxpayer's base employment within  
25 Illinois has increased by 1% or more over the preceding  
26 year as determined by the taxpayer's employment records

1 filed with the Illinois Department of Employment Security.  
2 Taxpayers who are new to Illinois shall be deemed to have  
3 met the 1% growth in base employment for the first year in  
4 which they file employment records with the Illinois  
5 Department of Employment Security. The provisions added to  
6 this Section by Public Act 85-1200 (and restored by Public  
7 Act 87-895) shall be construed as declaratory of existing  
8 law and not as a new enactment. If, in any year, the  
9 increase in base employment within Illinois over the  
10 preceding year is less than 1%, the additional credit shall  
11 be limited to that percentage times a fraction, the  
12 numerator of which is .5% and the denominator of which is  
13 1%, but shall not exceed .5%. The investment credit shall  
14 not be allowed to the extent that it would reduce a  
15 taxpayer's liability in any tax year below zero, nor may  
16 any credit for qualified property be allowed for any year  
17 other than the year in which the property was placed in  
18 service in Illinois. For tax years ending on or after  
19 December 31, 1987, and on or before December 31, 1988, the  
20 credit shall be allowed for the tax year in which the  
21 property is placed in service, or, if the amount of the  
22 credit exceeds the tax liability for that year, whether it  
23 exceeds the original liability or the liability as later  
24 amended, such excess may be carried forward and applied to  
25 the tax liability of the 5 taxable years following the  
26 excess credit years if the taxpayer (i) makes investments



1       which cause the creation of a minimum of 2,000 full-time  
2       equivalent jobs in Illinois, (ii) is located in an  
3       enterprise zone established pursuant to the Illinois  
4       Enterprise Zone Act and (iii) is certified by the  
5       Department of Commerce and Community Affairs (now  
6       Department of Commerce and Economic Opportunity) as  
7       complying with the requirements specified in clause (i) and  
8       (ii) by July 1, 1986. The Department of Commerce and  
9       Community Affairs (now Department of Commerce and Economic  
10      Opportunity) shall notify the Department of Revenue of all  
11      such certifications immediately. For tax years ending  
12      after December 31, 1988, the credit shall be allowed for  
13      the tax year in which the property is placed in service,  
14      or, if the amount of the credit exceeds the tax liability  
15      for that year, whether it exceeds the original liability or  
16      the liability as later amended, such excess may be carried  
17      forward and applied to the tax liability of the 5 taxable  
18      years following the excess credit years. The credit shall  
19      be applied to the earliest year for which there is a  
20      liability. If there is credit from more than one tax year  
21      that is available to offset a liability, earlier credit  
22      shall be applied first.

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

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

1 signs that are real property, but not including land or  
2 improvements to real property that are not a structural  
3 component of a building such as landscaping, sewer  
4 lines, local access roads, fencing, parking lots, and  
5 other appurtenances;

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

11 (C) is acquired by purchase as defined in Section  
12 179(d) of the Internal Revenue Code;

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

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

23 (3) For purposes of this subsection (e),  
24 "manufacturing" means the material staging and production  
25 of tangible personal property by procedures commonly  
26 regarded as manufacturing, processing, fabrication, or

1 assembling which changes some existing material into new  
2 shapes, new qualities, or new combinations. For purposes of  
3 this subsection (e) the term "mining" shall have the same  
4 meaning as the term "mining" in Section 613(c) of the  
5 Internal Revenue Code. For purposes of this subsection (e),  
6 the term "retailing" means the sale of tangible personal  
7 property for use or consumption and not for resale, or  
8 services rendered in conjunction with the sale of tangible  
9 personal property for use or consumption and not for  
10 resale. For purposes of this subsection (e), "tangible  
11 personal property" has the same meaning as when that term  
12 is used in the Retailers' Occupation Tax Act, and, for  
13 taxable years ending after December 31, 2008, does not  
14 include the generation, transmission, or distribution of  
15 electricity.

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

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

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

26 (7) If during any taxable year, any property ceases to

1 be qualified property in the hands of the taxpayer within  
2 48 months after being placed in service, or the situs of  
3 any qualified property is moved outside Illinois within 48  
4 months after being placed in service, the Personal Property  
5 Tax Replacement Income Tax for such taxable year shall be  
6 increased. Such increase shall be determined by (i)  
7 recomputing the investment credit which would have been  
8 allowed for the year in which credit for such property was  
9 originally allowed by eliminating such property from such  
10 computation and, (ii) subtracting such recomputed credit  
11 from the amount of credit previously allowed. For the  
12 purposes of this paragraph (7), a reduction of the basis of  
13 qualified property resulting from a redetermination of the  
14 purchase price shall be deemed a disposition of qualified  
15 property to the extent of such reduction.

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

21 (9) Each taxable year ending before December 31, 2000,  
22 a partnership may elect to pass through to its partners the  
23 credits to which the partnership is entitled under this  
24 subsection (e) for the taxable year. A partner may use the  
25 credit allocated to him or her under this paragraph only  
26 against the tax imposed in subsections (c) and (d) of this

1       Section. If the partnership makes that election, those  
2       credits shall be allocated among the partners in the  
3       partnership in accordance with the rules set forth in  
4       Section 704(b) of the Internal Revenue Code, and the rules  
5       promulgated under that Section, and the allocated amount of  
6       the credits shall be allowed to the partners for that  
7       taxable year. The partnership shall make this election on  
8       its Personal Property Tax Replacement Income Tax return for  
9       that taxable year. The election to pass through the credits  
10      shall be irrevocable.

11       For taxable years ending on or after December 31, 2000,  
12      a partner that qualifies its partnership for a subtraction  
13      under subparagraph (I) of paragraph (2) of subsection (d)  
14      of Section 203 or a shareholder that qualifies a Subchapter  
15      S corporation for a subtraction under subparagraph (S) of  
16      paragraph (2) of subsection (b) of Section 203 shall be  
17      allowed a credit under this subsection (e) equal to its  
18      share of the credit earned under this subsection (e) during  
19      the taxable year by the partnership or Subchapter S  
20      corporation, determined in accordance with the  
21      determination of income and distributive share of income  
22      under Sections 702 and 704 and Subchapter S of the Internal  
23      Revenue Code. This paragraph is exempt from the provisions  
24      of Section 250.

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

1           (1) A taxpayer shall be allowed a credit against the  
2 tax imposed by subsections (a) and (b) of this Section for  
3 investment in qualified property which is placed in service  
4 in an Enterprise Zone created pursuant to the Illinois  
5 Enterprise Zone Act or, for property placed in service on  
6 or after July 1, 2006, a River Edge Redevelopment Zone  
7 established pursuant to the River Edge Redevelopment Zone  
8 Act, or for investment in renewable energy enterprises  
9 located in Clean Energy Empowerment Zones created pursuant  
10 to the Energy Community Reinvestment Act. For partners,  
11 shareholders of Subchapter S corporations, and owners of  
12 limited liability companies, if the liability company is  
13 treated as a partnership for purposes of federal and State  
14 income taxation, there shall be allowed a credit under this  
15 subsection (f) to be determined in accordance with the  
16 determination of income and distributive share of income  
17 under Sections 702 and 704 and Subchapter S of the Internal  
18 Revenue Code. The credit shall be .5% of the basis for such  
19 property. The credit shall be available only in the taxable  
20 year in which the property is placed in service in the  
21 Enterprise Zone or River Edge Redevelopment Zone and shall  
22 not be allowed to the extent that it would reduce a  
23 taxpayer's liability for the tax imposed by subsections (a)  
24 and (b) of this Section to below zero. For tax years ending  
25 on or after December 31, 1985, the credit shall be allowed  
26 for the tax year in which the property is placed in

1 service, or, if the amount of the credit exceeds the tax  
2 liability for that year, whether it exceeds the original  
3 liability or the liability as later amended, such excess  
4 may be carried forward and applied to the tax liability of  
5 the 5 taxable years following the excess credit year. The  
6 credit shall be applied to the earliest year for which  
7 there is a liability. If there is credit from more than one  
8 tax year that is available to offset a liability, the  
9 credit accruing first in time shall be applied first.

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

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

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

18 (C) is acquired by purchase as defined in Section  
19 179(d) of the Internal Revenue Code;

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

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

26 (3) The basis of qualified property shall be the basis

1       used to compute the depreciation deduction for federal  
2       income tax purposes.

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

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

11          (6) If during any taxable year, any property ceases to  
12      be qualified property in the hands of the taxpayer within  
13      48 months after being placed in service, or the situs of  
14      any qualified property is moved outside the Enterprise Zone  
15      or River Edge Redevelopment Zone within 48 months after  
16      being placed in service, the tax imposed under subsections  
17      (a) and (b) of this Section for such taxable year shall be  
18      increased. Such increase shall be determined by (i)  
19      recomputing the investment credit which would have been  
20      allowed for the year in which credit for such property was  
21      originally allowed by eliminating such property from such  
22      computation, and (ii) subtracting such recomputed credit  
23      from the amount of credit previously allowed. For the  
24      purposes of this paragraph (6), a reduction of the basis of  
25      qualified property resulting from a redetermination of the  
26      purchase price shall be deemed a disposition of qualified



1 property to the extent of such reduction.

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

19 (8) For taxable years beginning on or after January 1,  
20 2021, there shall be allowed an Enterprise Zone  
21 construction jobs credit against the taxes imposed under  
22 subsections (a) and (b) of this Section as provided in  
23 Section 13 of the Illinois Enterprise Zone Act.

24 The credit or credits may not reduce the taxpayer's  
25 liability to less than zero. If the amount of the credit or  
26 credits exceeds the taxpayer's liability, the excess may be

1 carried forward and applied against the taxpayer's  
2 liability in succeeding calendar years in the same manner  
3 provided under paragraph (4) of Section 211 of this Act.  
4 The credit or credits shall be applied to the earliest year  
5 for which there is a tax liability. If there are credits  
6 from more than one taxable year that are available to  
7 offset a liability, the earlier credit shall be applied  
8 first.

9 For partners, shareholders of Subchapter S  
10 corporations, and owners of limited liability companies,  
11 if the liability company is treated as a partnership for  
12 the purposes of federal and State income taxation, there  
13 shall be allowed a credit under this Section to be  
14 determined in accordance with the determination of income  
15 and distributive share of income under Sections 702 and 704  
16 and Subchapter S of the Internal Revenue Code.

17 The total aggregate amount of credits awarded under the  
18 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
19 ~~amendatory Act of the 101st General Assembly~~) shall not  
20 exceed \$20,000,000 in any State fiscal year.

21 This paragraph (8) is exempt from the provisions of  
22 Section 250.

23 (g) (Blank).

24 (h) Investment credit; High Impact Business.

25 (1) Subject to subsections (b) and (b-5) of Section 5.5  
26 of the Illinois Enterprise Zone Act, a taxpayer shall be

1       allowed a credit against the tax imposed by subsections (a)  
2       and (b) of this Section for investment in qualified  
3       property which is placed in service by a Department of  
4       Commerce and Economic Opportunity designated High Impact  
5       Business. The credit shall be .5% of the basis for such  
6       property. The credit shall not be available (i) until the  
7       minimum investments in qualified property set forth in  
8       subdivision (a)(3)(A) of Section 5.5 of the Illinois  
9       Enterprise Zone Act have been satisfied or (ii) until the  
10      time authorized in subsection (b-5) of the Illinois  
11      Enterprise Zone Act for entities designated as High Impact  
12      Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
13      (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
14      Act, and shall not be allowed to the extent that it would  
15      reduce a taxpayer's liability for the tax imposed by  
16      subsections (a) and (b) of this Section to below zero. The  
17      credit applicable to such investments shall be taken in the  
18      taxable year in which such investments have been completed.  
19      The credit for additional investments beyond the minimum  
20      investment by a designated high impact business authorized  
21      under subdivision (a)(3)(A) of Section 5.5 of the Illinois  
22      Enterprise Zone Act shall be available only in the taxable  
23      year in which the property is placed in service and shall  
24      not be allowed to the extent that it would reduce a  
25      taxpayer's liability for the tax imposed by subsections (a)  
26      and (b) of this Section to below zero. For tax years ending

1 on or after December 31, 1987, the credit shall be allowed  
2 for the tax year in which the property is placed in  
3 service, or, if the amount of the credit exceeds the tax  
4 liability for that year, whether it exceeds the original  
5 liability or the liability as later amended, such excess  
6 may be carried forward and applied to the tax liability of  
7 the 5 taxable years following the excess credit year. The  
8 credit shall be applied to the earliest year for which  
9 there is a liability. If there is credit from more than one  
10 tax year that is available to offset a liability, the  
11 credit accruing first in time shall be applied first.

12 Changes made in this subdivision (h) (1) by Public Act  
13 88-670 restore changes made by Public Act 85-1182 and  
14 reflect existing law.

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

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

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

23 (C) is acquired by purchase as defined in Section  
24 179(d) of the Internal Revenue Code; and

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

1           Section.

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

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

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

13          (6) If during any taxable year ending on or before  
14      December 31, 1996, any property ceases to be qualified  
15      property in the hands of the taxpayer within 48 months  
16      after being placed in service, or the situs of any  
17      qualified property is moved outside Illinois within 48  
18      months after being placed in service, the tax imposed under  
19      subsections (a) and (b) of this Section for such taxable  
20      year shall be increased. Such increase shall be determined  
21      by (i) recomputing the investment credit which would have  
22      been allowed for the year in which credit for such property  
23      was originally allowed by eliminating such property from  
24      such computation, and (ii) subtracting such recomputed  
25      credit from the amount of credit previously allowed. For  
26      the purposes of this paragraph (6), a reduction of the

1 basis of qualified property resulting from a  
2 redetermination of the purchase price shall be deemed a  
3 disposition of qualified property to the extent of such  
4 reduction.

5 (7) Beginning with tax years ending after December 31,  
6 1996, if a taxpayer qualifies for the credit under this  
7 subsection (h) and thereby is granted a tax abatement and  
8 the taxpayer relocates its entire facility in violation of  
9 the explicit terms and length of the contract under Section  
10 18-183 of the Property Tax Code, the tax imposed under  
11 subsections (a) and (b) of this Section shall be increased  
12 for the taxable year in which the taxpayer relocated its  
13 facility by an amount equal to the amount of credit  
14 received by the taxpayer under this subsection (h).

15 (h-5) High Impact Business construction ~~constructions~~ jobs  
16 credit. For taxable years beginning on or after January 1,  
17 2021, there shall also be allowed a High Impact Business  
18 construction jobs credit against the tax imposed under  
19 subsections (a) and (b) of this Section as provided in  
20 subsections (i) and (j) of Section 5.5 of the Illinois  
21 Enterprise Zone Act.

22 The credit or credits may not reduce the taxpayer's  
23 liability to less than zero. If the amount of the credit or  
24 credits exceeds the taxpayer's liability, the excess may be  
25 carried forward and applied against the taxpayer's liability in  
26 succeeding calendar years in the manner provided under

1 paragraph (4) of Section 211 of this Act. The credit or credits  
2 shall be applied to the earliest year for which there is a tax  
3 liability. If there are credits from more than one taxable year  
4 that are available to offset a liability, the earlier credit  
5 shall be applied first.

6 For partners, shareholders of Subchapter S corporations,  
7 and owners of limited liability companies, if the liability  
8 company is treated as a partnership for the purposes of federal  
9 and State income taxation, there shall be allowed a credit  
10 under this Section to be determined in accordance with the  
11 determination of income and distributive share of income under  
12 Sections 702 and 704 and Subchapter S of the Internal Revenue  
13 Code.

14 The total aggregate amount of credits awarded under the  
15 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
16 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
17 \$20,000,000 in any State fiscal year.

18 This subsection (h-5) is exempt from the provisions of  
19 Section 250.

20 (i) Credit for Personal Property Tax Replacement Income  
21 Tax. For tax years ending prior to December 31, 2003, a credit  
22 shall be allowed against the tax imposed by subsections (a) and  
23 (b) of this Section for the tax imposed by subsections (c) and  
24 (d) of this Section. This credit shall be computed by  
25 multiplying the tax imposed by subsections (c) and (d) of this  
26 Section by a fraction, the numerator of which is base income

1 allocable to Illinois and the denominator of which is Illinois  
2 base income, and further multiplying the product by the tax  
3 rate imposed by subsections (a) and (b) of this Section.

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

18 If, during any taxable year ending on or after December 31,  
19 1986, the tax imposed by subsections (c) and (d) of this  
20 Section for which a taxpayer has claimed a credit under this  
21 subsection (i) is reduced, the amount of credit for such tax  
22 shall also be reduced. Such reduction shall be determined by  
23 recomputing the credit to take into account the reduced tax  
24 imposed by subsections (c) and (d). If any portion of the  
25 reduced amount of credit has been carried to a different  
26 taxable year, an amended return shall be filed for such taxable



1 year to reduce the amount of credit claimed.

2 (j) Training expense credit. Beginning with tax years  
3 ending on or after December 31, 1986 and prior to December 31,  
4 2003, a taxpayer shall be allowed a credit against the tax  
5 imposed by subsections (a) and (b) under this Section for all  
6 amounts paid or accrued, on behalf of all persons employed by  
7 the taxpayer in Illinois or Illinois residents employed outside  
8 of Illinois by a taxpayer, for educational or vocational  
9 training in semi-technical or technical fields or semi-skilled  
10 or skilled fields, which were deducted from gross income in the  
11 computation of taxable income. The credit against the tax  
12 imposed by subsections (a) and (b) shall be 1.6% of such  
13 training expenses. For partners, shareholders of subchapter S  
14 corporations, and owners of limited liability companies, if the  
15 liability company is treated as a partnership for purposes of  
16 federal and State income taxation, there shall be allowed a  
17 credit under this subsection (j) to be determined in accordance  
18 with the determination of income and distributive share of  
19 income under Sections 702 and 704 and subchapter S of the  
20 Internal Revenue Code.

21 Any credit allowed under this subsection which is unused in  
22 the year the credit is earned may be carried forward to each of  
23 the 5 taxable years following the year for which the credit is  
24 first computed until it is used. This credit shall be applied  
25 first to the earliest year for which there is a liability. If  
26 there is a credit under this subsection from more than one tax

1 year that is available to offset a liability, the earliest  
2 credit arising under this subsection shall be applied first. No  
3 carryforward credit may be claimed in any tax year ending on or  
4 after December 31, 2003.

5 (k) Research and development credit. For tax years ending  
6 after July 1, 1990 and prior to December 31, 2003, and  
7 beginning again for tax years ending on or after December 31,  
8 2004, and ending prior to January 1, 2027, a taxpayer shall be  
9 allowed a credit against the tax imposed by subsections (a) and  
10 (b) of this Section for increasing research activities in this  
11 State. The credit allowed against the tax imposed by  
12 subsections (a) and (b) shall be equal to 6 1/2% of the  
13 qualifying expenditures for increasing research activities in  
14 this State. For partners, shareholders of subchapter S  
15 corporations, and owners of limited liability companies, if the  
16 liability company is treated as a partnership for purposes of  
17 federal and State income taxation, there shall be allowed a  
18 credit under this subsection to be determined in accordance  
19 with the determination of income and distributive share of  
20 income under Sections 702 and 704 and subchapter S of the  
21 Internal Revenue Code.

22 For purposes of this subsection, "qualifying expenditures"  
23 means the qualifying expenditures as defined for the federal  
24 credit for increasing research activities which would be  
25 allowable under Section 41 of the Internal Revenue Code and  
26 which are conducted in this State, "qualifying expenditures for

1 increasing research activities in this State" means the excess  
2 of qualifying expenditures for the taxable year in which  
3 incurred over qualifying expenditures for the base period,  
4 "qualifying expenditures for the base period" means the average  
5 of the qualifying expenditures for each year in the base  
6 period, and "base period" means the 3 taxable years immediately  
7 preceding the taxable year for which the determination is being  
8 made.

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

17 If an unused credit is carried forward to a given year from  
18 2 or more earlier years, that credit arising in the earliest  
19 year will be applied first against the tax liability for the  
20 given year. If a tax liability for the given year still  
21 remains, the credit from the next earliest year will then be  
22 applied, and so on, until all credits have been used or no tax  
23 liability for the given year remains. Any remaining unused  
24 credit or credits then will be carried forward to the next  
25 following year in which a tax liability is incurred, except  
26 that no credit can be carried forward to a year which is more

1 than 5 years after the year in which the expense for which the  
2 credit is given was incurred.

3 No inference shall be drawn from Public Act 91-644 ~~this~~  
4 ~~amendatory Act of the 91st General Assembly~~ in construing this  
5 Section for taxable years beginning before January 1, 1999.

6 It is the intent of the General Assembly that the research  
7 and development credit under this subsection (k) shall apply  
8 continuously for all tax years ending on or after December 31,  
9 2004 and ending prior to January 1, 2027, including, but not  
10 limited to, the period beginning on January 1, 2016 and ending  
11 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~  
12 ~~amendatory Act of the 100th General Assembly~~. All actions taken  
13 in reliance on the continuation of the credit under this  
14 subsection (k) by any taxpayer are hereby validated.

15 (l) Environmental Remediation Tax Credit.

16 (i) For tax years ending after December 31, 1997 and on  
17 or before December 31, 2001, a taxpayer shall be allowed a  
18 credit against the tax imposed by subsections (a) and (b)  
19 of this Section for certain amounts paid for unreimbursed  
20 eligible remediation costs, as specified in this  
21 subsection. For purposes of this Section, "unreimbursed  
22 eligible remediation costs" means costs approved by the  
23 Illinois Environmental Protection Agency ("Agency") under  
24 Section 58.14 of the Environmental Protection Act that were  
25 paid in performing environmental remediation at a site for  
26 which a No Further Remediation Letter was issued by the

1 Agency and recorded under Section 58.10 of the  
2 Environmental Protection Act. The credit must be claimed  
3 for the taxable year in which Agency approval of the  
4 eligible remediation costs is granted. The credit is not  
5 available to any taxpayer if the taxpayer or any related  
6 party caused or contributed to, in any material respect, a  
7 release of regulated substances on, in, or under the site  
8 that was identified and addressed by the remedial action  
9 pursuant to the Site Remediation Program of the  
10 Environmental Protection Act. After the Pollution Control  
11 Board rules are adopted pursuant to the Illinois  
12 Administrative Procedure Act for the administration and  
13 enforcement of Section 58.9 of the Environmental  
14 Protection Act, determinations as to credit availability  
15 for purposes of this Section shall be made consistent with  
16 those rules. For purposes of this Section, "taxpayer"  
17 includes a person whose tax attributes the taxpayer has  
18 succeeded to under Section 381 of the Internal Revenue Code  
19 and "related party" includes the persons disallowed a  
20 deduction for losses by paragraphs (b), (c), and (f)(1) of  
21 Section 267 of the Internal Revenue Code by virtue of being  
22 a related taxpayer, as well as any of its partners. The  
23 credit allowed against the tax imposed by subsections (a)  
24 and (b) shall be equal to 25% of the unreimbursed eligible  
25 remediation costs in excess of \$100,000 per site, except  
26 that the \$100,000 threshold shall not apply to any site

1 contained in an enterprise zone as determined by the  
2 Department of Commerce and Community Affairs (now  
3 Department of Commerce and Economic Opportunity). The  
4 total credit allowed shall not exceed \$40,000 per year with  
5 a maximum total of \$150,000 per site. For partners and  
6 shareholders of subchapter S corporations, there shall be  
7 allowed a credit under this subsection to be determined in  
8 accordance with the determination of income and  
9 distributive share of income under Sections 702 and 704 and  
10 subchapter S of the Internal Revenue Code.

11 (ii) A credit allowed under this subsection that is  
12 unused in the year the credit is earned may be carried  
13 forward to each of the 5 taxable years following the year  
14 for which the credit is first earned until it is used. The  
15 term "unused credit" does not include any amounts of  
16 unreimbursed eligible remediation costs in excess of the  
17 maximum credit per site authorized under paragraph (i).  
18 This credit shall be applied first to the earliest year for  
19 which there is a liability. If there is a credit under this  
20 subsection from more than one tax year that is available to  
21 offset a liability, the earliest credit arising under this  
22 subsection shall be applied first. A credit allowed under  
23 this subsection may be sold to a buyer as part of a sale of  
24 all or part of the remediation site for which the credit  
25 was granted. The purchaser of a remediation site and the  
26 tax credit shall succeed to the unused credit and remaining

1 carry-forward period of the seller. To perfect the  
2 transfer, the assignor shall record the transfer in the  
3 chain of title for the site and provide written notice to  
4 the Director of the Illinois Department of Revenue of the  
5 assignor's intent to sell the remediation site and the  
6 amount of the tax credit to be transferred as a portion of  
7 the sale. In no event may a credit be transferred to any  
8 taxpayer if the taxpayer or a related party would not be  
9 eligible under the provisions of subsection (i).

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

13 (m) Education expense credit. Beginning with tax years  
14 ending after December 31, 1999, a taxpayer who is the custodian  
15 of one or more qualifying pupils shall be allowed a credit  
16 against the tax imposed by subsections (a) and (b) of this  
17 Section for qualified education expenses incurred on behalf of  
18 the qualifying pupils. The credit shall be equal to 25% of  
19 qualified education expenses, but in no event may the total  
20 credit under this subsection claimed by a family that is the  
21 custodian of qualifying pupils exceed (i) \$500 for tax years  
22 ending prior to December 31, 2017, and (ii) \$750 for tax years  
23 ending on or after December 31, 2017. In no event shall a  
24 credit under this subsection reduce the taxpayer's liability  
25 under this Act to less than zero. Notwithstanding any other  
26 provision of law, for taxable years beginning on or after

1 January 1, 2017, no taxpayer may claim a credit under this  
2 subsection (m) if the taxpayer's adjusted gross income for the  
3 taxable year exceeds (i) \$500,000, in the case of spouses  
4 filing a joint federal tax return or (ii) \$250,000, in the case  
5 of all other taxpayers. This subsection is exempt from the  
6 provisions of Section 250 of this Act.

7 For purposes of this subsection:

8 "Qualifying pupils" means individuals who (i) are  
9 residents of the State of Illinois, (ii) are under the age of  
10 21 at the close of the school year for which a credit is  
11 sought, and (iii) during the school year for which a credit is  
12 sought were full-time pupils enrolled in a kindergarten through  
13 twelfth grade education program at any school, as defined in  
14 this subsection.

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

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

26 "Custodian" means, with respect to qualifying pupils, an



1 Illinois resident who is a parent, the parents, a legal  
2 guardian, or the legal guardians of the qualifying pupils.

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

5 (i) For tax years ending on or after December 31, 2006,  
6 a taxpayer shall be allowed a credit against the tax  
7 imposed by subsections (a) and (b) of this Section for  
8 certain amounts paid for unreimbursed eligible remediation  
9 costs, as specified in this subsection. For purposes of  
10 this Section, "unreimbursed eligible remediation costs"  
11 means costs approved by the Illinois Environmental  
12 Protection Agency ("Agency") under Section 58.14a of the  
13 Environmental Protection Act that were paid in performing  
14 environmental remediation at a site within a River Edge  
15 Redevelopment Zone for which a No Further Remediation  
16 Letter was issued by the Agency and recorded under Section  
17 58.10 of the Environmental Protection Act. The credit must  
18 be claimed for the taxable year in which Agency approval of  
19 the eligible remediation costs is granted. The credit is  
20 not available to any taxpayer if the taxpayer or any  
21 related party caused or contributed to, in any material  
22 respect, a release of regulated substances on, in, or under  
23 the site that was identified and addressed by the remedial  
24 action pursuant to the Site Remediation Program of the  
25 Environmental Protection Act. Determinations as to credit  
26 availability for purposes of this Section shall be made

1 consistent with rules adopted by the Pollution Control  
2 Board pursuant to the Illinois Administrative Procedure  
3 Act for the administration and enforcement of Section 58.9  
4 of the Environmental Protection Act. For purposes of this  
5 Section, "taxpayer" includes a person whose tax attributes  
6 the taxpayer has succeeded to under Section 381 of the  
7 Internal Revenue Code and "related party" includes the  
8 persons disallowed a deduction for losses by paragraphs  
9 (b), (c), and (f) (1) of Section 267 of the Internal Revenue  
10 Code by virtue of being a related taxpayer, as well as any  
11 of its partners. The credit allowed against the tax imposed  
12 by subsections (a) and (b) shall be equal to 25% of the  
13 unreimbursed eligible remediation costs in excess of  
14 \$100,000 per site.

15 (ii) A credit allowed under this subsection that is  
16 unused in the year the credit is earned may be carried  
17 forward to each of the 5 taxable years following the year  
18 for which the credit is first earned until it is used. This  
19 credit shall be applied first to the earliest year for  
20 which there is a liability. If there is a credit under this  
21 subsection from more than one tax year that is available to  
22 offset a liability, the earliest credit arising under this  
23 subsection shall be applied first. A credit allowed under  
24 this subsection may be sold to a buyer as part of a sale of  
25 all or part of the remediation site for which the credit  
26 was granted. The purchaser of a remediation site and the

1 tax credit shall succeed to the unused credit and remaining  
2 carry-forward period of the seller. To perfect the  
3 transfer, the assignor shall record the transfer in the  
4 chain of title for the site and provide written notice to  
5 the Director of the Illinois Department of Revenue of the  
6 assignor's intent to sell the remediation site and the  
7 amount of the tax credit to be transferred as a portion of  
8 the sale. In no event may a credit be transferred to any  
9 taxpayer if the taxpayer or a related party would not be  
10 eligible under the provisions of subsection (i).

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

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

24 (1) the medical cannabis cultivation center  
25 registration, medical cannabis dispensary registration, or  
26 the property of a registration is transferred as a result

1 of any of the following:

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

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

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

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

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

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

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

25 (2) the cannabis cultivation center registration,  
26 medical cannabis dispensary registration, or the

1 controlling interest in a registrant's property is  
2 transferred in a transaction to lineal descendants in which  
3 no gain or loss is recognized or as a result of a  
4 transaction in accordance with Section 351 of the Internal  
5 Revenue Code in which no gain or loss is recognized.

6 (Source: P.A. 100-22, eff. 7-6-17; 101-9, eff. 6-5-19; 101-31,  
7 eff. 6-28-19; 101-207, eff. 8-2-19; 101-363, eff. 8-9-19;  
8 revised 9-17-19.)

9 (Text of Section after amendment by P.A. 101-8)

10 Sec. 201. Tax imposed.

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

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

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

25 (2) In the case of an individual, trust or estate, for

1 taxable years beginning prior to July 1, 1989 and ending  
2 after June 30, 1989, an amount equal to the sum of (i) 2  
3 1/2% of the taxpayer's net income for the period prior to  
4 July 1, 1989, as calculated under Section 202.3, and (ii)  
5 3% of the taxpayer's net income for the period after June  
6 30, 1989, as calculated under Section 202.3.

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

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

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

22 (5.1) In the case of an individual, trust, or estate,  
23 for taxable years beginning prior to January 1, 2015, and  
24 ending after December 31, 2014, an amount equal to the sum  
25 of (i) 5% of the taxpayer's net income for the period prior  
26 to January 1, 2015, as calculated under Section 202.5, and

1       (ii) 3.75% of the taxpayer's net income for the period  
2       after December 31, 2014, as calculated under Section 202.5.

3       (5.2) In the case of an individual, trust, or estate,  
4       for taxable years beginning on or after January 1, 2015,  
5       and ending prior to July 1, 2017, an amount equal to 3.75%  
6       of the taxpayer's net income for the taxable year.

7       (5.3) In the case of an individual, trust, or estate,  
8       for taxable years beginning prior to July 1, 2017, and  
9       ending after June 30, 2017, an amount equal to the sum of  
10      (i) 3.75% of the taxpayer's net income for the period prior  
11      to July 1, 2017, as calculated under Section 202.5, and  
12      (ii) 4.95% of the taxpayer's net income for the period  
13      after June 30, 2017, as calculated under Section 202.5.

14      (5.4) In the case of an individual, trust, or estate,  
15      for taxable years beginning on or after July 1, 2017 and  
16      beginning prior to January 1, 2021, an amount equal to  
17      4.95% of the taxpayer's net income for the taxable year.

18      (5.5) In the case of an individual, trust, or estate,  
19      for taxable years beginning on or after January 1, 2021, an  
20      amount calculated under the rate structure set forth in  
21      Section 201.1.

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

25      (7) In the case of a corporation, for taxable years  
26      beginning prior to July 1, 1989 and ending after June 30,

1 1989, an amount equal to the sum of (i) 4% of the  
2 taxpayer's net income for the period prior to July 1, 1989,  
3 as calculated under Section 202.3, and (ii) 4.8% of the  
4 taxpayer's net income for the period after June 30, 1989,  
5 as calculated under Section 202.3.

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

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

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

21 (11) In the case of a corporation, for taxable years  
22 beginning prior to January 1, 2015, and ending after  
23 December 31, 2014, an amount equal to the sum of (i) 7% of  
24 the taxpayer's net income for the period prior to January  
25 1, 2015, as calculated under Section 202.5, and (ii) 5.25%  
26 of the taxpayer's net income for the period after December



1 31, 2014, as calculated under Section 202.5.

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

6 (13) In the case of a corporation, for taxable years  
7 beginning prior to July 1, 2017, and ending after June 30,  
8 2017, an amount equal to the sum of (i) 5.25% of the  
9 taxpayer's net income for the period prior to July 1, 2017,  
10 as calculated under Section 202.5, and (ii) 7% of the  
11 taxpayer's net income for the period after June 30, 2017,  
12 as calculated under Section 202.5.

13 (14) In the case of a corporation, for taxable years  
14 beginning on or after July 1, 2017 and beginning prior to  
15 January 1, 2021, an amount equal to 7% of the taxpayer's  
16 net income for the taxable year.

17 (15) In the case of a corporation, for taxable years  
18 beginning on or after January 1, 2021, an amount equal to  
19 7.99% of the taxpayer's net income for the taxable year.

20 The rates under this subsection (b) are subject to the  
21 provisions of Section 201.5.

22 (b-5) Surcharge; sale or exchange of assets, properties,  
23 and intangibles of organization gaming licensees. For each of  
24 taxable years 2019 through 2027, a surcharge is imposed on all  
25 taxpayers on income arising from the sale or exchange of  
26 capital assets, depreciable business property, real property

1 used in the trade or business, and Section 197 intangibles (i)  
2 of an organization licensee under the Illinois Horse Racing Act  
3 of 1975 and (ii) of an organization gaming licensee under the  
4 Illinois Gambling Act. The amount of the surcharge is equal to  
5 the amount of federal income tax liability for the taxable year  
6 attributable to those sales and exchanges. The surcharge  
7 imposed shall not apply if:

8 (1) the organization gaming license, organization  
9 license, or racetrack property is transferred as a result  
10 of any of the following:

11 (A) bankruptcy, a receivership, or a debt  
12 adjustment initiated by or against the initial  
13 licensee or the substantial owners of the initial  
14 licensee;

15 (B) cancellation, revocation, or termination of  
16 any such license by the Illinois Gaming Board or the  
17 Illinois Racing Board;

18 (C) a determination by the Illinois Gaming Board  
19 that transfer of the license is in the best interests  
20 of Illinois gaming;

21 (D) the death of an owner of the equity interest in  
22 a licensee;

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

1 owned subsidiary; or

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

5 (2) the controlling interest in the organization  
6 gaming license, organization license, or racetrack  
7 property is transferred in a transaction to lineal  
8 descendants in which no gain or loss is recognized or as a  
9 result of a transaction in accordance with Section 351 of  
10 the Internal Revenue Code in which no gain or loss is  
11 recognized; or

12 (3) live horse racing was not conducted in 2010 at a  
13 racetrack located within 3 miles of the Mississippi River  
14 under a license issued pursuant to the Illinois Horse  
15 Racing Act of 1975.

16 The transfer of an organization gaming license,  
17 organization license, or racetrack property by a person other  
18 than the initial licensee to receive the organization gaming  
19 license is not subject to a surcharge. The Department shall  
20 adopt rules necessary to implement and administer this  
21 subsection.

22 (c) Personal Property Tax Replacement Income Tax.  
23 Beginning on July 1, 1979 and thereafter, in addition to such  
24 income tax, there is also hereby imposed the Personal Property  
25 Tax Replacement Income Tax measured by net income on every  
26 corporation (including Subchapter S corporations), partnership

1 and trust, for each taxable year ending after June 30, 1979.  
2 Such taxes are imposed on the privilege of earning or receiving  
3 income in or as a resident of this State. The Personal Property  
4 Tax Replacement Income Tax shall be in addition to the income  
5 tax imposed by subsections (a) and (b) of this Section and in  
6 addition to all other occupation or privilege taxes imposed by  
7 this State or by any municipal corporation or political  
8 subdivision thereof.

9 (d) Additional Personal Property Tax Replacement Income  
10 Tax Rates. The personal property tax replacement income tax  
11 imposed by this subsection and subsection (c) of this Section  
12 in the case of a corporation, other than a Subchapter S  
13 corporation and except as adjusted by subsection (d-1), shall  
14 be an additional amount equal to 2.85% of such taxpayer's net  
15 income for the taxable year, except that beginning on January  
16 1, 1981, and thereafter, the rate of 2.85% specified in this  
17 subsection shall be reduced to 2.5%, and in the case of a  
18 partnership, trust or a Subchapter S corporation shall be an  
19 additional amount equal to 1.5% of such taxpayer's net income  
20 for the taxable year.

21 (d-1) Rate reduction for certain foreign insurers. In the  
22 case of a foreign insurer, as defined by Section 35A-5 of the  
23 Illinois Insurance Code, whose state or country of domicile  
24 imposes on insurers domiciled in Illinois a retaliatory tax  
25 (excluding any insurer whose premiums from reinsurance assumed  
26 are 50% or more of its total insurance premiums as determined

1 under paragraph (2) of subsection (b) of Section 304, except  
2 that for purposes of this determination premiums from  
3 reinsurance do not include premiums from inter-affiliate  
4 reinsurance arrangements), beginning with taxable years ending  
5 on or after December 31, 1999, the sum of the rates of tax  
6 imposed by subsections (b) and (d) shall be reduced (but not  
7 increased) to the rate at which the total amount of tax imposed  
8 under this Act, net of all credits allowed under this Act,  
9 shall equal (i) the total amount of tax that would be imposed  
10 on the foreign insurer's net income allocable to Illinois for  
11 the taxable year by such foreign insurer's state or country of  
12 domicile if that net income were subject to all income taxes  
13 and taxes measured by net income imposed by such foreign  
14 insurer's state or country of domicile, net of all credits  
15 allowed or (ii) a rate of zero if no such tax is imposed on such  
16 income by the foreign insurer's state of domicile. For the  
17 purposes of this subsection (d-1), an inter-affiliate includes  
18 a mutual insurer under common management.

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

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

25 (B) the privilege tax imposed by Section 409 of the  
26 Illinois Insurance Code, the fire insurance company

1 tax imposed by Section 12 of the Fire Investigation  
2 Act, and the fire department taxes imposed under  
3 Section 11-10-1 of the Illinois Municipal Code,  
4 equals 1.25% for taxable years ending prior to December 31,  
5 2003, or 1.75% for taxable years ending on or after  
6 December 31, 2003, of the net taxable premiums written for  
7 the taxable year, as described by subsection (1) of Section  
8 409 of the Illinois Insurance Code. This paragraph will in  
9 no event increase the rates imposed under subsections (b)  
10 and (d).

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

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

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

23 (1) A taxpayer shall be allowed a credit equal to .5%  
24 of the basis of qualified property placed in service during  
25 the taxable year, provided such property is placed in  
26 service on or after July 1, 1984. There shall be allowed an

1 additional credit equal to .5% of the basis of qualified  
2 property placed in service during the taxable year,  
3 provided such property is placed in service on or after  
4 July 1, 1986, and the taxpayer's base employment within  
5 Illinois has increased by 1% or more over the preceding  
6 year as determined by the taxpayer's employment records  
7 filed with the Illinois Department of Employment Security.  
8 Taxpayers who are new to Illinois shall be deemed to have  
9 met the 1% growth in base employment for the first year in  
10 which they file employment records with the Illinois  
11 Department of Employment Security. The provisions added to  
12 this Section by Public Act 85-1200 (and restored by Public  
13 Act 87-895) shall be construed as declaratory of existing  
14 law and not as a new enactment. If, in any year, the  
15 increase in base employment within Illinois over the  
16 preceding year is less than 1%, the additional credit shall  
17 be limited to that percentage times a fraction, the  
18 numerator of which is .5% and the denominator of which is  
19 1%, but shall not exceed .5%. The investment credit shall  
20 not be allowed to the extent that it would reduce a  
21 taxpayer's liability in any tax year below zero, nor may  
22 any credit for qualified property be allowed for any year  
23 other than the year in which the property was placed in  
24 service in Illinois. For tax years ending on or after  
25 December 31, 1987, and on or before December 31, 1988, the  
26 credit shall be allowed for the tax year in which the

1 property is placed in service, or, if the amount of the  
2 credit exceeds the tax liability for that year, whether it  
3 exceeds the original liability or the liability as later  
4 amended, such excess may be carried forward and applied to  
5 the tax liability of the 5 taxable years following the  
6 excess credit years if the taxpayer (i) makes investments  
7 which cause the creation of a minimum of 2,000 full-time  
8 equivalent jobs in Illinois, (ii) is located in an  
9 enterprise zone established pursuant to the Illinois  
10 Enterprise Zone Act and (iii) is certified by the  
11 Department of Commerce and Community Affairs (now  
12 Department of Commerce and Economic Opportunity) as  
13 complying with the requirements specified in clause (i) and  
14 (ii) by July 1, 1986. The Department of Commerce and  
15 Community Affairs (now Department of Commerce and Economic  
16 Opportunity) shall notify the Department of Revenue of all  
17 such certifications immediately. For tax years ending  
18 after December 31, 1988, the credit shall be allowed for  
19 the tax year in which the property is placed in service,  
20 or, if the amount of the credit exceeds the tax liability  
21 for that year, whether it exceeds the original liability or  
22 the liability as later amended, such excess may be carried  
23 forward and applied to the tax liability of the 5 taxable  
24 years following the excess credit years. The credit shall  
25 be applied to the earliest year for which there is a  
26 liability. If there is credit from more than one tax year



1       that is available to offset a liability, earlier credit  
2       shall be applied first.

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

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

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

17              (C) is acquired by purchase as defined in Section  
18      179(d) of the Internal Revenue Code;

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

25              (E) has not previously been used in Illinois in  
26      such a manner and by such a person as would qualify for

1           the credit provided by this subsection (e) or  
2           subsection (f).

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

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

25          (5) If the basis of the property for federal income tax  
26          depreciation purposes is increased after it has been placed

1 in service in Illinois by the taxpayer, the amount of such  
2 increase shall be deemed property placed in service on the  
3 date of such increase in basis.

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

6 (7) If during any taxable year, any property ceases to  
7 be qualified property in the hands of the taxpayer within  
8 48 months after being placed in service, or the situs of  
9 any qualified property is moved outside Illinois within 48  
10 months after being placed in service, the Personal Property  
11 Tax Replacement Income Tax for such taxable year shall be  
12 increased. Such increase shall be determined by (i)  
13 recomputing the investment credit which would have been  
14 allowed for the year in which credit for such property was  
15 originally allowed by eliminating such property from such  
16 computation and, (ii) subtracting such recomputed credit  
17 from the amount of credit previously allowed. For the  
18 purposes of this paragraph (7), a reduction of the basis of  
19 qualified property resulting from a redetermination of the  
20 purchase price shall be deemed a disposition of qualified  
21 property to the extent of such reduction.

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

1           (9) Each taxable year ending before December 31, 2000,  
2           a partnership may elect to pass through to its partners the  
3           credits to which the partnership is entitled under this  
4           subsection (e) for the taxable year. A partner may use the  
5           credit allocated to him or her under this paragraph only  
6           against the tax imposed in subsections (c) and (d) of this  
7           Section. If the partnership makes that election, those  
8           credits shall be allocated among the partners in the  
9           partnership in accordance with the rules set forth in  
10          Section 704(b) of the Internal Revenue Code, and the rules  
11          promulgated under that Section, and the allocated amount of  
12          the credits shall be allowed to the partners for that  
13          taxable year. The partnership shall make this election on  
14          its Personal Property Tax Replacement Income Tax return for  
15          that taxable year. The election to pass through the credits  
16          shall be irrevocable.

17          For taxable years ending on or after December 31, 2000,  
18          a partner that qualifies its partnership for a subtraction  
19          under subparagraph (I) of paragraph (2) of subsection (d)  
20          of Section 203 or a shareholder that qualifies a Subchapter  
21          S corporation for a subtraction under subparagraph (S) of  
22          paragraph (2) of subsection (b) of Section 203 shall be  
23          allowed a credit under this subsection (e) equal to its  
24          share of the credit earned under this subsection (e) during  
25          the taxable year by the partnership or Subchapter S  
26          corporation, determined in accordance with the

1 determination of income and distributive share of income  
2 under Sections 702 and 704 and Subchapter S of the Internal  
3 Revenue Code. This paragraph is exempt from the provisions  
4 of Section 250.

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

7 (1) A taxpayer shall be allowed a credit against the  
8 tax imposed by subsections (a) and (b) of this Section for  
9 investment in qualified property which is placed in service  
10 in an Enterprise Zone created pursuant to the Illinois  
11 Enterprise Zone Act or, for property placed in service on  
12 or after July 1, 2006, a River Edge Redevelopment Zone  
13 established pursuant to the River Edge Redevelopment Zone  
14 Act, or for investment in renewable energy enterprises  
15 located in Clean Energy Empowerment Zones created pursuant  
16 to the Energy Community Reinvestment Act. For partners,  
17 shareholders of Subchapter S corporations, and owners of  
18 limited liability companies, if the liability company is  
19 treated as a partnership for purposes of federal and State  
20 income taxation, there shall be allowed a credit under this  
21 subsection (f) to be determined in accordance with the  
22 determination of income and distributive share of income  
23 under Sections 702 and 704 and Subchapter S of the Internal  
24 Revenue Code. The credit shall be .5% of the basis for such  
25 property. The credit shall be available only in the taxable  
26 year in which the property is placed in service in the

1 Enterprise Zone or River Edge Redevelopment Zone and shall  
2 not be allowed to the extent that it would reduce a  
3 taxpayer's liability for the tax imposed by subsections (a)  
4 and (b) of this Section to below zero. For tax years ending  
5 on or after December 31, 1985, the credit shall be allowed  
6 for the tax year in which the property is placed in  
7 service, or, if the amount of the credit exceeds the tax  
8 liability for that year, whether it exceeds the original  
9 liability or the liability as later amended, such excess  
10 may be carried forward and applied to the tax liability of  
11 the 5 taxable years following the excess credit year. The  
12 credit shall be applied to the earliest year for which  
13 there is a liability. If there is credit from more than one  
14 tax year that is available to offset a liability, the  
15 credit accruing first in time shall be applied first.

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

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

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

24 (C) is acquired by purchase as defined in Section  
25 179(d) of the Internal Revenue Code;

26 (D) is used in the Enterprise Zone or River Edge

1           Redevelopment Zone by the taxpayer; and

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

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

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

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

17          (6) If during any taxable year, any property ceases to  
18          be qualified property in the hands of the taxpayer within  
19          48 months after being placed in service, or the situs of  
20          any qualified property is moved outside the Enterprise Zone  
21          or River Edge Redevelopment Zone within 48 months after  
22          being placed in service, the tax imposed under subsections  
23          (a) and (b) of this Section for such taxable year shall be  
24          increased. Such increase shall be determined by (i)  
25          recomputing the investment credit which would have been  
26          allowed for the year in which credit for such property was

1 originally allowed by eliminating such property from such  
2 computation, and (ii) subtracting such recomputed credit  
3 from the amount of credit previously allowed. For the  
4 purposes of this paragraph (6), a reduction of the basis of  
5 qualified property resulting from a redetermination of the  
6 purchase price shall be deemed a disposition of qualified  
7 property to the extent of such reduction.

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

25 (8) For taxable years beginning on or after January 1,  
26 2021, there shall be allowed an Enterprise Zone



1 construction jobs credit against the taxes imposed under  
2 subsections (a) and (b) of this Section as provided in  
3 Section 13 of the Illinois Enterprise Zone Act.

4 The credit or credits may not reduce the taxpayer's  
5 liability to less than zero. If the amount of the credit or  
6 credits exceeds the taxpayer's liability, the excess may be  
7 carried forward and applied against the taxpayer's  
8 liability in succeeding calendar years in the same manner  
9 provided under paragraph (4) of Section 211 of this Act.  
10 The credit or credits shall be applied to the earliest year  
11 for which there is a tax liability. If there are credits  
12 from more than one taxable year that are available to  
13 offset a liability, the earlier credit shall be applied  
14 first.

15 For partners, shareholders of Subchapter S  
16 corporations, and owners of limited liability companies,  
17 if the liability company is treated as a partnership for  
18 the purposes of federal and State income taxation, there  
19 shall be allowed a credit under this Section to be  
20 determined in accordance with the determination of income  
21 and distributive share of income under Sections 702 and 704  
22 and Subchapter S of the Internal Revenue Code.

23 The total aggregate amount of credits awarded under the  
24 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
25 ~~amendatory Act of the 101st General Assembly~~) shall not  
26 exceed \$20,000,000 in any State fiscal year.

1           This paragraph (8) is exempt from the provisions of  
2           Section 250.

3           (g) (Blank).

4           (h) Investment credit; High Impact Business.

5           (1) Subject to subsections (b) and (b-5) of Section 5.5  
6           of the Illinois Enterprise Zone Act, a taxpayer shall be  
7           allowed a credit against the tax imposed by subsections (a)  
8           and (b) of this Section for investment in qualified  
9           property which is placed in service by a Department of  
10          Commerce and Economic Opportunity designated High Impact  
11          Business. The credit shall be .5% of the basis for such  
12          property. The credit shall not be available (i) until the  
13          minimum investments in qualified property set forth in  
14          subdivision (a)(3)(A) of Section 5.5 of the Illinois  
15          Enterprise Zone Act have been satisfied or (ii) until the  
16          time authorized in subsection (b-5) of the Illinois  
17          Enterprise Zone Act for entities designated as High Impact  
18          Businesses under subdivisions (a)(3)(B), (a)(3)(C), and  
19          (a)(3)(D) of Section 5.5 of the Illinois Enterprise Zone  
20          Act, and shall not be allowed to the extent that it would  
21          reduce a taxpayer's liability for the tax imposed by  
22          subsections (a) and (b) of this Section to below zero. The  
23          credit applicable to such investments shall be taken in the  
24          taxable year in which such investments have been completed.  
25          The credit for additional investments beyond the minimum  
26          investment by a designated high impact business authorized

1 under subdivision (a) (3) (A) of Section 5.5 of the Illinois  
2 Enterprise Zone Act shall be available only in the taxable  
3 year in which the property is placed in service and shall  
4 not be allowed to the extent that it would reduce a  
5 taxpayer's liability for the tax imposed by subsections (a)  
6 and (b) of this Section to below zero. For tax years ending  
7 on or after December 31, 1987, the credit shall be allowed  
8 for the tax year in which the property is placed in  
9 service, or, if the amount of the credit exceeds the tax  
10 liability for that year, whether it exceeds the original  
11 liability or the liability as later amended, such excess  
12 may be carried forward and applied to the tax liability of  
13 the 5 taxable years following the excess credit year. The  
14 credit shall be applied to the earliest year for which  
15 there is a liability. If there is credit from more than one  
16 tax year that is available to offset a liability, the  
17 credit accruing first in time shall be applied first.

18 Changes made in this subdivision (h) (1) by Public Act  
19 88-670 restore changes made by Public Act 85-1182 and  
20 reflect existing law.

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

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

24 (B) is depreciable pursuant to Section 167 of the  
25 Internal Revenue Code, except that "3-year property"  
26 as defined in Section 168(c) (2) (A) of that Code is not

1 eligible for the credit provided by this subsection  
2 (h);

3 (C) is acquired by purchase as defined in Section  
4 179(d) of the Internal Revenue Code; and

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

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

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

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

19 (6) If during any taxable year ending on or before  
20 December 31, 1996, any property ceases to be qualified  
21 property in the hands of the taxpayer within 48 months  
22 after being placed in service, or the situs of any  
23 qualified property is moved outside Illinois within 48  
24 months after being placed in service, the tax imposed under  
25 subsections (a) and (b) of this Section for such taxable  
26 year shall be increased. Such increase shall be determined

1 by (i) recomputing the investment credit which would have  
2 been allowed for the year in which credit for such property  
3 was originally allowed by eliminating such property from  
4 such computation, and (ii) subtracting such recomputed  
5 credit from the amount of credit previously allowed. For  
6 the purposes of this paragraph (6), a reduction of the  
7 basis of qualified property resulting from a  
8 redetermination of the purchase price shall be deemed a  
9 disposition of qualified property to the extent of such  
10 reduction.

11 (7) Beginning with tax years ending after December 31,  
12 1996, if a taxpayer qualifies for the credit under this  
13 subsection (h) and thereby is granted a tax abatement and  
14 the taxpayer relocates its entire facility in violation of  
15 the explicit terms and length of the contract under Section  
16 18-183 of the Property Tax Code, the tax imposed under  
17 subsections (a) and (b) of this Section shall be increased  
18 for the taxable year in which the taxpayer relocated its  
19 facility by an amount equal to the amount of credit  
20 received by the taxpayer under this subsection (h).

21 (h-5) High Impact Business construction ~~constructions~~ jobs  
22 credit. For taxable years beginning on or after January 1,  
23 2021, there shall also be allowed a High Impact Business  
24 construction jobs credit against the tax imposed under  
25 subsections (a) and (b) of this Section as provided in  
26 subsections (i) and (j) of Section 5.5 of the Illinois

1 Enterprise Zone Act.

2 The credit or credits may not reduce the taxpayer's  
3 liability to less than zero. If the amount of the credit or  
4 credits exceeds the taxpayer's liability, the excess may be  
5 carried forward and applied against the taxpayer's liability in  
6 succeeding calendar years in the manner provided under  
7 paragraph (4) of Section 211 of this Act. The credit or credits  
8 shall be applied to the earliest year for which there is a tax  
9 liability. If there are credits from more than one taxable year  
10 that are available to offset a liability, the earlier credit  
11 shall be applied first.

12 For partners, shareholders of Subchapter S corporations,  
13 and owners of limited liability companies, if the liability  
14 company is treated as a partnership for the purposes of federal  
15 and State income taxation, there shall be allowed a credit  
16 under this Section to be determined in accordance with the  
17 determination of income and distributive share of income under  
18 Sections 702 and 704 and Subchapter S of the Internal Revenue  
19 Code.

20 The total aggregate amount of credits awarded under the  
21 Blue Collar Jobs Act (Article 20 of Public Act 101-9 ~~this~~  
22 ~~amendatory Act of the 101st General Assembly~~) shall not exceed  
23 \$20,000,000 in any State fiscal year.

24 This subsection (h-5) is exempt from the provisions of  
25 Section 250.

26 (i) Credit for Personal Property Tax Replacement Income

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

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

24 If, during any taxable year ending on or after December 31,  
25 1986, the tax imposed by subsections (c) and (d) of this  
26 Section for which a taxpayer has claimed a credit under this

1 subsection (i) is reduced, the amount of credit for such tax  
2 shall also be reduced. Such reduction shall be determined by  
3 recomputing the credit to take into account the reduced tax  
4 imposed by subsections (c) and (d). If any portion of the  
5 reduced amount of credit has been carried to a different  
6 taxable year, an amended return shall be filed for such taxable  
7 year to reduce the amount of credit claimed.

8 (j) Training expense credit. Beginning with tax years  
9 ending on or after December 31, 1986 and prior to December 31,  
10 2003, a taxpayer shall be allowed a credit against the tax  
11 imposed by subsections (a) and (b) under this Section for all  
12 amounts paid or accrued, on behalf of all persons employed by  
13 the taxpayer in Illinois or Illinois residents employed outside  
14 of Illinois by a taxpayer, for educational or vocational  
15 training in semi-technical or technical fields or semi-skilled  
16 or skilled fields, which were deducted from gross income in the  
17 computation of taxable income. The credit against the tax  
18 imposed by subsections (a) and (b) shall be 1.6% of such  
19 training expenses. For partners, shareholders of subchapter S  
20 corporations, and owners of limited liability companies, if the  
21 liability company is treated as a partnership for purposes of  
22 federal and State income taxation, there shall be allowed a  
23 credit under this subsection (j) to be determined in accordance  
24 with the determination of income and distributive share of  
25 income under Sections 702 and 704 and subchapter S of the  
26 Internal Revenue Code.



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

11 (k) Research and development credit. For tax years ending  
12 after July 1, 1990 and prior to December 31, 2003, and  
13 beginning again for tax years ending on or after December 31,  
14 2004, and ending prior to January 1, 2027, a taxpayer shall be  
15 allowed a credit against the tax imposed by subsections (a) and  
16 (b) of this Section for increasing research activities in this  
17 State. The credit allowed against the tax imposed by  
18 subsections (a) and (b) shall be equal to 6 1/2% of the  
19 qualifying expenditures for increasing research activities in  
20 this State. 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 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 For purposes of this subsection, "qualifying expenditures"  
3 means the qualifying expenditures as defined for the federal  
4 credit for increasing research activities which would be  
5 allowable under Section 41 of the Internal Revenue Code and  
6 which are conducted in this State, "qualifying expenditures for  
7 increasing research activities in this State" means the excess  
8 of qualifying expenditures for the taxable year in which  
9 incurred over qualifying expenditures for the base period,  
10 "qualifying expenditures for the base period" means the average  
11 of the qualifying expenditures for each year in the base  
12 period, and "base period" means the 3 taxable years immediately  
13 preceding the taxable year for which the determination is being  
14 made.

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

23 If an unused credit is carried forward to a given year from  
24 2 or more earlier years, that credit arising in the earliest  
25 year will be applied first against the tax liability for the  
26 given year. If a tax liability for the given year still

1 remains, the credit from the next earliest year will then be  
2 applied, and so on, until all credits have been used or no tax  
3 liability for the given year remains. Any remaining unused  
4 credit or credits then will be carried forward to the next  
5 following year in which a tax liability is incurred, except  
6 that no credit can be carried forward to a year which is more  
7 than 5 years after the year in which the expense for which the  
8 credit is given was incurred.

9 No inference shall be drawn from Public Act 91-644 ~~this~~  
10 ~~amendatory Act of the 91st General Assembly~~ in construing this  
11 Section for taxable years beginning before January 1, 1999.

12 It is the intent of the General Assembly that the research  
13 and development credit under this subsection (k) shall apply  
14 continuously for all tax years ending on or after December 31,  
15 2004 and ending prior to January 1, 2027, including, but not  
16 limited to, the period beginning on January 1, 2016 and ending  
17 on July 6, 2017 (the effective date of Public Act 100-22) ~~this~~  
18 ~~amendatory Act of the 100th General Assembly~~. All actions taken  
19 in reliance on the continuation of the credit under this  
20 subsection (k) by any taxpayer are hereby validated.

21 (1) Environmental Remediation Tax Credit.

22 (i) For tax years ending after December 31, 1997 and on  
23 or before December 31, 2001, a taxpayer shall be allowed a  
24 credit against the tax imposed by subsections (a) and (b)  
25 of this Section for certain amounts paid for unreimbursed  
26 eligible remediation costs, as specified in this

1 subsection. For purposes of this Section, "unreimbursed  
2 eligible remediation costs" means costs approved by the  
3 Illinois Environmental Protection Agency ("Agency") under  
4 Section 58.14 of the Environmental Protection Act that were  
5 paid in performing environmental remediation at a site for  
6 which a No Further Remediation Letter was issued by the  
7 Agency and recorded under Section 58.10 of the  
8 Environmental Protection Act. The credit must be claimed  
9 for the taxable year in which Agency approval of the  
10 eligible remediation costs is granted. The credit is not  
11 available to any taxpayer if the taxpayer or any related  
12 party caused or contributed to, in any material respect, a  
13 release of regulated substances on, in, or under the site  
14 that was identified and addressed by the remedial action  
15 pursuant to the Site Remediation Program of the  
16 Environmental Protection Act. After the Pollution Control  
17 Board rules are adopted pursuant to the Illinois  
18 Administrative Procedure Act for the administration and  
19 enforcement of Section 58.9 of the Environmental  
20 Protection Act, determinations as to credit availability  
21 for purposes of this Section shall be made consistent with  
22 those rules. For purposes of this Section, "taxpayer"  
23 includes a person whose tax attributes the taxpayer has  
24 succeeded to under Section 381 of the Internal Revenue Code  
25 and "related party" includes the persons disallowed a  
26 deduction for losses by paragraphs (b), (c), and (f)(1) of

1 Section 267 of the Internal Revenue Code by virtue of being  
2 a related taxpayer, as well as any of its partners. The  
3 credit allowed against the tax imposed by subsections (a)  
4 and (b) shall be equal to 25% of the unreimbursed eligible  
5 remediation costs in excess of \$100,000 per site, except  
6 that the \$100,000 threshold shall not apply to any site  
7 contained in an enterprise zone as determined by the  
8 Department of Commerce and Community Affairs (now  
9 Department of Commerce and Economic Opportunity). The  
10 total credit allowed shall not exceed \$40,000 per year with  
11 a maximum total of \$150,000 per site. For partners and  
12 shareholders of subchapter S corporations, there shall be  
13 allowed a credit under this subsection to be determined in  
14 accordance with the determination of income and  
15 distributive share of income under Sections 702 and 704 and  
16 subchapter S of the Internal Revenue Code.

17 (ii) A credit allowed under this subsection that is  
18 unused in the year the credit is earned may be carried  
19 forward to each of the 5 taxable years following the year  
20 for which the credit is first earned until it is used. The  
21 term "unused credit" does not include any amounts of  
22 unreimbursed eligible remediation costs in excess of the  
23 maximum credit per site authorized under paragraph (i).  
24 This credit shall be applied first to the earliest year for  
25 which there is a liability. If there is a credit under this  
26 subsection from more than one tax year that is available to

1 offset a liability, the earliest credit arising under this  
2 subsection shall be applied first. A credit allowed under  
3 this subsection may be sold to a buyer as part of a sale of  
4 all or part of the remediation site for which the credit  
5 was granted. The purchaser of a remediation site and the  
6 tax credit shall succeed to the unused credit and remaining  
7 carry-forward period of the seller. To perfect the  
8 transfer, the assignor shall record the transfer in the  
9 chain of title for the site and provide written notice to  
10 the Director of the Illinois Department of Revenue of the  
11 assignor's intent to sell the remediation site and the  
12 amount of the tax credit to be transferred as a portion of  
13 the sale. In no event may a credit be transferred to any  
14 taxpayer if the taxpayer or a related party would not be  
15 eligible under the provisions of subsection (i).

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

19 (m) Education expense credit. Beginning with tax years  
20 ending after December 31, 1999, a taxpayer who is the custodian  
21 of one or more qualifying pupils shall be allowed a credit  
22 against the tax imposed by subsections (a) and (b) of this  
23 Section for qualified education expenses incurred on behalf of  
24 the qualifying pupils. The credit shall be equal to 25% of  
25 qualified education expenses, but in no event may the total  
26 credit under this subsection claimed by a family that is the

1     custodian of qualifying pupils exceed (i) \$500 for tax years  
2     ending prior to December 31, 2017, and (ii) \$750 for tax years  
3     ending on or after December 31, 2017. In no event shall a  
4     credit under this subsection reduce the taxpayer's liability  
5     under this Act to less than zero. Notwithstanding any other  
6     provision of law, for taxable years beginning on or after  
7     January 1, 2017, no taxpayer may claim a credit under this  
8     subsection (m) if the taxpayer's adjusted gross income for the  
9     taxable year exceeds (i) \$500,000, in the case of spouses  
10    filing a joint federal tax return or (ii) \$250,000, in the case  
11    of all other taxpayers. This subsection is exempt from the  
12    provisions of Section 250 of this Act.

13         For purposes of this subsection:

14         "Qualifying pupils" means individuals who (i) are  
15         residents of the State of Illinois, (ii) are under the age of  
16         21 at the close of the school year for which a credit is  
17         sought, and (iii) during the school year for which a credit is  
18         sought were full-time pupils enrolled in a kindergarten through  
19         twelfth grade education program at any school, as defined in  
20         this subsection.

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

25         "School" means any public or nonpublic elementary or  
26         secondary school in Illinois that is in compliance with Title

1 VI of the Civil Rights Act of 1964 and attendance at which  
2 satisfies the requirements of Section 26-1 of the School Code,  
3 except that nothing shall be construed to require a child to  
4 attend any particular public or nonpublic school to qualify for  
5 the credit under this Section.

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

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

11 (i) For tax years ending on or after December 31, 2006,  
12 a taxpayer shall be allowed a credit against the tax  
13 imposed by subsections (a) and (b) of this Section for  
14 certain amounts paid for unreimbursed eligible remediation  
15 costs, as specified in this subsection. For purposes of  
16 this Section, "unreimbursed eligible remediation costs"  
17 means costs approved by the Illinois Environmental  
18 Protection Agency ("Agency") under Section 58.14a of the  
19 Environmental Protection Act that were paid in performing  
20 environmental remediation at a site within a River Edge  
21 Redevelopment Zone for which a No Further Remediation  
22 Letter was issued by the Agency and recorded under Section  
23 58.10 of the Environmental Protection Act. The credit must  
24 be claimed for the taxable year in which Agency approval of  
25 the eligible remediation costs is granted. The credit is  
26 not available to any taxpayer if the taxpayer or any



1 related party caused or contributed to, in any material  
2 respect, a release of regulated substances on, in, or under  
3 the site that was identified and addressed by the remedial  
4 action pursuant to the Site Remediation Program of the  
5 Environmental Protection Act. Determinations as to credit  
6 availability for purposes of this Section shall be made  
7 consistent with rules adopted by the Pollution Control  
8 Board pursuant to the Illinois Administrative Procedure  
9 Act for the administration and enforcement of Section 58.9  
10 of the Environmental Protection Act. For purposes of this  
11 Section, "taxpayer" includes a person whose tax attributes  
12 the taxpayer has succeeded to under Section 381 of the  
13 Internal Revenue Code and "related party" includes the  
14 persons disallowed a deduction for losses by paragraphs  
15 (b), (c), and (f)(1) of Section 267 of the Internal Revenue  
16 Code by virtue of being a related taxpayer, as well as any  
17 of its partners. The credit allowed against the tax imposed  
18 by subsections (a) and (b) shall be equal to 25% of the  
19 unreimbursed eligible remediation costs in excess of  
20 \$100,000 per site.

21 (ii) A credit allowed under this subsection that is  
22 unused in the year the credit is earned may be carried  
23 forward to each of the 5 taxable years following the year  
24 for which the credit is first earned until it is used. This  
25 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 (o) For each of taxable years during the Compassionate Use  
21 of Medical Cannabis Program, a surcharge is imposed on all  
22 taxpayers on income arising from the sale or exchange of  
23 capital assets, depreciable business property, real property  
24 used in the trade or business, and Section 197 intangibles of  
25 an organization registrant under the Compassionate Use of  
26 Medical Cannabis Program Act. The amount of the surcharge is

1 equal to the amount of federal income tax liability for the  
2 taxable year attributable to those sales and exchanges. The  
3 surcharge imposed does not apply if:

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

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

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

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

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

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

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

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

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

12 (Source: P.A. 100-22, eff. 7-6-17; 101-8, see Section 99 for  
13 effective date; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
14 101-207, eff. 8-2-19; 101-363, eff. 8-9-19; revised 9-17-19.)

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

17 (35 ILCS 120/5k-5 new)

18 Sec. 5k-5. Building materials exemption; Clean Energy  
19 Empowerment Zone. Each retailer who makes a sale of building  
20 materials to be incorporated into renewable energy projects in  
21 a Clean Energy Empowerment Zone established under the Energy  
22 Community Reinvestment Act may deduct receipts from such sales  
23 when calculating the tax imposed by this Act. A renewable  
24 energy enterprise or other entity shall not make tax-free

1 purchases under this Section unless it has an active exemption  
2 certificate at the time of purchase, which shall be issued by  
3 the Department in a form prescribed by the Department. The  
4 Department shall adopt by rule all other requirements necessary  
5 for the implementation and operation of this Section.

6 Section 90-35. The School Code is amended by adding Section  
7 2-3.182 as follows:

8 (105 ILCS 5/2-3.182 new)

9 Sec. 2-3.182. Clean energy jobs curriculum.

10 (a) The General Assembly recognizes that clean energy is a  
11 growing and important sector of the State's economy and that  
12 significant job opportunity exists in the sector. Consistent  
13 with the Clean Jobs, Workforce and Contractor Equity Act, the  
14 Board shall participate in the development of the clean energy  
15 jobs curriculum convened by the Department of Commerce and  
16 Economic Opportunity. The Board shall identify and  
17 collaboratively with stakeholders identified by the Board  
18 develop curriculum based on anticipated clean energy job  
19 availability and growth including participation from  
20 stakeholders engaged in delivering existing clean energy jobs  
21 workforce development programs in Illinois, specifically those  
22 programs tailored to members of economically disadvantaged  
23 communities, members of environmental justice communities,  
24 communities of color, persons with a criminal record, persons

1 who are or were in the child welfare system, displaced energy  
2 workers, and members of any of these groups who are also women  
3 or transgender persons, as well as including youth. Clean  
4 energy jobs considered shall be consistent with "clean energy  
5 jobs" as defined in the Clean Jobs, Workforce and Contractor  
6 Equity Act, including, but not limited to, solar photovoltaic,  
7 solar thermal, wind energy, energy efficiency, site  
8 assessment, sales, and back office.

9 (b) In the development of the clean energy jobs curriculum,  
10 the Board shall consider broad occupational training  
11 applicable to the general construction sector as well as  
12 sector-specific skills, including training on the manufacture  
13 and installation of healthier building materials that contain  
14 fewer hazardous chemicals.

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

18 Section 90-40. The Public Utilities Act is amended by  
19 changing Sections 2-107, 8-103B, 9-220.3, 9-227, 10-104,  
20 16-107, 16-107.5, 16-107.6, 16-111.5, and 16-128B and by adding  
21 Sections 4-604, 4-605, 8-104.1, 8-512, 9-222.1B, 16-105.17,  
22 16-107.7, 16-107.8, 16-108, 16-108.5, 16-108.9, 16-108.18,  
23 16-111.10, and 16-131 as follows:

24 (220 ILCS 5/2-107) (from Ch. 111 2/3, par. 2-107)

1       Sec. 2-107. The office of the Commission shall be in  
2       Springfield, but the Commission may, with the approval of the  
3       Governor, establish and maintain branch offices at places other  
4       than the seat of government. Such office shall be open for  
5       business between the hours of 8:30 a.m. and 5:00 p.m.  
6       throughout the year, and one or more responsible persons to be  
7       designated by the executive director shall be on duty at all  
8       times in immediate charge thereof.

9       The Commission shall hold stated meetings at least once a  
10      month and may hold such special meetings as it may deem  
11      necessary at any place within the State. At each regular and  
12      special meeting that is open to the public, members of the  
13      public shall be afforded time, subject to reasonable  
14      constraints, to make comments to or to ask questions of the  
15      Commission. In any contested or rulemaking proceeding, at the  
16      request of any party or at least 5 members of the public, the  
17      Commission shall hold at least one public hearing, at a time  
18      and place accessible and convenient for affected customers to  
19      participate, where members of the public are invited to  
20      participate and present public comments in accordance with 2  
21      Ill. Adm. Code 1700.10. The hearing must take place at least 30  
22      days prior to the Commission's final order on the case.

23      The Commission shall provide a web site and a toll-free  
24      telephone number to accept comments from Illinois residents  
25      regarding any matter under the auspices of the Commission or  
26      before the Commission. The Commission staff shall report, in a

1 manner established by the Commission that is consistent with  
2 the Commission's rules regarding ex parte communications, to  
3 the full Commission comments and suggestions received through  
4 both venues before all relevant votes of the Commission.

5 The Commission may, for the authentication of its records,  
6 process and proceedings, adopt, keep and use a common seal, of  
7 which seal judicial notice shall be taken in all courts of this  
8 State; and any process, notice, order or other paper which the  
9 Commission may be authorized by law to issue shall be deemed  
10 sufficient if signed and certified by the Chairman of the  
11 Commission or his or her designee, either by hand or by  
12 facsimile, and with such seal attached; and all acts, orders,  
13 proceedings, rules, entries, minutes, schedules and records of  
14 the Commission, and all reports and documents filed with the  
15 Commission, may be proved in any court of this State by a copy  
16 thereof, certified to by the Chairman of the Commission, with  
17 the seal of the Commission attached.

18 Notwithstanding any other provision of this Section, the  
19 Commission's established procedures for accepting testimony  
20 from Illinois residents on matters pending before the  
21 Commission shall be consistent with the Commission's rules  
22 regarding ex parte communications and due process.

23 (Source: P.A. 95-127, eff. 8-13-07.)

24 (220 ILCS 5/4-604 new)

25 Sec. 4-604. Electric and natural gas public utilities



1 ethical conduct and transparency.

2 (a) It is the policy of this State that, as regulated,  
3 monopoly entities providing essential services, public  
4 utilities must adhere to the highest standards of ethical  
5 conduct. Recent events have demonstrated that at least one  
6 public utility in this State has not adhered to the standards  
7 of conduct expected by the State, and as such, has failed to  
8 ensure safe, reliable service for customers at reasonable,  
9 affordable rates. The General Assembly finds this breach of the  
10 public trust, which has resulted in unreasonable rates for some  
11 public utility customers, to be exceptionally concerning.

12 (b) It is in the public interest to ensure ethical public  
13 utility conduct of the highest standards. It is therefore  
14 necessary for the public interest, safety, and welfare of the  
15 State and of public utility customers to develop rigorous  
16 ethical standards with limitations on and heightened scrutiny  
17 of public utility actions, expenditures and contracting, and to  
18 provide increased transparency to ensure ethical public  
19 utility conduct. The standards set forth in this Section and in  
20 the Illinois Administrative Code rules implementing this  
21 Section shall apply, to the extent practicable, to electric and  
22 natural gas public utilities and their holding or parent  
23 companies, affiliates, and service companies. The Commission  
24 shall have the authority to create rules and emergency rules,  
25 where applicable, to effectuate this Section.

26 (c) Public Utility Ethics Inspector. To ensure public

1 utilities meet the highest level of ethical standards,  
2 including, but not limited to, those standards described in  
3 this Section, the Commission shall, within 60 days of the  
4 effective date of this amendatory Act of the 101st General  
5 Assembly, establish an Accountability Division at the  
6 Commission, and shall create a new position at the Commission  
7 of Public Utility Ethics Inspector whose responsibilities  
8 shall include:

9 (1) hire and oversee independent monitors, as  
10 described in subsection (d);

11 (2) oversee development and publication of annual  
12 ethics audits of electric and natural gas public utilities  
13 by independent monitors;

14 (3) supervise each independent monitor's monitoring,  
15 auditing, investigation, enforcement, reporting, and  
16 disciplinary activities, in addition to any other actions  
17 required of the independent monitors. In the event an  
18 independent monitor or the Public Utility Ethics Inspector  
19 finds a public utility has not complied with the standards  
20 set forth in this Section, or with administrative rules  
21 implementing this Section, the Public Utility Ethics  
22 Inspector shall detail such deficiencies in a report to the  
23 Commission and shall include a recommendation for  
24 Commission action. The Public Utility Ethics Inspector  
25 shall report to the Executive Director of the Illinois  
26 Commerce Commission. The Public Utility Ethics Inspector

1       shall have the authority to hire additional staff for the  
2       Accountability Division as deemed necessary to fulfill the  
3       duties of this Section.

4       (d) Independent monitors. Within 90 days of the employment  
5       of the Public Utility Ethics Inspector by the Commission, the  
6       Public Utility Ethics Inspector shall establish new positions  
7       at the Illinois Commerce Commission within the Accountability  
8       Division of independent monitors for each public utility in the  
9       State. The role of the independent monitors shall be to oversee  
10      electric and natural gas public utilities' compliance with the  
11      standards described in this Section, with 83 Illinois  
12      Administrative Code, and with any other portion of the Code or  
13      any statutory obligation regarding standards of ethical  
14      conduct. The independent monitors may also have other duties as  
15      deemed appropriate by the Public Utility Ethics Inspector.  
16      Independent monitors shall:

17           (1) Work in coordination with the public utility's  
18           Chief Compliance and Ethics Officer, as described in  
19           subsection (e), to ensure the public utility complies with  
20           the standards of conduct described in this Section, in the  
21           Illinois Administrative Code, and any other applicable  
22           authority, through investigation, enforcement, reporting,  
23           and disciplinary activities.

24           (2) Document violations of the standards in this  
25           Section or in related sections of the Illinois  
26           Administrative Code and, in coordination with the

1 utility's Chief Compliance and Ethics Officer, ensure  
2 appropriate internal disciplinary actions and transparent  
3 reporting to the Commission. In the event of violations of  
4 the standards in this Section or in related sections of the  
5 Illinois Administrative Code where the public utility does  
6 not take disciplinary action, or where that action is not  
7 aligned with the recommendation of the independent  
8 monitor, the independent monitor shall, within 30 days,  
9 report the violation, the independent monitor's  
10 recommended disciplinary action, and the public utility's  
11 actual disciplinary action, to the Public Utilities Ethics  
12 Inspector, who shall, within 30 days, file a report with  
13 the Commission describing the violation and related  
14 recommendations.

15 (3) Recommend to the public utility any new internal  
16 controls, policies, practices or procedures the public  
17 utility should undertake in order to ensure compliance with  
18 this Section and with related sections of the Illinois  
19 Administrative Code.

20 (4) At least annually, the independent monitor for a  
21 public utility shall publish an ethics audit to be filed  
22 with the Commission. The ethics audit shall describe the  
23 public utility's internal controls, policies, practices,  
24 and procedures to comply with the standards in this Section  
25 and in the Illinois Administrative Code, and shall document  
26 all instances of noncompliance. If internal disciplinary

1        actions were taken related to ethical conduct governed by  
2        this Section or related Illinois Administrative Code, the  
3        report shall also describe the conduct and the responsive  
4        disciplinary actions taken. The independent monitor shall  
5        also describe any recommendations the independent monitor  
6        has made to the public utility regarding standards of  
7        ethics, and the public utility's responses to those  
8        recommendations. The report shall be made public and  
9        redactions shall be limited to the maximum extent  
10       practicable. Only information which is critical to system  
11       security shall be redacted; information in which the public  
12       utility claims a business interest shall not be deemed  
13       confidential or redacted.

14       (e) Chief Compliance and Ethics Officers. Within 60 days of  
15       the effective date of this amendatory Act of the 101st General  
16       Assembly, each public utility in the State shall establish a  
17       new position of Chief Compliance and Ethics Officer. The Chief  
18       Compliance and Ethics Officer shall be employed by the public  
19       utility but shall serve as a liaison between the public utility  
20       and the public utility's independent monitor. The Chief  
21       Compliance and Ethics Officer shall be responsible for ensuring  
22       the public utility complies with the highest standards of  
23       ethical conduct, including, but not limited to, complying with  
24       the standards described in this Section, in the Illinois  
25       Administrative Code, and in any other applicable authority. The  
26       Chief Compliance and Ethics Officer shall oversee the creation

1 and implementation of training for every director, officer,  
2 employee, contractor, consultant, lobbyist, vendor, agent, and  
3 business partner of the public utility on applicable ethics  
4 guidelines. The Chief Compliance and Ethics Officer shall  
5 oversee the creation and implementation of a centralized  
6 reporting system for which every director, officer, employee,  
7 contractor, consultant, lobbyist, vendor, agent, and business  
8 partner shall have training and submission access. The  
9 reporting system shall, at minimum, be used to document every  
10 instance of communication with a public official or their  
11 staff, and shall be designed to ensure efficient review by the  
12 independent monitor for potential violations of the standards  
13 in this Section and in the Illinois Administrative Code. The  
14 Chief Compliance and Ethics Officer shall oversee the ongoing  
15 monitoring of all contractors, consultants or vendors who are  
16 contracted for the purpose of carrying out lobbying or other  
17 duties that involve interacting with public officials or their  
18 staff to ensure their continued compliance with the applicable  
19 ethical standards and to ensure they are providing value to the  
20 business.

21 The Chief Compliance and Ethics Officer shall establish at  
22 the public utility internal controls, codes, policies,  
23 procedures, practices, and reporting to comply with the  
24 standards in this Section and in the Illinois Administrative  
25 Code, including, but not limited to:

26 (i) A public utility shall ensure it has a system of

1 financial and accounting procedures, internal controls,  
2 and practices reasonably designed to ensure the  
3 maintenance of fair and accurate books, records, and  
4 accounts. This system should be designed to provide  
5 reasonable assurances that transactions are recorded as  
6 necessary to permit preparation of financial statements in  
7 conformity with generally accepted accounting principles  
8 or any other criteria applicable to such statements, and to  
9 maintain accountability for assets.

10 (ii) A public utility shall conduct periodic risk  
11 assessments and shall enforce, amend, and implement new  
12 internal controls, policies, procedures and practices  
13 based on those assessments.

14 (iii) A public utility shall implement mechanisms  
15 designed to ensure that its compliance code, internal  
16 controls, policies and procedures are effectively  
17 communicated to all directors, officers, employees,  
18 contractors, consultants, lobbyists, vendors, agents and  
19 business partners.

20 (iv) A public utility shall ensure that its directors  
21 and senior management provide strong, explicit, and  
22 visible support and commitment to its corporate policy  
23 against violations of U.S. and state law.

24 (v) A public utility shall implement mechanisms  
25 designed to effectively enforce its compliance code,  
26 controls, policies, practices and procedures, including

1 appropriately providing incentive for compliance and  
2 disciplining violations. Such procedures, controls,  
3 policies, and practices shall be applied consistently and  
4 fairly, regardless of the position held by, or the  
5 importance of, the director, officer, or employee.

6 (vi) A public utility shall implement procedures to  
7 ensure that, where misconduct is discovered, reasonable  
8 steps are taken to remedy the harm resulting from such  
9 misconduct, including disciplinary action, reporting to  
10 the Commission, and assessing and modifying as appropriate  
11 the internal controls, code, policies, practices and  
12 procedures necessary to ensure the compliance program is  
13 effective.

14 The Chief Compliance and Ethics Officer shall be  
15 responsible for reporting to the public utility's independent  
16 monitor any conduct that is in violation of the standards set  
17 forth in this Section or in violation of sections of the  
18 Illinois Administrative Code implementing these rules and any  
19 other authority governing the public utility's ethical  
20 conduct, including disciplinary action taken in response. In  
21 coordination with the public utility's independent monitor,  
22 the Chief Compliance and Ethics Officer shall be responsible  
23 for internal disciplinary actions at the public utility for  
24 violations of such standards.

25 At least annually, the Chief Compliance and Ethics Officer,  
26 in coordination with the independent monitor, shall review the



1 utility's internal controls, policies, practices and  
2 procedures for their continued effectiveness to ensure the  
3 highest standards of ethical conduct among the public utility's  
4 directors, officers, employees, contractors, consultants,  
5 lobbyists, vendors, agents and business partners.

6 (f) A public utility shall, within 90 days of this  
7 amendatory act of the 101st General Assembly, develop and  
8 implement internal controls, policies, and procedures to  
9 achieve the following objectives:

10 (i) No public utility may allow a contractor,  
11 consultant, or vendor who is contracted for the purpose of  
12 carrying out lobbying pursuant to the Lobbyist  
13 Registration Act or other duties that involve interacting  
14 with elected officials or their staff to subcontract any  
15 portion of that work.

16 (ii) Electric and natural gas public utilities shall  
17 require contractors, consultants, or vendors who are  
18 contracted for the purpose of carrying out lobbying  
19 pursuant to the Lobbyist Registration Act or other duties  
20 that involve interacting with public officials or their  
21 staff to provide detailed invoices and reports describing  
22 activities taken and amounts billed for such activities,  
23 including: 1) time spent; 2) amount charged for activity,  
24 if any; 3) all person(s) involved; 4) summary description  
25 of discussions or exchanges, oral, written, electronic, or  
26 otherwise; and 5) anything of value requested or solicited,

1 or provided to public officials or their staff, including  
2 hiring requests. Such invoices and reports shall be entered  
3 into a database accessible by, at minimum, the Chief  
4 Compliance and Ethics Officer and the public utility's  
5 independent monitor. No contracts shall be paid without a  
6 detailed invoice. Where anything of value is requested,  
7 received, given, or exchanged with a public official or  
8 their staff, such invoice or report must be explicitly  
9 reviewed by the independent monitor and the Chief  
10 Compliance and Ethics Officer within 45 days of the  
11 activity. No invoice related to the request, receipt, gift,  
12 or exchange of something of value shall be paid until that  
13 review is complete and the activity is determined to be in  
14 compliance with ethical standards.

15 (iii) The hiring of contractors, consultants or  
16 vendors who are contracted for the purpose of carrying out  
17 lobbying pursuant to the Lobbyist Registration Act or other  
18 duties that involve interacting with public officials or  
19 their staff shall be reviewed and approved by the Chief  
20 Compliance and Ethics Officer. The Chief Compliance and  
21 Ethics Officer shall not approve any contract or engagement  
22 until it has found there are no conflicts of interest  
23 related to public officials. The Chief Compliance and  
24 Ethics Officer shall oversee annual or more frequent audits  
25 of every contractor, consultant, or vendor who is  
26 contracted for the purpose of carrying out lobbying or

1 other duties that involve interacting with public  
2 officials or their staff for continued review of potential  
3 conflicts of interest related to elected officials. The  
4 Chief Compliance and Ethics Officer shall ensure that every  
5 contractor, consultant and vendor is providing value to the  
6 business and providing detailed invoices describing work  
7 done pursuant to paragraph (ii) subsection (f).

8 (iv) All requests for anything of value made to a  
9 public utility or its directors, officers, employees,  
10 contractors, consultants, lobbyists, vendors, agents and  
11 business partners by a public official or their staff shall  
12 be recorded in a database accessible by the independent  
13 monitor and the Company's Chief Ethics and Compliance  
14 Officer within 2 business days of the request. No action  
15 may be taken in response to such a request until the  
16 request has been reviewed and approved by the independent  
17 monitor and the Chief Ethics and Compliance Officer.

18 (g) The Commission shall, within 60 days of the effective  
19 date of this Amendatory Act of the 101st General Assembly,  
20 initiate an emergency rulemaking to add additional  
21 requirements to Title 83 of the Illinois Administrative Code to  
22 accomplish the following objectives:

23 (i) No director, officer, employee, contractor,  
24 consultant, lobbyist, vendor, agent, representative, or  
25 business partner of a public utility may meet privately  
26 with any Commissioner or employee of the Illinois Commerce

1 Commission regarding any topic or issue anticipated to be  
2 the subject of a contested hearing within the next 365  
3 days. Any such anticipated meetings shall be open to the  
4 public and communicated to consumer, community, and  
5 environmental advocates.

6 (ii) Communication between any director, officer,  
7 employee, contractor, consultant, lobbyist, vendor, agent,  
8 representative, or business partner of a public utility and  
9 any Commissioner or employee of the Illinois Commerce  
10 Commission on a topic or issue anticipated to be the  
11 subject of a contested hearing within the next 365 days  
12 shall be reported in a publicly available central database.

13 (h) All reports from the Public Utilities Ethics Inspector  
14 to the Commission shall be made public and redactions shall be  
15 limited to the maximum extent practicable. Only information  
16 which is critical to system security shall be redacted;  
17 information in which the public utility claims a business  
18 interest shall not be deemed confidential or redacted. The  
19 Public Utilities Ethics Inspector shall establish a procedure  
20 for making unredacted reports available to interested  
21 stakeholders who establish good cause that receipt of an  
22 unredacted report is in the public interest.

23 Adoption and implementation of these emergency rules is  
24 deemed to be necessary for the public interest, safety, and  
25 welfare.

26 (i) Noncompliance. In the event the Public Utility Ethics

1 Inspector finds a public utility does not comply with any  
2 portion of this Section, or with the rules effectuated by this  
3 Section, the Public Utility Ethics Inspector shall issue a  
4 Report to the Commission detailing the public utility's  
5 deficiencies. The Commission shall have authority to open an  
6 investigation and shall order remediation and penalties as  
7 appropriate.

8 (j) Each year, each public utility in the State shall remit  
9 amounts necessary for the State to pay the wages, overhead,  
10 travel expenses, and other costs of that public utility's  
11 independent monitor as well as that public utility's  
12 proportional share, by number of customers, of the Public  
13 Utility Ethics Inspector's wages, overhead, travel expenses,  
14 and other costs. These expenses shall not be recoverable in  
15 rates.

16 (k) A public utility's costs of complying with these  
17 requirements, including wages and other operating expenses,  
18 shall not be recoverable in rates.

19 (l) Where a public utility is the subject of a federal or  
20 State criminal investigation, or where the Commission  
21 initiates an investigation against a public utility for any  
22 violation of the standards set forth in this Section or  
23 Illinois Administrative Rules implementing this Section, the  
24 utility's costs related to such investigation shall not be  
25 recoverable in rates.

1 (220 ILCS 5/4-605 new)

2 Sec. 4-605. Restitution for misconduct.

3 (a) It is the policy of this State that public utility  
4 ethical and criminal misconduct shall not be tolerated. The  
5 General Assembly finds it necessary to collect restitution, to  
6 be distributed as described in subsection (d), from a public  
7 utility who has been found guilty of violations of criminal law  
8 or who has entered into a Deferred Prosecution Agreement that  
9 details violations of criminal law.

10 (b) In light of such violations, the Illinois Commerce  
11 Commission shall, within 150 days of the effective date of this  
12 amendatory Act of the 101st General Assembly, initiate an  
13 investigation into amounts necessary to be refunded to  
14 customers to restore funds to the State and to ratepayers that  
15 were collected by the electric public utility Commonwealth  
16 Edison Company as a result of ethical misconduct. The  
17 investigation shall conclude no later than 270 days following  
18 initiation, and shall be conducted as a contested proceeding.  
19 The investigation shall calculate benefits received by the  
20 public utility that were instituted as a result of illegal and  
21 unethical conduct, as set forth in the Deferred Prosecution  
22 Agreement of July 16, 2020 between the United States Attorney  
23 for the Northern District of Illinois and Commonwealth Edison  
24 Company, for passage of the Energy Infrastructure  
25 Modernization Act of 2011. The amount shall be no less than the  
26 total return on equity recovered for investments in

1 infrastructure made pursuant to paragraph (1) of subsection (b)  
2 of Section 16-108.5 of this Act.

3 (c) Pursuant to subsection (d), the investigation shall  
4 calculate a schedule for remittance to state funds and to  
5 ratepayers, over a period of no more than 4 years, to be paid  
6 by the public utility from profits, returns, or shareholder  
7 dollars. No costs related to the investigation, restitution, or  
8 refunds may be recoverable through rates.

9 (d) Funds collected pursuant to this Section shall be  
10 repaid by the public utility in the following manner:

11 (1) 25% shall be contributed to expand the Percentage  
12 of Income Payment Program;

13 (2) 25%, or no less than \$20 million annually, shall be  
14 contributed to the Energy Community Reinvestment Fund to  
15 support the Jobs and Environmental Justice Grant Program,  
16 as described in the Expanding Clean Energy  
17 Entrepreneurship Program of the Clean Jobs, Workforce and  
18 Contractor Equity Act; and

19 (3) the remaining percentage of funds collected shall  
20 be provided as a per-kilowatt-hour credit to the public  
21 utility's ratepayers.

22 (220 ILCS 5/8-103B)

23 Sec. 8-103B. Energy efficiency and demand-response  
24 measures.

25 (a) It is the policy of the State that electric utilities

1 are required to use cost-effective energy efficiency and  
2 demand-response measures to reduce delivery load. Requiring  
3 investment in cost-effective energy efficiency and  
4 demand-response measures will reduce direct and indirect costs  
5 to consumers by decreasing environmental impacts and by  
6 avoiding or delaying the need for new generation, transmission,  
7 and distribution infrastructure. It serves the public interest  
8 to allow electric utilities to recover costs for reasonably and  
9 prudently incurred expenditures for energy efficiency and  
10 demand-response measures. As used in this Section,  
11 "cost-effective" means that the measures satisfy the total  
12 resource cost test. The low-income measures described in  
13 subsection (c) of this Section shall not be required to meet  
14 the total resource cost test. For purposes of this Section, the  
15 terms "energy-efficiency", "demand-response", "electric  
16 utility", and "total resource cost test" have the meanings set  
17 forth in the Illinois Power Agency Act. "Black, indigenous, and  
18 people of color" and "BIPOC" means people who are members of  
19 the groups described in subparagraphs (a) through (e) of  
20 paragraph (A) of subsection (1) of Section 2 of the Business  
21 Enterprise for Minorities, Women, and Persons with  
22 Disabilities Act. "Expanding Clean Energy Entrepreneurship and  
23 Contractor Incubator Network Program," "Clean Energy Black,  
24 Indigenous, and People of Color Primes Contractor  
25 Accelerator," "Returning Resident Clean Energy Training  
26 Program," and "Clean Energy Workforce Training Hubs Program"



1 are as set forth in the Clean Jobs, Workforce and Contractor  
2 Equity Act.

3 (a-5) This Section applies to electric utilities serving  
4 more than 500,000 retail customers in the State for those  
5 multi-year plans commencing after December 31, 2017.

6 (b) For purposes of this Section, electric utilities  
7 subject to this Section that serve more than 3,000,000 retail  
8 customers in the State shall be deemed to have achieved a  
9 cumulative persisting annual savings of 6.6% from energy  
10 efficiency measures and programs implemented during the period  
11 beginning January 1, 2012 and ending December 31, 2017, which  
12 percent is based on the deemed average weather normalized sales  
13 of electric power and energy during calendar years 2014, 2015,  
14 and 2016 of 88,000,000 MWhs. ~~For the purposes of this~~  
15 ~~subsection (b) and subsection (b 5), the 88,000,000 MWhs of~~  
16 ~~deemed electric power and energy sales shall be reduced by the~~  
17 ~~number of MWhs equal to the sum of the annual consumption of~~  
18 ~~customers that are exempt from subsections (a) through (j) of~~  
19 ~~this Section under subsection (1) of this Section, as averaged~~  
20 ~~across the calendar years 2014, 2015, and 2016.~~ After 2017, the  
21 deemed value of cumulative persisting annual savings from  
22 energy efficiency measures and programs implemented during the  
23 period beginning January 1, 2012 and ending December 31, 2017,  
24 shall be reduced each year, as follows, and the applicable  
25 value shall be applied to and count toward the utility's  
26 achievement of the cumulative persisting annual savings goals

1 set forth in subsection (b-5):

2 (1) 5.8% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2018;

4 (2) 5.2% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2019;

6 (3) 4.5% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2020;

8 (4) 4.0% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2021;

10 (5) 3.5% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2022;

12 (6) 3.1% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2023;

14 (7) 2.8% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2024;

16 (8) 2.5% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2025;

18 (9) 2.3% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2026;

20 (10) 2.1% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2027;

22 (11) 1.8% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2028;

24 (12) 1.7% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2029; ~~and~~

26 (13) 1.5% deemed cumulative persisting annual savings

1 for the year ending December 31, 2030;~~;~~

2 (14) 1.3% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2031;

4 (15) 1.1% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2032;

6 (16) 0.9% deemed cumulative persisting annual savings  
7 for the year ending December 31, 2033;

8 (17) 0.7% deemed cumulative persisting annual savings  
9 for the year ending December 31, 2034;

10 (18) 0.5% deemed cumulative persisting annual savings  
11 for the year ending December 31, 2035;

12 (19) 0.4% deemed cumulative persisting annual savings  
13 for the year ending December 31, 2036;

14 (20) 0.3% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2037;

16 (21) 0.2% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2038;

18 (22) 0.1% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2039; and

20 (23) 0.0% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2040 and all subsequent  
22 years.

23 For purposes of this Section, "cumulative persisting  
24 annual savings" means the total electric energy savings in a  
25 given year from measures installed in that year or in previous  
26 years, but no earlier than January 1, 2012, that are still

1 operational and providing savings in that year because the  
2 measures have not yet reached the end of their useful lives.

3 (b-5) Beginning in 2018, electric utilities subject to this  
4 Section that serve more than 3,000,000 retail customers in the  
5 State shall achieve the following cumulative persisting annual  
6 savings goals, as modified by subsection (f) of this Section  
7 and as compared to the deemed baseline of 88,000,000 MWhs of  
8 electric power and energy sales set forth in subsection (b), ~~as~~  
9 ~~reduced by the number of MWhs equal to the sum of the annual~~  
10 ~~consumption of customers that are exempt from subsections (a)~~  
11 ~~through (j) of this Section under subsection (l) of this~~  
12 ~~Section as averaged across the calendar years 2014, 2015, and~~  
13 ~~2016,~~ through the implementation of energy efficiency measures  
14 during the applicable year and in prior years, but no earlier  
15 than January 1, 2012:

16 (1) 7.8% cumulative persisting annual savings for the  
17 year ending December 31, 2018;

18 (2) 9.1% cumulative persisting annual savings for the  
19 year ending December 31, 2019;

20 (3) 10.4% cumulative persisting annual savings for the  
21 year ending December 31, 2020;

22 (4) 11.8% cumulative persisting annual savings for the  
23 year ending December 31, 2021;

24 (5) 13.1% cumulative persisting annual savings for the  
25 year ending December 31, 2022;

26 (6) 14.4% cumulative persisting annual savings for the

1 year ending December 31, 2023;

2 (7) 15.7% cumulative persisting annual savings for the  
3 year ending December 31, 2024;

4 (8) 17% cumulative persisting annual savings for the  
5 year ending December 31, 2025;

6 (9) 17.9% cumulative persisting annual savings for the  
7 year ending December 31, 2026;

8 (10) 18.8% cumulative persisting annual savings for  
9 the year ending December 31, 2027;

10 (11) 19.7% cumulative persisting annual savings for  
11 the year ending December 31, 2028;

12 (12) 20.6% cumulative persisting annual savings for  
13 the year ending December 31, 2029; and

14 (13) 21.5% cumulative persisting annual savings for  
15 the year ending December 31, 2030.

16 No later than December 31, 2021, the Illinois Commerce  
17 Commission shall establish additional cumulative persisting  
18 annual savings goals for the years 2031 through 2035. No later  
19 than December 31, 2024, the Illinois Commerce Commission shall  
20 establish additional cumulative persisting annual savings  
21 goals for the years 2036 through 2040. The Commission shall  
22 also establish additional cumulative persisting annual savings  
23 goals every 5 years thereafter to ensure utilities always have  
24 goals that extend at least 11 years into the future. The  
25 cumulative persisting annual savings goals beyond the year 2030  
26 shall increase by 0.9 percentage points per year, absent a

1 Commission decision to initiate a proceeding to consider  
2 establishing goals that increase by more or less than that  
3 amount. Such a proceeding must be conducted in accordance with  
4 the procedures described in subsection (f) of this Section. If  
5 such a proceeding is initiated, the cumulative persisting  
6 annual savings goals established by the Commission through that  
7 proceeding shall reflect the Commission's best estimate of the  
8 maximum amount of additional savings that are forecast to be  
9 cost-effectively achievable unless such best estimates would  
10 result in goals that represent less than 0.5 percentage point  
11 annual increases in total cumulative persisting annual  
12 savings. The Commission may only establish goals that represent  
13 less than 0.5 percentage point annual increases in cumulative  
14 persisting annual savings if it can demonstrate, based on clear  
15 and convincing evidence and through independent analysis, that  
16 0.5 percentage point increases are not cost-effectively  
17 achievable. The Commission shall inform its decision based on  
18 an energy efficiency potential study that conforms to the  
19 requirements of subsection (f-5) of this Section.

20 (b-10) For purposes of this Section, electric utilities  
21 subject to this Section that serve less than 3,000,000 retail  
22 customers but more than 500,000 retail customers in the State  
23 shall be deemed to have achieved a cumulative persisting annual  
24 savings of 6.6% from energy efficiency measures and programs  
25 implemented during the period beginning January 1, 2012 and  
26 ending December 31, 2017, which is based on the deemed average

1 weather normalized sales of electric power and energy during  
2 calendar years 2014, 2015, and 2016 of 36,900,000 MWhs. ~~For the~~  
3 ~~purposes of this subsection (b-10) and subsection (b-15), the~~  
4 ~~36,900,000 MWhs of deemed electric power and energy sales shall~~  
5 ~~be reduced by the number of MWhs equal to the sum of the annual~~  
6 ~~consumption of customers that are exempt from subsections (a)~~  
7 ~~through (j) of this Section under subsection (1) of this~~  
8 ~~Section, as averaged across the calendar years 2014, 2015, and~~  
9 ~~2016.~~ After 2017, the deemed value of cumulative persisting  
10 annual savings from energy efficiency measures and programs  
11 implemented during the period beginning January 1, 2012 and  
12 ending December 31, 2017, shall be reduced each year, as  
13 follows, and the applicable value shall be applied to and count  
14 toward the utility's achievement of the cumulative persisting  
15 annual savings goals set forth in subsection (b-15):

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 (b-15) Beginning in 2018, electric utilities subject to  
12 this Section that serve less than 3,000,000 retail customers  
13 but more than 500,000 retail customers in the State shall  
14 achieve the following cumulative persisting annual savings  
15 goals, ~~as modified by subsection (b-20) and subsection (f) of~~  
16 ~~this Section and as compared to the deemed baseline as reduced~~  
17 ~~by the number of MWhs equal to the sum of the annual~~  
18 ~~consumption of customers that are exempt from subsections (a)~~  
19 ~~through (j) of this Section under subsection (l) of this~~  
20 ~~Section as averaged across the calendar years 2014, 2015, and~~  
21 ~~2016,~~ through the implementation of energy efficiency measures  
22 during the applicable year and in prior years, but no earlier  
23 than January 1, 2012:

24 (1) 7.4% cumulative persisting annual savings for the  
25 year ending December 31, 2018;

26 (2) 8.2% cumulative persisting annual savings for the

1 year ending December 31, 2019;

2 (3) 9.0% cumulative persisting annual savings for the  
3 year ending December 31, 2020;

4 (4) 9.8% cumulative persisting annual savings for the  
5 year ending December 31, 2021;

6 (5) 10.6% cumulative persisting annual savings for the  
7 year ending December 31, 2022;

8 (6) 11.4% cumulative persisting annual savings for the  
9 year ending December 31, 2023;

10 (7) 12.2% cumulative persisting annual savings for the  
11 year ending December 31, 2024;

12 (8) 13% cumulative persisting annual savings for the  
13 year ending December 31, 2025;

14 (9) 13.6% cumulative persisting annual savings for the  
15 year ending December 31, 2026;

16 (10) 14.2% cumulative persisting annual savings for  
17 the year ending December 31, 2027;

18 (11) 14.8% cumulative persisting annual savings for  
19 the year ending December 31, 2028;

20 (12) 15.4% cumulative persisting annual savings for  
21 the year ending December 31, 2029; and

22 (13) 16% cumulative persisting annual savings for the  
23 year ending December 31, 2030.

24 No later than December 31, 2021, the Illinois Commerce  
25 Commission shall establish additional cumulative persisting  
26 annual savings goals for the years 2031 through 2035. No later

1 than December 31, 2024, the Illinois Commerce Commission shall  
2 establish additional cumulative persisting annual savings  
3 goals for the years 2036 through 2040. The Commission shall  
4 also establish additional cumulative persisting annual savings  
5 goals every 5 years thereafter to ensure utilities always have  
6 goals that extend at least 11 years into the future. The  
7 cumulative persisting annual savings goals beyond the year 2030  
8 shall increase by 0.6 percentage points per year, absent a  
9 Commission decision to initiate a proceeding to consider  
10 establishing goals that increase by more or less than that  
11 amount. Such a proceeding must be conducted in accordance with  
12 the procedures described in subsection (f) of this Section. If  
13 such a proceeding is initiated, the cumulative persisting  
14 annual savings goals established by the Commission through that  
15 proceeding shall reflect the Commission's best estimate of the  
16 maximum amount of additional savings that are forecast to be  
17 cost-effectively achievable unless such best estimates would  
18 result in goals that represent less than 0.4 percentage point  
19 annual increases in total cumulative persisting annual  
20 savings. The Commission may only establish goals that represent  
21 less than 0.4 percentage point annual increases in cumulative  
22 persisting annual savings if it can demonstrate, based on clear  
23 and convincing evidence and through independent analysis, 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 (f-5) of this Section.

2 ~~The difference between the cumulative persisting annual~~  
3 ~~savings goal for the applicable calendar year and the~~  
4 ~~cumulative persisting annual savings goal for the immediately~~  
5 ~~preceding calendar year is 0.8% for the period of January 1,~~  
6 ~~2018 through December 31, 2025 and 0.6% for the period of~~  
7 ~~January 1, 2026 through December 31, 2030.~~

8 (b-20) Each electric utility subject to this Section may  
9 include cost-effective voltage optimization measures in its  
10 plans submitted under subsections (f) and (g) of this Section,  
11 and the costs incurred by a utility to implement the measures  
12 under a Commission-approved plan shall be recovered under the  
13 provisions of Article IX or Section 16-108.5 of this Act. For  
14 purposes of this Section, the measure life of voltage  
15 optimization measures shall be 15 years. The measure life  
16 period is independent of the depreciation rate of the voltage  
17 optimization assets deployed. Utilities may claim savings from  
18 voltage optimization on circuits for more than 15 years if they  
19 can demonstrate that they have made additional investments  
20 necessary to enable voltage optimization savings to continue  
21 beyond 15 years. Such demonstrations must be subject to the  
22 review of independent evaluation.

23 Within 270 days after June 1, 2017 (the effective date of  
24 Public Act 99-906), an electric utility that serves less than  
25 3,000,000 retail customers but more than 500,000 retail  
26 customers in the State shall file a plan with the Commission

1 that identifies the cost-effective voltage optimization  
2 investment the electric utility plans to undertake through  
3 December 31, 2024. The Commission, after notice and hearing,  
4 shall approve or approve with modification the plan within 120  
5 days after the plan's filing and, in the order approving or  
6 approving with modification the plan, the Commission shall  
7 adjust the applicable cumulative persisting annual savings  
8 goals set forth in subsection (b-15) to reflect any amount of  
9 cost-effective energy savings approved by the Commission that  
10 is greater than or less than the following cumulative  
11 persisting annual savings values attributable to voltage  
12 optimization for the applicable year:

13 (1) 0.0% of cumulative persisting annual savings for  
14 the year ending December 31, 2018;

15 (2) 0.17% of cumulative persisting annual savings for  
16 the year ending December 31, 2019;

17 (3) 0.17% of cumulative persisting annual savings for  
18 the year ending December 31, 2020;

19 (4) 0.33% of cumulative persisting annual savings for  
20 the year ending December 31, 2021;

21 (5) 0.5% of cumulative persisting annual savings for  
22 the year ending December 31, 2022;

23 (6) 0.67% of cumulative persisting annual savings for  
24 the year ending December 31, 2023;

25 (7) 0.83% of cumulative persisting annual savings for  
26 the year ending December 31, 2024; and

1           (8) 1.0% of cumulative persisting annual savings for  
2           the year ending December 31, 2025 and all subsequent years.

3           (b-25) In the event an electric utility jointly offers an  
4           energy efficiency measure or program with a gas utility under  
5           plans approved under this Section and Section 8-104 of this  
6           Act, the electric utility may continue offering the program,  
7           including the gas energy efficiency measures, in the event the  
8           gas utility discontinues funding the program. In that event,  
9           the energy savings value associated with such other fuels shall  
10          be converted to electric energy savings on an equivalent Btu  
11          basis for the premises. However, the electric utility shall  
12          prioritize programs for low-income residential customers to  
13          the extent practicable. An electric utility may recover the  
14          costs of offering the gas energy efficiency measures under this  
15          subsection (b-25).

16          For those energy efficiency measures or programs that save  
17          both electricity and other fuels but are not jointly offered  
18          with a gas utility under plans approved under this Section and  
19          Section 8-104 or not offered with an affiliated gas utility  
20          under paragraph (6) of subsection (f) of Section 8-104 of this  
21          Act, the electric utility may count savings of fuels other than  
22          electricity toward the achievement of its annual savings goal,  
23          and the energy savings value associated with such other fuels  
24          shall be converted to electric energy savings on an equivalent  
25          Btu basis at the premises.

26          In no event shall more than 10% of each year's applicable

1 annual total savings requirement ~~incremental goal~~ as defined in  
2 paragraph (7.5) ~~(7)~~ of subsection (g) of this Section be met  
3 through savings of fuels other than electricity.

4 (b-27) Beginning in 2022, an electric utility may offer and  
5 promote measures that electrify space heating, water heating,  
6 cooling, drying, cooking, industrial processes, and other  
7 building and industrial end uses that would otherwise be served  
8 by combustion of fossil fuel at the premises, provided that the  
9 electrification measures reduce total energy consumption at  
10 the premises. The electric utility may count the reduction in  
11 energy consumption at the premises toward achievement of its  
12 annual savings goals. The reduction in energy consumption at  
13 the premises shall be calculated as the difference between: (A)  
14 the reduction in Btu consumption of fossil fuels as a result of  
15 electrification, converted to kilowatt-hour equivalents by  
16 dividing by 3,412 Btu's per kilowatt hour; and (B) the increase  
17 in kilowatt hours of electricity consumption resulting from the  
18 displacement of fossil fuel consumption as a result of  
19 electrification. An electric utility may recover the costs of  
20 offering and promoting electrification measures under this  
21 subsection (b-27).

22 In no event shall electrification savings counted toward  
23 each year's applicable annual total savings requirement, as  
24 defined in paragraph (7.5) of subsection (g) of this Section,  
25 be greater than:

26 (1) 5% per year for each year from 2022 through 2025;

1           (2) 10% per year for each year from 2026 through 2029;

2           and

3           (3) 15% per year for 2030 and all subsequent years.

4           In addition, a minimum of 25% of all electrification savings  
5           counted toward a utility's applicable annual total savings  
6           requirement must be from electrification of end uses in  
7           low-income housing. The limitations on electrification savings  
8           that may be counted toward a utility's annual savings goals are  
9           separate from and in addition to the subsection (b-25)  
10           limitations governing the counting of the other fuel savings  
11           resulting from efficiency measures and programs.

12           As part of the annual informational filing to the  
13           Commission that is required under paragraph (9) of subsection  
14           (g) of this Section, each utility shall identify the specific  
15           electrification measures offered under this subsection (b-27);  
16           the quantity of each electrification measure that was installed  
17           by its customers; the average total cost, average utility cost,  
18           average reduction in fossil fuel consumption, and average  
19           increase in electricity consumption associated with each  
20           electrification measure; the portion of installations of each  
21           electrification measure that were in low-income single-family  
22           housing, low-income multifamily housing, non-low-income  
23           single-family housing, non-low-income multifamily housing,  
24           commercial buildings, and industrial facilities; and the  
25           quantity of savings associated with each measure category in  
26           each customer category that are being counted toward the



1 utility's applicable annual total savings requirement.

2 (c) Electric utilities shall be responsible for overseeing  
3 the design, development, and filing of energy efficiency plans  
4 with the Commission and may, as part of that implementation,  
5 outsource various aspects of program development and  
6 implementation. A minimum of 10%, for electric utilities that  
7 serve more than 3,000,000 retail customers in the State, and a  
8 minimum of 7%, for electric utilities that serve less than  
9 3,000,000 retail customers but more than 500,000 retail  
10 customers in the State, of the utility's entire portfolio  
11 funding level for a given year shall be used to procure  
12 cost-effective energy efficiency measures from units of local  
13 government, municipal corporations, school districts, public  
14 housing, ~~and~~ community college districts, and buildings owned  
15 by nonprofit organizations, provided that a minimum percentage  
16 of available funds shall be used to procure energy efficiency  
17 from public housing, which percentage shall be equal to public  
18 housing's share of public building energy consumption.

19 The utilities shall also implement energy efficiency  
20 measures targeted at low-income households, which, for  
21 purposes of this Section, shall be defined as households at or  
22 below 80% of area median income, and expenditures to implement  
23 the measures shall be no less than \$40,000,000 ~~\$25,000,000~~ per  
24 year for electric utilities that serve more than 3,000,000  
25 retail customers in the State and no less than \$13,000,000  
26 ~~\$8,350,000~~ per year for electric utilities that serve less than

1 3,000,000 retail customers but more than 500,000 retail  
2 customers in the State. The ratio of spending on efficiency  
3 programs targeted at low-income multifamily buildings to  
4 spending on efficiency programs targeted at low-income  
5 single-family buildings shall be designed to achieve levels of  
6 savings from each building type that are approximately  
7 proportional to the magnitude of cost-effective lifetime  
8 savings potential in each building type.

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

25 The utilities shall also implement a health and safety fund  
26 of a minimum of 0.5% of the total portfolio budget, for

1 electric utilities that serve more than 3,000,000 retail  
2 customers in the State, and a minimum of 0.5% of the total  
3 portfolio budget, for electric utilities that serve less than  
4 3,000,000 retail customers but more than 500,000 retail  
5 customers in the State, of the utility's entire portfolio  
6 funding level for a given year, that shall be used for the  
7 purpose of making grants for technical assistance,  
8 construction, reconstruction, improvement, or repair of  
9 buildings to facilitate their participation in the energy  
10 efficiency programs targeted at low-income single-family and  
11 multifamily households. These funds may also be used for the  
12 purpose of making grants for technical assistance,  
13 construction, reconstruction, improvement, or repair of the  
14 following buildings to facilitate their participation in the  
15 energy efficiency programs created by this Section: (1)  
16 buildings that are owned or operated by registered 501(c)(3)  
17 public charities; and (2) day care centers, day care homes, or  
18 group day care homes, as defined under 89 Ill. Adm. Code Part  
19 406, 407, or 408, respectively. Utilities shall also ensure  
20 that thermal insulating materials used for energy efficiency  
21 programs targeted at low-income single-family and multifamily  
22 households do not contain any substance that is a Category 1  
23 respiratory sensitizer as defined by Appendix A to 29 CFR  
24 1910.1200 (Health Hazard Criteria: A.4 Respiratory or Skin  
25 Sensitization) that was intentionally added or is present at  
26 greater than 0.1% (1000 ppm) by weight in the product.

1        Each electric utility shall assess opportunities to  
2        implement cost-effective energy efficiency measures and  
3        programs through a public housing authority or authorities  
4        located in its service territory. If such opportunities are  
5        identified, the utility shall propose such measures and  
6        programs to address the opportunities. Expenditures to address  
7        such opportunities shall be credited toward the minimum  
8        procurement and expenditure requirements set forth in this  
9        subsection (c).

10       Implementation of energy efficiency measures and programs  
11       targeted at low-income households should be contracted, when it  
12       is practicable, to independent third parties that have  
13       demonstrated capabilities to serve such households, with a  
14       preference for not-for-profit entities and government agencies  
15       that have existing relationships with or experience serving  
16       low-income communities in the State.

17       Each electric utility shall develop and implement  
18       reporting procedures that address and assist in determining the  
19       amount of energy savings that can be applied to the low-income  
20       procurement and expenditure requirements set forth in this  
21       subsection (c). Each electric utility shall also track the  
22       types and quantities or volumes of insulation and air sealing  
23       materials, and their associated energy saving benefits,  
24       installed in energy efficiency programs targeted at low-income  
25       single-family and multifamily households.

26       The electric utilities shall participate in ~~also convene~~ a

1 low-income energy efficiency accountability advisory committee  
2 ("the committee"), which will directly inform ~~to assist in~~ the  
3 design, implementation, and evaluation of the low-income and  
4 public-housing energy efficiency programs. The committee shall  
5 be comprised of the electric utilities subject to the  
6 requirements of this Section, the gas utilities subject to the  
7 requirements of Section 8-104.1 ~~8-104~~ of this Act, the  
8 utilities' low-income energy efficiency implementation  
9 contractors, nonprofit organizations, community action  
10 agencies, advocacy groups, State and local governmental  
11 agencies, public-housing organizations, and representatives of  
12 community-based organizations, especially those living in or  
13 working with environmental justice communities and BIPOC  
14 communities. The committee shall be composed of 2  
15 geographically differentiated subcommittees: one for  
16 stakeholders in northern Illinois and one for stakeholders in  
17 central and southern Illinois. The subcommittees shall meet  
18 together at least twice per year.

19 There shall be one statewide leadership committee led by  
20 and composed of community-based organizations that are  
21 representative of BIPOC and environmental justice communities  
22 and that includes equitable representation from BIPOC  
23 communities. The leadership committee shall be composed of an  
24 equal number of representatives from the 2 subcommittees. The  
25 subcommittees shall address specific programs and issues, with  
26 the leadership committee convening targeted workgroups as

1 needed. The leadership committee may elect to work with an  
2 independent facilitator to solicit and organize feedback,  
3 recommendations and meeting participation from a wide variety  
4 of community-based stakeholders. If a facilitator is used, they  
5 shall be fair and responsive to the needs of all stakeholders  
6 involved in the committee.

7 All committee meetings must be accessible, with rotating  
8 locations if meetings are held in-person, virtual  
9 participation options, and materials and agendas circulated  
10 well in advance.

11 There shall also be opportunities for direct input by  
12 committee members outside of committee meetings, such as via  
13 individual meetings, surveys, emails and calls, to ensure  
14 robust participation by stakeholders with limited capacity and  
15 ability to attend committee meetings. Committee meetings shall  
16 emphasize opportunities to bundle and coordinate delivery of  
17 low-income energy efficiency with other programs that serve  
18 low-income communities, such as Solar for All and bill payment  
19 assistance programs. Meetings shall include educational  
20 opportunities for stakeholders to learn more about these  
21 additional offerings, and the committee shall assist in  
22 figuring out the best methods for coordinated delivery and  
23 implementation of offerings when serving low-income  
24 communities. The committee shall directly and equitably  
25 influence and inform utility low-income and public-housing  
26 energy efficiency programs and priorities. Participating

1 utilities shall implement recommendations from the committee  
2 whenever possible.

3 Participating utilities shall track and report how input  
4 from the committee has led to new approaches and changes in  
5 their energy efficiency portfolios. This reporting shall occur  
6 at committee meetings and in quarterly energy efficiency  
7 reports to the Stakeholder Advisory Group and Illinois Commerce  
8 Commission, and other relevant reporting mechanisms.  
9 Participating utilities shall also report on relevant equity  
10 data and metrics requested by the committee, such as energy  
11 burden data, geographic, racial, and other relevant  
12 demographic data on where programs are being delivered and what  
13 populations programs are serving.

14 The Illinois Commerce Commission shall oversee and have  
15 relevant staff participate in the committee. The committee  
16 shall have a budget of 0.25% of each utility's entire  
17 efficiency portfolio funding for a given year. The budget shall  
18 be overseen by the Commission. The budget shall be used to  
19 provide grants for community-based organizations serving on  
20 the leadership committee, stipends for community-based  
21 organizations participating in the committee, grants for  
22 community-based organizations to do energy efficiency outreach  
23 and education, and relevant meeting needs as determined by the  
24 leadership committee. The education and outreach shall  
25 include, but is not limited to, basic energy efficiency  
26 education, information about low-income energy efficiency

1 programs, and information on the committee's purpose,  
2 structure, and activities.

3 (d) Notwithstanding any other provision of law to the  
4 contrary, a utility providing approved energy efficiency  
5 measures and, if applicable, demand-response measures in the  
6 State shall be permitted to recover all reasonable and  
7 prudently incurred costs of those measures from all retail  
8 customers, except as provided in subsection (1) of this  
9 Section, as follows, provided that nothing in this subsection

10 (d) permits the double recovery of such costs from customers:

11 (1) The utility may recover its costs through an  
12 automatic adjustment clause tariff filed with and approved  
13 by the Commission. The tariff shall be established outside  
14 the context of a general rate case. Each year the  
15 Commission shall initiate a review to reconcile any amounts  
16 collected with the actual costs and to determine the  
17 required adjustment to the annual tariff factor to match  
18 annual expenditures. To enable the financing of the  
19 incremental capital expenditures, including regulatory  
20 assets, for electric utilities that serve less than  
21 3,000,000 retail customers but more than 500,000 retail  
22 customers in the State, the utility's actual year-end  
23 capital structure that includes a common equity ratio,  
24 excluding goodwill, of up to and including 50% of the total  
25 capital structure shall be deemed reasonable and used to  
26 set rates.



1           (2) A utility may recover its costs through an energy  
2 efficiency formula rate approved by the Commission under a  
3 filing under subsections (f) and (g) of this Section, which  
4 shall specify the cost components that form the basis of  
5 the rate charged to customers with sufficient specificity  
6 to operate in a standardized manner and be updated annually  
7 with transparent information that reflects the utility's  
8 actual costs to be recovered during the applicable rate  
9 year, which is the period beginning with the first billing  
10 day of January and extending through the last billing day  
11 of the following December. The energy efficiency formula  
12 rate shall be implemented through a tariff filed with the  
13 Commission under subsections (f) and (g) of this Section  
14 that is consistent with the provisions of this paragraph  
15 (2) and that shall be applicable to all delivery services  
16 customers. The Commission shall conduct an investigation  
17 of the tariff in a manner consistent with the provisions of  
18 this paragraph (2), subsections (f) and (g) of this  
19 Section, and the provisions of Article IX of this Act to  
20 the extent they do not conflict with this paragraph (2).  
21 The energy efficiency formula rate approved by the  
22 Commission shall remain in effect at the discretion of the  
23 utility and shall do the following:

24           (A) Provide for the recovery of the utility's  
25 actual costs incurred under this Section that are  
26 prudently incurred and reasonable in amount consistent

1 with Commission practice and law. The sole fact that a  
2 cost differs from that incurred in a prior calendar  
3 year or that an investment is different from that made  
4 in a prior calendar year shall not imply the imprudence  
5 or unreasonableness of that cost or investment.

6 (B) Reflect the utility's actual year-end capital  
7 structure for the applicable calendar year, excluding  
8 goodwill, subject to a determination of prudence and  
9 reasonableness consistent with Commission practice and  
10 law. To enable the financing of the incremental capital  
11 expenditures, including regulatory assets, for  
12 electric utilities that serve less than 3,000,000  
13 retail customers but more than 500,000 retail  
14 customers in the State, a participating electric  
15 utility's actual year-end capital structure that  
16 includes a common equity ratio, excluding goodwill, of  
17 up to and including 50% of the total capital structure  
18 shall be deemed reasonable and used to set rates.

19 (C) Include a cost of equity, which shall be  
20 calculated as the sum of the following:

21 (i) the average for the applicable calendar  
22 year of the monthly average yields of 30-year U.S.  
23 Treasury bonds published by the Board of Governors  
24 of the Federal Reserve System in its weekly H.15  
25 Statistical Release or successor publication; and

26 (ii) 580 basis points.

1           At such time as the Board of Governors of the  
2           Federal Reserve System ceases to include the monthly  
3           average yields of 30-year U.S. Treasury bonds in its  
4           weekly H.15 Statistical Release or successor  
5           publication, the monthly average yields of the U.S.  
6           Treasury bonds then having the longest duration  
7           published by the Board of Governors in its weekly H.15  
8           Statistical Release or successor publication shall  
9           instead be used for purposes of this paragraph (2).

10           (D) Permit and set forth protocols, subject to a  
11           determination of prudence and reasonableness  
12           consistent with Commission practice and law, for the  
13           following:

14                   (i) recovery of incentive compensation expense  
15                   that is based on the achievement of operational  
16                   metrics, including metrics related to budget  
17                   controls, outage duration and frequency, safety,  
18                   customer service, efficiency and productivity, and  
19                   environmental compliance; however, this protocol  
20                   shall not apply if such expense related to costs  
21                   incurred under this Section is recovered under  
22                   Article IX or Section 16-108.5 of this Act;  
23                   incentive compensation expense that is based on  
24                   net income or an affiliate's earnings per share  
25                   shall not be recoverable under the energy  
26                   efficiency formula rate;

1           (ii) recovery of pension and other  
2 post-employment benefits expense, provided that  
3 such costs are supported by an actuarial study;  
4 however, this protocol shall not apply if such  
5 expense related to costs incurred under this  
6 Section is recovered under Article IX or Section  
7 16-108.5 of this Act;

8           (iii) recovery of existing regulatory assets  
9 over the periods previously authorized by the  
10 Commission;

11           (iv) as described in subsection (e),  
12 amortization of costs incurred under this Section;  
13 and

14           (v) projected, weather normalized billing  
15 determinants for the applicable rate year.

16           (E) Provide for an annual reconciliation, as  
17 described in paragraph (3) of this subsection (d), less  
18 any deferred taxes related to the reconciliation, with  
19 interest at an annual rate of return equal to the  
20 utility's weighted average cost of capital, including  
21 a revenue conversion factor calculated to recover or  
22 refund all additional income taxes that may be payable  
23 or receivable as a result of that return, of the energy  
24 efficiency revenue requirement reflected in rates for  
25 each calendar year, beginning with the calendar year in  
26 which the utility files its energy efficiency formula

1 rate tariff under this paragraph (2), with what the  
2 revenue requirement would have been had the actual cost  
3 information for the applicable calendar year been  
4 available at the filing date.

5 The utility shall file, together with its tariff, the  
6 projected costs to be incurred by the utility during the  
7 rate year under the utility's multi-year plan approved  
8 under subsections (f) and (g) of this Section, including,  
9 but not limited to, the projected capital investment costs  
10 and projected regulatory asset balances with  
11 correspondingly updated depreciation and amortization  
12 reserves and expense, that shall populate the energy  
13 efficiency formula rate and set the initial rates under the  
14 formula.

15 The Commission shall review the proposed tariff in  
16 conjunction with its review of a proposed multi-year plan,  
17 as specified in paragraph (5) of subsection (g) of this  
18 Section. The review shall be based on the same evidentiary  
19 standards, including, but not limited to, those concerning  
20 the prudence and reasonableness of the costs incurred by  
21 the utility, the Commission applies in a hearing to review  
22 a filing for a general increase in rates under Article IX  
23 of this Act. The initial rates shall take effect beginning  
24 with the January monthly billing period following the  
25 Commission's approval.

26 The tariff's rate design and cost allocation across

1 customer classes shall be consistent with the utility's  
2 automatic adjustment clause tariff in effect on June 1,  
3 2017 (the effective date of Public Act 99-906); however,  
4 the Commission may revise the tariff's rate design and cost  
5 allocation in subsequent proceedings under paragraph (3)  
6 of this subsection (d).

7 If the energy efficiency formula rate is terminated,  
8 the then current rates shall remain in effect until such  
9 time as the energy efficiency costs are incorporated into  
10 new rates that are set under this subsection (d) or Article  
11 IX of this Act, subject to retroactive rate adjustment,  
12 with interest, to reconcile rates charged with actual  
13 costs.

14 (3) The provisions of this paragraph (3) shall only  
15 apply to an electric utility that has elected to file an  
16 energy efficiency formula rate under paragraph (2) of this  
17 subsection (d). Subsequent to the Commission's issuance of  
18 an order approving the utility's energy efficiency formula  
19 rate structure and protocols, and initial rates under  
20 paragraph (2) of this subsection (d), the utility shall  
21 file, on or before June 1 of each year, with the Chief  
22 Clerk of the Commission its updated cost inputs to the  
23 energy efficiency formula rate for the applicable rate year  
24 and the corresponding new charges, as well as the  
25 information described in paragraph (9) of subsection (g) of  
26 this Section. Each such filing shall conform to the

1 following requirements and include the following  
2 information:

3 (A) The inputs to the energy efficiency formula  
4 rate for the applicable rate year shall be based on the  
5 projected costs to be incurred by the utility during  
6 the rate year under the utility's multi-year plan  
7 approved under subsections (f) and (g) of this Section,  
8 including, but not limited to, projected capital  
9 investment costs and projected regulatory asset  
10 balances with correspondingly updated depreciation and  
11 amortization reserves and expense. The filing shall  
12 also include a reconciliation of the energy efficiency  
13 revenue requirement that was in effect for the prior  
14 rate year (as set by the cost inputs for the prior rate  
15 year) with the actual revenue requirement for the prior  
16 rate year (determined using a year-end rate base) that  
17 uses amounts reflected in the applicable FERC Form 1  
18 that reports the actual costs for the prior rate year.  
19 Any over-collection or under-collection indicated by  
20 such reconciliation shall be reflected as a credit  
21 against, or recovered as an additional charge to,  
22 respectively, with interest calculated at a rate equal  
23 to the utility's weighted average cost of capital  
24 approved by the Commission for the prior rate year, the  
25 charges for the applicable rate year. Such  
26 over-collection or under-collection shall be adjusted

1 to remove any deferred taxes related to the  
2 reconciliation, for purposes of calculating interest  
3 at an annual rate of return equal to the utility's  
4 weighted average cost of capital approved by the  
5 Commission for the prior rate year, including a revenue  
6 conversion factor calculated to recover or refund all  
7 additional income taxes that may be payable or  
8 receivable as a result of that return. Each  
9 reconciliation shall be certified by the participating  
10 utility in the same manner that FERC Form 1 is  
11 certified. The filing shall also include the charge or  
12 credit, if any, resulting from the calculation  
13 required by subparagraph (E) of paragraph (2) of this  
14 subsection (d).

15 Notwithstanding any other provision of law to the  
16 contrary, the intent of the reconciliation is to  
17 ultimately reconcile both the revenue requirement  
18 reflected in rates for each calendar year, beginning  
19 with the calendar year in which the utility files its  
20 energy efficiency formula rate tariff under paragraph  
21 (2) of this subsection (d), with what the revenue  
22 requirement determined using a year-end rate base for  
23 the applicable calendar year would have been had the  
24 actual cost information for the applicable calendar  
25 year been available at the filing date.

26 For purposes of this Section, "FERC Form 1" means



1           the Annual Report of Major Electric Utilities,  
2           Licensees and Others that electric utilities are  
3           required to file with the Federal Energy Regulatory  
4           Commission under the Federal Power Act, Sections 3,  
5           4(a), 304 and 209, modified as necessary to be  
6           consistent with 83 Ill. Admin. Code Part 415 as of May  
7           1, 2011. Nothing in this Section is intended to allow  
8           costs that are not otherwise recoverable to be  
9           recoverable by virtue of inclusion in FERC Form 1.

10           (B) The new charges shall take effect beginning on  
11           the first billing day of the following January billing  
12           period and remain in effect through the last billing  
13           day of the next December billing period regardless of  
14           whether the Commission enters upon a hearing under this  
15           paragraph (3).

16           (C) The filing shall include relevant and  
17           necessary data and documentation for the applicable  
18           rate year. Normalization adjustments shall not be  
19           required.

20           Within 45 days after the utility files its annual  
21           update of cost inputs to the energy efficiency formula  
22           rate, the Commission shall with reasonable notice,  
23           initiate a proceeding concerning whether the projected  
24           costs to be incurred by the utility and recovered during  
25           the applicable rate year, and that are reflected in the  
26           inputs to the energy efficiency formula rate, are

1 consistent with the utility's approved multi-year plan  
2 under subsections (f) and (g) of this Section and whether  
3 the costs incurred by the utility during the prior rate  
4 year were prudent and reasonable. The Commission shall also  
5 have the authority to investigate the information and data  
6 described in paragraph (9) of subsection (g) of this  
7 Section, including the proposed adjustment to the  
8 utility's return on equity component of its weighted  
9 average cost of capital. During the course of the  
10 proceeding, each objection shall be stated with  
11 particularity and evidence provided in support thereof,  
12 after which the utility shall have the opportunity to rebut  
13 the evidence. Discovery shall be allowed consistent with  
14 the Commission's Rules of Practice, which Rules of Practice  
15 shall be enforced by the Commission or the assigned  
16 administrative law judge. The Commission shall apply the  
17 same evidentiary standards, including, but not limited to,  
18 those concerning the prudence and reasonableness of the  
19 costs incurred by the utility, during the proceeding as it  
20 would apply in a proceeding to review a filing for a  
21 general increase in rates under Article IX of this Act. The  
22 Commission shall not, however, have the authority in a  
23 proceeding under this paragraph (3) to consider or order  
24 any changes to the structure or protocols of the energy  
25 efficiency formula rate approved under paragraph (2) of  
26 this subsection (d). In a proceeding under this paragraph

1 (3), the Commission shall enter its order no later than the  
2 earlier of 195 days after the utility's filing of its  
3 annual update of cost inputs to the energy efficiency  
4 formula rate or December 15. The utility's proposed return  
5 on equity calculation, as described in paragraphs (7)  
6 through (9) of subsection (g) of this Section, shall be  
7 deemed the final, approved calculation on December 15 of  
8 the year in which it is filed unless the Commission enters  
9 an order on or before December 15, after notice and  
10 hearing, that modifies such calculation consistent with  
11 this Section. The Commission's determinations of the  
12 prudence and reasonableness of the costs incurred, and  
13 determination of such return on equity calculation, for the  
14 applicable calendar year shall be final upon entry of the  
15 Commission's order and shall not be subject to reopening,  
16 reexamination, or collateral attack in any other  
17 Commission proceeding, case, docket, order, rule, or  
18 regulation; however, nothing in this paragraph (3) shall  
19 prohibit a party from petitioning the Commission to rehear  
20 or appeal to the courts the order under the provisions of  
21 this Act.

22 (e) Beginning on June 1, 2017 (the effective date of Public  
23 Act 99-906), a utility subject to the requirements of this  
24 Section may elect to defer, as a regulatory asset, up to the  
25 full amount of its expenditures incurred under this Section for  
26 each annual period, including, but not limited to, any

1 expenditures incurred above the funding level set by subsection  
2 (f) of this Section for a given year. The total expenditures  
3 deferred as a regulatory asset in a given year shall be  
4 amortized and recovered over a period that is equal to the  
5 weighted average of the energy efficiency measure lives  
6 implemented for that year that are reflected in the regulatory  
7 asset. The unamortized balance shall be recognized as of  
8 December 31 for a given year. The utility shall also earn a  
9 return on the total of the unamortized balances of all of the  
10 energy efficiency regulatory assets, less any deferred taxes  
11 related to those unamortized balances, at an annual rate equal  
12 to the utility's weighted average cost of capital that  
13 includes, based on a year-end capital structure, the utility's  
14 actual cost of debt for the applicable calendar year and a cost  
15 of equity, which shall be calculated as the sum of the (i) the  
16 average for the applicable calendar year of the monthly average  
17 yields of 30-year U.S. Treasury bonds published by the Board of  
18 Governors of the Federal Reserve System in its weekly H.15  
19 Statistical Release or successor publication; and (ii) 580  
20 basis points, including a revenue conversion factor calculated  
21 to recover or refund all additional income taxes that may be  
22 payable or receivable as a result of that return. Capital  
23 investment costs shall be depreciated and recovered over their  
24 useful lives consistent with generally accepted accounting  
25 principles. The weighted average cost of capital shall be  
26 applied to the capital investment cost balance, less any

1 accumulated depreciation and accumulated deferred income  
2 taxes, as of December 31 for a given year.

3 When an electric utility creates a regulatory asset under  
4 the provisions of this Section, the costs are recovered over a  
5 period during which customers also receive a benefit which is  
6 in the public interest. Accordingly, it is the intent of the  
7 General Assembly that an electric utility that elects to create  
8 a regulatory asset under the provisions of this Section shall  
9 recover all of the associated costs as set forth in this  
10 Section. After the Commission has approved the prudence and  
11 reasonableness of the costs that comprise the regulatory asset,  
12 the electric utility shall be permitted to recover all such  
13 costs, and the value and recoverability through rates of the  
14 associated regulatory asset shall not be limited, altered,  
15 impaired, or reduced.

16 (f) Beginning in 2017, each electric utility shall file an  
17 energy efficiency plan with the Commission to meet the energy  
18 efficiency standards for the next applicable multi-year period  
19 beginning January 1 of the year following the filing, according  
20 to the schedule set forth in paragraphs (1) through (3) of this  
21 subsection (f). If a utility does not file such a plan on or  
22 before the applicable filing deadline for the plan, it shall  
23 face a penalty of \$100,000 per day until the plan is filed.

24 (1) No later than 30 days after June 1, 2017 (the  
25 effective date of Public Act 99-906), each electric utility  
26 shall file a 4-year energy efficiency plan commencing on

1 January 1, 2018 that is designed to achieve the cumulative  
2 persisting annual savings goals specified in paragraphs  
3 (1) through (4) of subsection (b-5) of this Section or in  
4 paragraphs (1) through (4) of subsection (b-15) of this  
5 Section, as applicable, through implementation of energy  
6 efficiency measures; however, the goals may be reduced if  
7 the utility's expenditures are limited pursuant to  
8 subsection (m) of this Section or, for a utility that  
9 serves less than 3,000,000 retail customers, if each of the  
10 following conditions are met: (A) the plan's analysis and  
11 forecasts of the utility's ability to acquire energy  
12 savings demonstrate that achievement of such goals is not  
13 cost effective; and (B) the amount of energy savings  
14 achieved by the utility as determined by the independent  
15 evaluator for the most recent year for which savings have  
16 been evaluated preceding the plan filing was less than the  
17 average annual amount of savings required to achieve the  
18 goals for the applicable 4-year plan period. Except as  
19 provided in subsection (m) of this Section, annual  
20 increases in cumulative persisting annual savings goals  
21 during the applicable 4-year plan period shall not be  
22 reduced to amounts that are less than the maximum amount of  
23 cumulative persisting annual savings that is forecast to be  
24 cost-effectively achievable during the 4-year plan period.  
25 The Commission shall review any proposed goal reduction as  
26 part of its review and approval of the utility's proposed

1 plan.

2 (2) No later than March 1, 2021, each electric utility  
3 shall file a 4-year energy efficiency plan commencing on  
4 January 1, 2022 that is designed to achieve the cumulative  
5 persisting annual savings goals specified in paragraphs  
6 (5) through (8) of subsection (b-5) of this Section or in  
7 paragraphs (5) through (8) of subsection (b-15) of this  
8 Section, as applicable, through implementation of energy  
9 efficiency measures; however, the goals may be reduced if  
10 either (1) clear and convincing evidence demonstrates,  
11 through independent analysis, that the expenditure limits  
12 in subsection (m) of this Section preclude full achievement  
13 of the goals or (2) the utility's expenditures are limited  
14 pursuant to subsection (m) of this Section or, each of the  
15 following conditions are met: (A) the plan's analysis and  
16 forecasts of the utility's ability to acquire energy  
17 savings demonstrate by clear and convincing evidence and  
18 through independent analysis that achievement of such  
19 goals is not cost effective; and (B) the amount of energy  
20 savings achieved by the utility as determined by the  
21 independent evaluator for the most recent year for which  
22 savings have been evaluated preceding the plan filing was  
23 less than the average annual amount of savings required to  
24 achieve the goals for the applicable 4-year plan period. If  
25 there is any significant uncertainty regarding whether  
26 achieving the savings goals specified in paragraph (b-5) or

1       (b-15) of this Section is possible both cost-effectively  
2       and within the expenditure limits in subsection (m), such  
3       savings goals shall not be reduced. Except as provided in  
4       subsection (m) of this Section, annual increases in  
5       cumulative persisting annual savings goals during the  
6       applicable 4-year plan period shall not be reduced to  
7       amounts that are less than the maximum amount of cumulative  
8       persisting annual savings that is forecast to be  
9       cost-effectively achievable during the 4-year plan period.  
10      The Commission shall review any proposed goal reduction as  
11      part of its review and approval of the utility's proposed  
12      plan, taking into account the results of the potential  
13      study required by subsection (f-5) 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 either (1) clear and convincing  
23      evidence demonstrates, through independent analysis, that  
24      the expenditure limits in subsection (m) of this Section  
25      preclude full achievement of the goals or (2) the utility's  
26      ~~expenditures are limited pursuant to subsection (m) of this~~



~~Section or,~~ each of the following conditions are met: (A) the plan's analysis and forecasts of the utility's ability to acquire energy savings demonstrate by clear and convincing evidence and through independent analysis that achievement of such goals is not cost effective; and (B) the amount of energy savings achieved by the utility as determined by the independent evaluator for the most recent year for which savings have been evaluated preceding the plan filing was less than the average annual amount of savings required to achieve the goals for the applicable 4-year 5-year plan period. If there is any significant uncertainty regarding whether achieving the savings goals specified in paragraphs (b-5) or (b-15) of this Section is possible both cost-effectively and within the expenditure limits in subsection (m), such savings goals shall not be reduced. Except as provided in subsection (m) of this Section, annual increases in cumulative persisting annual savings goals during the applicable 4-year 5-year plan period shall not be reduced to amounts that are less than the maximum amount of cumulative persisting annual savings that is forecast to be cost-effectively achievable during the 4-year 5-year plan period. The Commission shall review any proposed goal reduction as part of its review and approval of the utility's proposed plan, taking into account the results of the potential study required by subsection (f-5) of this Section.

1           (4) No later than March 1, 2029, and every 4 years  
2           thereafter, each electric utility shall file a 4-year  
3           energy efficiency plan commencing on January 1, 2030, and  
4           every 4 years thereafter, respectively, that is designed to  
5           achieve the cumulative persisting annual savings goals  
6           established by the Illinois Commerce Commission pursuant  
7           to direction of subsections (b-5) and (b-15) of this  
8           Section, as applicable, through implementation of energy  
9           efficiency measures; however, the goals may be reduced if  
10           either (1) clear and convincing evidence and independent  
11           analysis demonstrates that the expenditure limits in  
12           subsection (m) of this Section preclude full achievement of  
13           the goals or (2) each of the following conditions are met:  
14           (A) the plan's analysis and forecasts of the utility's  
15           ability to acquire energy savings demonstrate by clear and  
16           convincing evidence and through independent analysis that  
17           achievement of such goals is not cost-effective; and (B)  
18           the amount of energy savings achieved by the utility as  
19           determined by the independent evaluator for the most recent  
20           year for which savings have been evaluated preceding the  
21           plan filing was less than the average annual amount of  
22           savings required to achieve the goals for the applicable  
23           4-year plan period. If there is any significant uncertainty  
24           regarding whether achieving the savings goals specified in  
25           paragraphs (b-5) or (b-15) of this Section is possible both  
26           cost-effectively and within the expenditure limits in

1        subsection (m), such savings goals shall not be reduced.  
2        Except as provided in subsection (m) of this Section,  
3        annual increases in cumulative persisting annual savings  
4        goals during the applicable 4-year plan period shall not be  
5        reduced to amounts that are less than the maximum amount of  
6        cumulative persisting annual savings that is forecast to be  
7        cost-effectively achievable during the 4-year plan period.  
8        The Commission shall review any proposed goal reduction as  
9        part of its review and approval of the utility's proposed  
10       plan.

11       Each utility's plan shall set forth the utility's proposals  
12       to meet the energy efficiency standards identified in  
13       subsection (b-5) or (b-15), as applicable and as such standards  
14       may have been modified under this subsection (f), taking into  
15       account the unique circumstances of the utility's service  
16       territory and results of an energy efficiency potential study  
17       as described in subsection (f-5) of this Section. For those  
18       plans commencing on January 1, 2018, the Commission shall seek  
19       public comment on the utility's plan and shall issue an order  
20       approving or disapproving each plan no later than 105 days  
21       after June 1, 2017 (the effective date of Public Act 99-906).  
22       For those plans commencing after December 31, 2021, the  
23       Commission shall seek public comment on the utility's plan and  
24       shall issue an order approving or disapproving each plan within  
25       6 months after its submission. If the Commission disapproves a  
26       plan, the Commission shall, within 30 days, describe in detail

1 the reasons for the disapproval and describe a path by which  
2 the utility may file a revised draft of the plan to address the  
3 Commission's concerns satisfactorily. If the utility does not  
4 refile with the Commission within 60 days, the utility shall be  
5 subject to penalties at a rate of \$100,000 per day until the  
6 plan is filed. This process shall continue, and penalties shall  
7 accrue, until the utility has successfully filed a portfolio of  
8 energy efficiency and demand-response measures. Penalties  
9 shall be deposited into the Energy Efficiency Trust Fund.

10 (f-5) Energy efficiency potential study. An energy  
11 efficiency potential study shall be commissioned and overseen  
12 by the Illinois Commerce Commission. The potential study shall  
13 be a dual fuel study, addressing both gas and electric  
14 efficiency potential, such that the requirements both in this  
15 subsection (f-5) and in subsection (j-5) of Section 8-104.1 are  
16 met in an integrated and cost-efficient manner. The potential  
17 study shall be reviewed as part of the approval of a utility's  
18 plan filed pursuant to subsection (f) of this Section. The  
19 potential study shall be designed and conducted with input from  
20 a Potential Study Stakeholder Committee established by the  
21 Commission. This Committee shall be composed of  
22 representatives from each electric utility, the Illinois  
23 Attorney General's office, at least 2 environmental  
24 stakeholders, at least one community-based organization, and  
25 additional parties representing consumers. The Committee shall  
26 provide input, at a minimum, into the scope of work for the

1 studies, the selection of vendors to perform the studies in  
2 accordance with appropriate confidentiality and conflict of  
3 interest provisions, and draft work products. The Committee  
4 shall make best efforts to achieve consensus on the key  
5 elements of the potential study, including:

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

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

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

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

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

18 (g) In submitting proposed plans and funding levels under  
19 subsection (f) of this Section to meet the savings goals  
20 identified in subsection (b-5) or (b-15) of this Section, as  
21 applicable, the utility shall:

22 (1) Demonstrate that its proposed energy efficiency  
23 measures will achieve the applicable requirements that are  
24 identified in subsection (b-5) or (b-15) of this Section,  
25 as modified by subsection (f) of this Section.

26 (2) (Blank). ~~Present specific proposals to implement~~

1 ~~new building and appliance standards that have been placed~~  
2 ~~into effect.~~

3 (2.5) Demonstrate consideration of program options for  
4 (A) advancing new building codes, appliance standards, and  
5 municipal regulations governing existing and new building  
6 efficiency improvements and (B) supporting efforts to  
7 improve compliance with new building codes, appliance  
8 standards and municipal regulations, as potentially  
9 cost-effective means of acquiring energy savings to count  
10 toward savings goals.

11 (3) Demonstrate that its overall portfolio of  
12 measures, not including low-income programs described in  
13 subsection (c) of this Section, is cost-effective using the  
14 total resource cost test or complies with paragraphs (1)  
15 through (3) of subsection (f) of this Section and  
16 represents a diverse cross-section of opportunities for  
17 customers of all rate classes, other than those customers  
18 described in subsection (1) of this Section, to participate  
19 in the programs. Individual measures need not be cost  
20 effective.

21 (3.5) Demonstrate that the utility's plan integrates  
22 the delivery of energy efficiency programs with natural gas  
23 efficiency programs, programs promoting distributed solar,  
24 programs promoting demand response and other efforts to  
25 address bill payment issues, including, but not limited to,  
26 LIHEAP and the Percentage of Income Payment Plan, to the

1 extent such integration is practical and has the potential  
2 to enhance customer engagement, minimize market confusion,  
3 or reduce administrative costs.

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

7 (A) beginning with the year commencing January 1,  
8 2019, electric utilities that serve more than  
9 3,000,000 retail customers in the State shall fund  
10 third-party energy efficiency programs in an amount  
11 that is no less than \$25,000,000 per year, and electric  
12 utilities that serve less than 3,000,000 retail  
13 customers but more than 500,000 retail customers in the  
14 State shall fund third-party energy efficiency  
15 programs in an amount that is no less than \$8,350,000  
16 per year;

17 (B) during 2018, the utility shall conduct a  
18 solicitation process for purposes of requesting  
19 proposals from third-party vendors for those  
20 third-party energy efficiency programs to be offered  
21 during one or more of the years commencing January 1,  
22 2019, January 1, 2020, and January 1, 2021; for those  
23 multi-year plans commencing on January 1, 2022 and  
24 January 1, 2026, the utility shall conduct a  
25 solicitation process during 2021 and 2025,  
26 respectively, for purposes of requesting proposals

1 from third-party vendors for those third-party energy  
2 efficiency programs to be offered during one or more  
3 years of the respective multi-year plan period; for  
4 each solicitation process, the utility shall identify  
5 the sector, technology, or geographical area for which  
6 it is seeking requests for proposals; the solicitation  
7 process must be either for programs that fill gaps in  
8 the utility's program portfolio or for programs that  
9 target business sectors, building types, geographies,  
10 or other specific parts of its customer base with  
11 initiatives that would be more effective at reaching  
12 these customer segments than the utilities' programs  
13 filed in its energy efficiency plans;

14 (C) the utility shall propose the bidder  
15 qualifications, performance measurement process, and  
16 contract structure, which must include a performance  
17 payment mechanism and general terms and conditions;  
18 the proposed qualifications, process, and structure  
19 shall be subject to Commission approval; and

20 (D) the utility shall retain an independent third  
21 party to score the proposals received through the  
22 solicitation process described in this paragraph (4),  
23 rank them according to their cost per lifetime  
24 kilowatt-hours saved, and assemble the portfolio of  
25 third-party programs.

26 The electric utility shall recover all costs



1 associated with Commission-approved, third-party  
2 administered programs regardless of the success of those  
3 programs.

4 (4.5) Implement cost-effective demand-response  
5 measures to reduce peak demand by 0.1% over the prior year  
6 for eligible retail customers, as defined in Section  
7 16-111.5 of this Act, and for customers that elect hourly  
8 service from the utility pursuant to Section 16-107 of this  
9 Act, provided those customers have not been declared  
10 competitive. This requirement continues until December 31,  
11 2026.

12 (5) Include a proposed or revised cost-recovery tariff  
13 mechanism, as provided for under subsection (d) of this  
14 Section, to fund the proposed energy efficiency and  
15 demand-response measures and to ensure the recovery of the  
16 prudently and reasonably incurred costs of  
17 Commission-approved programs.

18 (6) Provide for an annual independent evaluation of the  
19 performance of the cost-effectiveness of the utility's  
20 portfolio of measures, as well as a full review of the  
21 multi-year plan results of the broader net program impacts  
22 and, to the extent practical, for adjustment of the  
23 measures on a going-forward basis as a result of the  
24 evaluations. The resources dedicated to evaluation shall  
25 not exceed 3% of portfolio resources in any given year.

26 (7) For electric utilities that serve more than

1           3,000,000 retail customers in the State:

2           (A) Through December 31, 2025, provide for an  
3           adjustment to the return on equity component of the  
4           utility's weighted average cost of capital calculated  
5           under subsection (d) of this Section:

6           (i) If the independent evaluator determines  
7           that the utility achieved a cumulative persisting  
8           annual savings that is less than the applicable  
9           annual incremental goal, then the return on equity  
10          component shall be reduced by a maximum of 200  
11          basis points in the event that the utility achieved  
12          no more than 75% of such goal. If the utility  
13          achieved more than 75% of the applicable annual  
14          incremental goal but less than 100% of such goal,  
15          then the return on equity component shall be  
16          reduced by 8 basis points for each percent by which  
17          the utility failed to achieve the goal.

18          (ii) If the independent evaluator determines  
19          that the utility achieved a cumulative persisting  
20          annual savings that is more than the applicable  
21          annual incremental goal, then the return on equity  
22          component shall be increased by a maximum of 200  
23          basis points in the event that the utility achieved  
24          at least 125% of such goal. If the utility achieved  
25          more than 100% of the applicable annual  
26          incremental goal but less than 125% of such goal,

1           then the return on equity component shall be  
2           increased by 8 basis points for each percent by  
3           which the utility achieved above the goal. If the  
4           applicable annual incremental goal was reduced  
5           under paragraphs (1) or (2) of subsection (f) of  
6           this Section, then the following adjustments shall  
7           be made to the calculations described in this item  
8           (ii):

9                   (aa) the calculation for determining  
10                   achievement that is at least 125% of the  
11                   applicable annual incremental goal shall use  
12                   the unreduced applicable annual incremental  
13                   goal to set the value; and

14                   (bb) the calculation for determining  
15                   achievement that is less than 125% but more  
16                   than 100% of the applicable annual incremental  
17                   goal shall use the reduced applicable annual  
18                   incremental goal to set the value for 100%  
19                   achievement of the goal and shall use the  
20                   unreduced goal to set the value for 125%  
21                   achievement. The 8 basis point value shall also  
22                   be modified, as necessary, so that the 200  
23                   basis points are evenly apportioned among each  
24                   percentage point value between 100% and 125%  
25                   achievement.

26           (B) For the period January 1, 2026 through December

1       31, 2029 and in all subsequent 4-year periods ~~2030~~,  
2       provide for an adjustment to the return on equity  
3       component of the utility's weighted average cost of  
4       capital calculated under subsection (d) of this  
5       Section:

6               (i) If the independent evaluator determines  
7               that the utility achieved a cumulative persisting  
8               annual savings that is less than the applicable  
9               annual incremental goal, then the return on equity  
10              component shall be reduced by a maximum of 200  
11              basis points in the event that the utility achieved  
12              no more than 66% of such goal. If the utility  
13              achieved more than 66% of the applicable annual  
14              incremental goal but less than 100% of such goal,  
15              then the return on equity component shall be  
16              reduced by 6 basis points for each percent by which  
17              the utility failed to achieve the goal.

18              (ii) If the independent evaluator determines  
19              that the utility achieved a cumulative persisting  
20              annual savings that is more than the applicable  
21              annual incremental goal, then the return on equity  
22              component shall be increased by a maximum of 200  
23              basis points in the event that the utility achieved  
24              at least 134% of such goal. If the utility achieved  
25              more than 100% of the applicable annual  
26              incremental goal but less than 134% of such goal,

1           then the return on equity component shall be  
2           increased by 6 basis points for each percent by  
3           which the utility achieved above the goal. If the  
4           applicable annual incremental goal was reduced  
5           under paragraph (3) of subsection (f) of this  
6           Section, then the following adjustments shall be  
7           made to the calculations described in this item  
8           (ii):

9                   (aa) the calculation for determining  
10                   achievement that is at least 134% of the  
11                   applicable annual incremental goal shall use  
12                   the unreduced applicable annual incremental  
13                   goal to set the value; and

14                   (bb) the calculation for determining  
15                   achievement that is less than 134% but more  
16                   than 100% of the applicable annual incremental  
17                   goal shall use the reduced applicable annual  
18                   incremental goal to set the value for 100%  
19                   achievement of the goal and shall use the  
20                   unreduced goal to set the value for 134%  
21                   achievement. The 6 basis point value shall also  
22                   be modified, as necessary, so that the 200  
23                   basis points are evenly apportioned among each  
24                   percentage point value between 100% and 134%  
25                   achievement.

26           (C) Notwithstanding the provisions of

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

10            (i) If the independent evaluator determines  
11            that the utility achieved a cumulative persisting  
12            annual savings that is less than would have been  
13            achieved had the applicable annual incremental  
14            goal been achieved, then the return on equity  
15            component shall be reduced by a maximum of 200  
16            basis points if the utility achieved no more than  
17            75% of its applicable annual total savings  
18            requirement as defined in paragraph (7.5) of this  
19            subsection. If the utility achieved more than 75%  
20            of the applicable annual total savings requirement  
21            but less than 100% of such goal, then the return on  
22            equity component shall be reduced by 8 basis points  
23            for each percent by which the utility failed to  
24            achieve the goal.

25            (ii) If the independent evaluator determines  
26            that the utility achieved a cumulative persisting

1       annual savings that is more than would have been  
2       achieved had the applicable annual incremental  
3       goal been achieved, then the return on equity  
4       component shall be increased by a maximum of 200  
5       basis points if the utility achieved at least 125%  
6       of its applicable annual total savings  
7       requirement. If the utility achieved more than  
8       100% of the applicable annual total savings  
9       requirement but less than 125% of such goal, then  
10       the return on equity component shall be increased  
11       by 8 basis points for each percent by which the  
12       utility achieved above the applicable annual total  
13       savings requirement. If the applicable annual  
14       incremental goal was reduced under paragraphs (1)  
15       or (2) of subsection (f) of this Section, then the  
16       following adjustments shall be made to the  
17       calculations described in this item (ii):

18               (aa) the calculation for determining  
19               achievement that is at least 125% of the  
20               applicable annual total savings requirement  
21               shall use the unreduced applicable annual  
22               incremental goal to set the value; and

23               (bb) the calculation for determining  
24               achievement that is less than 125% but more  
25               than 100% of the applicable annual total  
26               savings requirement shall use the reduced

1           applicable annual incremental goal to set the  
2           value for 100% achievement of the goal and  
3           shall use the unreduced goal to set the value  
4           for 125% achievement. The 8 basis point value  
5           shall also be modified, as necessary, so that  
6           the 200 basis points are evenly apportioned  
7           among each percentage point value between 100%  
8           and 125% achievement.

9           (7.5) For purposes of this Section, the term  
10          "applicable annual incremental goal" means the difference  
11          between the cumulative persisting annual savings goal for  
12          the calendar year that is the subject of the independent  
13          evaluator's determination and the cumulative persisting  
14          annual savings goal for the immediately preceding calendar  
15          year, as such goals are defined in subsections (b-5) and  
16          (b-15) of this Section and as these goals may have been  
17          modified as provided for under subsection (b-20) and  
18          paragraphs (1) through (3) of subsection (f) of this  
19          Section. Under subsections (b), (b-5), (b-10), and (b-15)  
20          of this Section, a utility must first replace energy  
21          savings from measures that have expired ~~reached the end of~~  
22          ~~their measure lives and would otherwise have to be replaced~~  
23          ~~to meet the applicable savings goals identified in~~  
24          ~~subsection (b-5) or (b-15) of this Section~~ before any  
25          progress towards achievement of its applicable annual  
26          incremental goal may be counted. Savings may expire because



1 measures installed in previous years have reached the end  
2 of their lives, because measures installed in previous  
3 years are producing lower savings in the current year than  
4 in the previous year, or for other reasons identified by  
5 independent evaluators. Notwithstanding anything else set  
6 forth in this Section, the difference between the actual  
7 annual incremental savings achieved in any given year,  
8 including the replacement of energy savings ~~from measures~~  
9 that have expired, and the applicable annual incremental  
10 goal shall not affect adjustments to the return on equity  
11 for subsequent calendar years under this subsection (g).

12 In this Section, "applicable annual total savings  
13 requirement" means the total amount of new annual savings  
14 that the utility must achieve in any given year to achieve  
15 the applicable annual incremental goal. This is equal to  
16 the applicable annual incremental goal plus the total new  
17 annual savings that are required to replace savings that  
18 expired in or at the end of the previous year.

19 (8) For electric utilities that serve less than  
20 3,000,000 retail customers but more than 500,000 retail  
21 customers in the State:

22 (A) Through December 31, 2025, the applicable  
23 annual incremental goal shall be compared to the annual  
24 incremental savings as determined by the independent  
25 evaluator.

26 (i) The return on equity component shall be

1 reduced by 8 basis points for each percent by which  
2 the utility did not achieve 84.4% of the applicable  
3 annual incremental goal.

4 (ii) The return on equity component shall be  
5 increased by 8 basis points for each percent by  
6 which the utility exceeded 100% of the applicable  
7 annual incremental goal.

8 (iii) The return on equity component shall not  
9 be increased or decreased if the annual  
10 incremental savings as determined by the  
11 independent evaluator is greater than 84.4% of the  
12 applicable annual incremental goal and less than  
13 100% of the applicable annual incremental goal.

14 (iv) The return on equity component shall not  
15 be increased or decreased by an amount greater than  
16 200 basis points pursuant to this subparagraph  
17 (A).

18 (B) For the period of January 1, 2026 through  
19 December 31, 2029 and in all subsequent 4-year periods  
20 ~~2030~~, the applicable annual incremental goal shall be  
21 compared to the annual incremental savings as  
22 determined by the independent evaluator.

23 (i) The return on equity component shall be  
24 reduced by 6 basis points for each percent by which  
25 the utility did not achieve 100% of the applicable  
26 annual incremental goal.

1           (ii) The return on equity component shall be  
2           increased by 6 basis points for each percent by  
3           which the utility exceeded 100% of the applicable  
4           annual incremental goal.

5           (iii) The return on equity component shall not  
6           be increased or decreased by an amount greater than  
7           200 basis points pursuant to this subparagraph  
8           (B).

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

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

23          (ii) The return on equity component shall be  
24          increased by 8 basis points for each percent by  
25          which the utility exceeded 100% of the applicable  
26          annual total savings requirement.

1           (iii) The return on equity component shall not  
2           be increased or decreased by an amount greater than  
3           200 basis points pursuant to this subparagraph  
4           (C).

5           (D) ~~(C)~~ If the applicable annual incremental goal  
6           was reduced under paragraphs (1), (2), ~~or~~ (3), or (4)  
7           of subsection (f) of this Section, then the following  
8           adjustments shall be made to the calculations  
9           described in subparagraphs (A), ~~and~~ (B), and (C) of  
10          this paragraph (8):

11           (i)     The calculation for determining  
12           achievement that is at least 125% or 134%, as  
13           applicable, of the applicable annual incremental  
14           goal or the applicable annual total savings  
15           requirement, as applicable, shall use the  
16           unreduced applicable annual incremental goal to  
17           set the value.

18           (ii)  For the period through December 31, 2025,  
19           the calculation for determining achievement that  
20           is less than 125% but more than 100% of the  
21           applicable annual incremental goal or the  
22           applicable annual total savings requirement, as  
23           applicable, shall use the reduced applicable  
24           annual incremental goal to set the value for 100%  
25           achievement of the goal and shall use the unreduced  
26           goal to set the value for 125% achievement. The 8

1 basis point value shall also be modified, as  
2 necessary, so that the 200 basis points are evenly  
3 apportioned among each percentage point value  
4 between 100% and 125% achievement.

5 (iii) For the period of January 1, 2026 through  
6 December 31, 2029 and all subsequent 4-year  
7 periods, the calculation for determining  
8 achievement that is less than 125% or 134%, as  
9 applicable, but more than 100% of the applicable  
10 annual incremental goal or the applicable annual  
11 total savings requirement, as applicable, shall  
12 use the reduced applicable annual incremental goal  
13 to set the value for 100% achievement of the goal  
14 and shall use the unreduced goal to set the value  
15 for 125% achievement. The 6 or 8 basis point  
16 values, as applicable, shall also be modified, as  
17 necessary, so that the 200 basis points are evenly  
18 apportioned among each percentage point value  
19 between 100% and 125% or between 100% and 134%  
20 achievement, as applicable ~~2030, the calculation~~  
21 ~~for determining achievement that is less than 134%~~  
22 ~~but more than 100% of the applicable annual~~  
23 ~~incremental goal shall use the reduced applicable~~  
24 ~~annual incremental goal to set the value for 100%~~  
25 ~~achievement of the goal and shall use the unreduced~~  
26 ~~goal to set the value for 125% achievement. The 6~~

~~basis point value shall also be modified, as  
necessary, so that the 200 basis points are evenly  
apportioned among each percentage point value  
between 100% and 134% achievement.~~

(9) The utility shall submit the energy savings data to the independent evaluator no later than 30 days after the close of the plan year. The independent evaluator shall determine the cumulative persisting annual savings for a given plan year, as well as an estimate of job impacts and other macroeconomic impacts of the efficiency programs for that year, no later than 120 days after the close of the plan year. The utility shall submit an informational filing to the Commission no later than 160 days after the close of the plan year that attaches the independent evaluator's final report identifying the cumulative persisting annual savings for the year and calculates, under paragraph (7) or (8) of this subsection (g), as applicable, any resulting change to the utility's return on equity component of the weighted average cost of capital applicable to the next plan year beginning with the January monthly billing period and extending through the December monthly billing period. However, if the utility recovers the costs incurred under this Section under paragraphs (2) and (3) of subsection (d) of this Section, then the utility shall not be required to submit such informational filing, and shall instead submit the information that would otherwise be included in the

1 informational filing as part of its filing under paragraph  
2 (3) of such subsection (d) that is due on or before June 1  
3 of each year.

4 For those utilities that must submit the informational  
5 filing, the Commission may, on its own motion or by  
6 petition, initiate an investigation of such filing,  
7 provided, however, that the utility's proposed return on  
8 equity calculation shall be deemed the final, approved  
9 calculation on December 15 of the year in which it is filed  
10 unless the Commission enters an order on or before December  
11 15, after notice and hearing, that modifies such  
12 calculation consistent with this Section.

13 The adjustments to the return on equity component  
14 described in paragraphs (7) and (8) of this subsection (g)  
15 shall be applied as described in such paragraphs through a  
16 separate tariff mechanism, which shall be filed by the  
17 utility under subsections (f) and (g) of this Section.

18 (9.5) The utility must demonstrate how it will ensure  
19 that program implementation contractors and energy  
20 efficiency installation vendors will meet multiple  
21 workforce equity building criteria, including, but not  
22 limited to:

23 (i) Ensuring that an amount of program portfolio  
24 incentive funding proportional to the population of  
25 BIPOC persons within the utility's territory, as  
26 updated every 2 years, is administered or installed by

1 energy efficiency installation vendors who meet one of  
2 the following criteria:

3 (aa) certified under Section 2 of the Business  
4 Enterprise for Minorities, Women, and Persons with  
5 Disabilities Act; or

6 (bb) certified by another municipal, state,  
7 federal, or other certification for disadvantaged  
8 businesses; or

9 (cc) submit an affidavit showing that the  
10 vendor meets the eligibility criteria for a  
11 certification program such as those in subdivision  
12 (aa) or (bb); or

13 (dd) if the vendor is a nonprofit, meet any of  
14 the criteria in subdivision (aa), (bb), or (cc) or  
15 is controlled by a board of directors that consists  
16 of 51% or greater individuals who are minorities,  
17 women, or persons with a disability as defined by  
18 the Business Enterprise for Minorities, Women, and  
19 Persons with a Disability Act.

20 (ii) Ensuring that program implementation  
21 contractors and energy efficiency installation vendors  
22 pay employees working on energy efficiency programs at  
23 or above the prevailing wage rate when such a wage rate  
24 has been published by the Illinois Department of Labor  
25 and pay employees working on energy efficiency  
26 programs at or above the median wage rate for a similar



1 job description in the nearest metropolitan area when  
2 there is no applicable published prevailing wage rate.  
3 If necessary, utilities may conduct surveys to  
4 establish the median wage rate for a given job  
5 description. Utilities shall establish reporting  
6 procedures for vendors that ensure compliance with  
7 this subsection, but are structured to avoid, wherever  
8 possible, placing an undue administrative burden on  
9 vendors.

10 (iii) Ensuring that program implementation  
11 contractor employees and energy efficiency  
12 installation vendor employees are proportional to the  
13 population of BIPOC persons, within the utility's  
14 territory, as updated every 2 years.

15 (iv) Ensuring that 30% or more of the energy  
16 efficiency installation vendor employees working for  
17 vendors reporting to each program implementation  
18 contractor are graduates of or trainees in the Clean  
19 Energy Workforce Training Hubs programs, Returning  
20 Residents Clean Jobs training programs, or similar  
21 programs offering equivalent certifications.

22 (v) Ensuring that vendors who are very small  
23 businesses of 5 or fewer full-time employees,  
24 businesses that have completed or are participating in  
25 the Expanding Clean Energy Entrepreneurship and  
26 Contractor Incubator Network Program, and businesses

1        that have completed or are participating in the  
2        Illinois Clean Energy Black, Indigenous, and People of  
3        Color Primes Contractor Accelerator, receive a  
4        substantial portion of program portfolio funding.  
5        Utility plans to achieve this shall include efforts to  
6        provide the necessary training and administrative  
7        support needed for very small businesses to meet  
8        utility-mandated training, certification, insurance,  
9        and security-related contract requirements.

10       (9.6) Utilities shall collect data necessary to ensure  
11       compliance with paragraph (9.5) no less than quarterly and  
12       shall communicate progress toward compliance with  
13       paragraph (9.5) to program implementation contractors and  
14       energy efficiency installation vendors no less than  
15       quarterly. When it seems unlikely that the criteria in  
16       paragraph (9.5) will be met, utilities shall work with  
17       relevant vendors, providing education, training, and other  
18       resources needed to ensure compliance and, where  
19       necessary, adjusting or terminating work with vendors that  
20       cannot assist with compliance.

21       (10) Utilities required to implement efficiency  
22       programs under subsections (b-5) and (b-10) shall report  
23       annually to the Illinois Commerce Commission and the  
24       General Assembly on how hiring, contracting, job training,  
25       and other practices related to its energy efficiency  
26       programs enhance the diversity of vendors working on such

1 programs. These reports must include data on vendor and  
2 employee diversity, including data on the implementation  
3 of paragraphs (9.5) and (9.6). If the utility is not  
4 meeting the requirements of paragraphs (9.5) and (9.6), the  
5 utility shall submit a plan to adjust their activities so  
6 that they meet the requirements of paragraphs (9.5) and  
7 (9.6) within the following year.

8 (h) No more than 6% of energy efficiency and  
9 demand-response program revenue may be allocated for research,  
10 development, or pilot deployment of new equipment or measures.

11 (i) When practicable, electric utilities shall incorporate  
12 advanced metering infrastructure data into the planning,  
13 implementation, and evaluation of energy efficiency measures  
14 and programs, subject to the data privacy and confidentiality  
15 protections of applicable law.

16 (j) The independent evaluator shall follow the guidelines  
17 and use the savings set forth in Commission-approved energy  
18 efficiency policy manuals and technical reference manuals, as  
19 each may be updated from time to time. Until such time as  
20 measure life values for energy efficiency measures implemented  
21 for low-income households under subsection (c) of this Section  
22 are incorporated into such Commission-approved manuals, the  
23 low-income measures shall have the same measure life values  
24 that are established for same measures implemented in  
25 households that are not low-income households.

26 (k) Notwithstanding any provision of law to the contrary,

1 an electric utility subject to the requirements of this Section  
2 may file a tariff cancelling an automatic adjustment clause  
3 tariff in effect under this Section or Section 8-103, which  
4 shall take effect no later than one business day after the date  
5 such tariff is filed. Thereafter, the utility shall be  
6 authorized to defer and recover its expenditures incurred under  
7 this Section through a new tariff authorized under subsection  
8 (d) of this Section or in the utility's next rate case under  
9 Article IX or Section 16-108.5 of this Act, with interest at an  
10 annual rate equal to the utility's weighted average cost of  
11 capital as approved by the Commission in such case. If the  
12 utility elects to file a new tariff under subsection (d) of  
13 this Section, the utility may file the tariff within 10 days  
14 after June 1, 2017 (the effective date of Public Act 99-906),  
15 and the cost inputs to such tariff shall be based on the  
16 projected costs to be incurred by the utility during the  
17 calendar year in which the new tariff is filed and that were  
18 not recovered under the tariff that was cancelled as provided  
19 for in this subsection. Such costs shall include those incurred  
20 or to be incurred by the utility under its multi-year plan  
21 approved under subsections (f) and (g) of this Section,  
22 including, but not limited to, projected capital investment  
23 costs and projected regulatory asset balances with  
24 correspondingly updated depreciation and amortization reserves  
25 and expense. The Commission shall, after notice and hearing,  
26 approve, or approve with modification, such tariff and cost

1 inputs no later than 75 days after the utility filed the  
2 tariff, provided that such approval, or approval with  
3 modification, shall be consistent with the provisions of this  
4 Section to the extent they do not conflict with this subsection  
5 (k). The tariff approved by the Commission shall take effect no  
6 later than 5 days after the Commission enters its order  
7 approving the tariff.

8 No later than 60 days after the effective date of the  
9 tariff cancelling the utility's automatic adjustment clause  
10 tariff, the utility shall file a reconciliation that reconciles  
11 the moneys collected under its automatic adjustment clause  
12 tariff with the costs incurred during the period beginning June  
13 1, 2016 and ending on the date that the electric utility's  
14 automatic adjustment clause tariff was cancelled. In the event  
15 the reconciliation reflects an under-collection, the utility  
16 shall recover the costs as specified in this subsection (k). If  
17 the reconciliation reflects an over-collection, the utility  
18 shall apply the amount of such over-collection as a one-time  
19 credit to retail customers' bills.

20 (1) (Blank). ~~For the calendar years covered by a multi-year~~  
21 ~~plan commencing after December 31, 2017, subsections (a)~~  
22 ~~through (j) of this Section do not apply to any retail~~  
23 ~~customers of an electric utility that serves more than~~  
24 ~~3,000,000 retail customers in the State and whose total highest~~  
25 ~~30 minute demand was more than 10,000 kilowatts, or any retail~~  
26 ~~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 each of the 4 years beginning January 1, 2018,

(2) (blank), ~~3.75% for each of the 4 years beginning January 1, 2022, and~~

(3) 4% for each of the 4 ~~5~~ years beginning January 1,

1        2022 2026,  
2        (4) 4.25% for the 4 years beginning January 1, 2026,  
3        and  
4        (5) 4.25% plus an increase sufficient to account for  
5        the rate of inflation between January 1, 2026 and January 1  
6        of the first year of each subsequent 4-year plan cycle,  
7        of the average amount paid per kilowatthour by residential  
8        eligible retail customers during calendar year 2015. An  
9        electric utility may plan to spend up to 10% more in any year  
10       during an applicable multi-year plan period to  
11       cost-effectively achieve additional savings so long as the  
12       average over the applicable multi-year plan period does not  
13       exceed the percentages defined in items (1) through (5). To  
14       determine the total amount that may be spent by an electric  
15       utility in any single year, the applicable percentage of the  
16       average amount paid per kilowatthour shall be multiplied by the  
17       total amount of energy delivered by such electric utility in  
18       the calendar year 2015, ~~adjusted to reflect the proportion of~~  
19       ~~the utility's load attributable to customers who are exempt~~  
20       ~~from subsections (a) through (j) of this Section under~~  
21       ~~subsection (l) of this Section.~~ For purposes of this subsection  
22       (m), the amount paid per kilowatthour includes, without  
23       limitation, estimated amounts paid for supply, transmission,  
24       distribution, surcharges, and add-on taxes. For purposes of  
25       this Section, "eligible retail customers" shall have the  
26       meaning set forth in Section 16-111.5 of this Act. Once the

1 Commission has approved a plan under subsections (f) and (g) of  
2 this Section, no subsequent rate impact determinations shall be  
3 made.

4 (Source: P.A. 100-840, eff. 8-13-18; 101-81, eff. 7-12-19.)

5 (220 ILCS 5/8-104.1 new)

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

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

18 (b) In this Section:

19 "Cost-effective" means that the measures satisfy the total  
20 resource cost test that, for purposes of this Section, means a  
21 standard that is met if, for an investment in energy  
22 efficiency, the benefit-cost ratio is greater than one. The  
23 benefit-cost ratio is the ratio of the net present value of the  
24 total benefits of the measures to the net present value of the  
25 total costs as calculated over the lifetime of the measures.



1 The total resource cost test compares the sum of avoided  
2 natural gas utility costs, representing the benefits that  
3 accrue to the natural gas system and the participant in the  
4 delivery of those efficiency measures and including avoided  
5 costs associated with the use of electricity or other fuels,  
6 avoided cost associated with reduced water consumption, and  
7 avoided costs associated with reduced operation and  
8 maintenance costs, as well as other quantifiable societal  
9 benefits, to the sum of all incremental costs of end-use  
10 measures (including both utility and participant  
11 contributions), plus costs to administer, deliver, and  
12 evaluate each demand-side measure, to quantify the net savings  
13 obtained by substituting demand-side measures for supply  
14 resources. In calculating avoided costs, reasonable estimates  
15 shall be included for financial costs likely to be imposed by  
16 future regulation of emissions of greenhouse gases. In  
17 discounting future societal costs and benefits for the purpose  
18 of calculating net present values, a societal discount rate  
19 based on actual, long-term Treasury bond yields shall be used.  
20 The low-income measures described in subsection (f) of this  
21 Section shall not be required to meet the total resource cost  
22 test.

23 "Cumulative persisting annual savings" means the total gas  
24 energy savings in a given year from measures installed in that  
25 year or in previous years, but no earlier than January 1, 2022,  
26 that are still operational and providing savings in that year

1 because the measures have not yet reached the end of their  
2 useful lives.

3 "Energy efficiency" means measures that reduce the amount  
4 of energy required to achieve a given end use. "Energy  
5 efficiency" also includes measures that reduce the total Btus  
6 of electricity and natural gas needed to meet the end use or  
7 uses. "Black, indigenous, and people of color" and "BIPOC"  
8 means people who are members of the groups described in  
9 subparagraphs (a) through (e) of paragraph (A) of subsection  
10 (1) of Section 2 of the Business Enterprise for Minorities,  
11 Women, and Persons with Disabilities Act. "Expanding Clean  
12 Energy Entrepreneurship and Contractor Incubator Network  
13 Program," "Clean Energy Black, Indigenous, and People of Color  
14 Primes Contractor Accelerator," "Returning Resident Clean  
15 Energy Training Program," and "Clean Energy Workforce Training  
16 Hubs Program" are as set forth in the Clean Jobs, Workforce and  
17 Contractor Equity Act.

18 (c) This Section applies to all gas distribution utilities  
19 in the State for those multi-year plans that include energy  
20 efficiency programs commencing after December 31, 2021.

21 (d) Beginning in 2022, gas utilities subject to this  
22 Section shall achieve the following cumulative persisting  
23 annual savings goals, as compared to a deemed baseline  
24 equivalent to the utility's average annual therm throughput in  
25 2016 through 2020 through the implementation of energy  
26 efficiency measures during the applicable year and in prior

1 years, but no earlier than January 1, 2022:

2 (1) 1.2% cumulative persisting annual savings for the  
3 year ending December 31, 2022;

4 (2) 2.1% cumulative persisting annual savings for the  
5 year ending December 31, 2023;

6 (3) 3.0% cumulative persisting annual savings for the  
7 year ending December 31, 2024;

8 (4) 3.9% cumulative persisting annual savings for the  
9 year ending December 31, 2025;

10 (5) 4.8% cumulative persisting annual savings for the  
11 year ending December 31, 2026;

12 (6) 5.7% cumulative persisting annual savings for the  
13 year ending December 31, 2027;

14 (7) 6.6% cumulative persisting annual savings for the  
15 year ending December 31, 2028;

16 (8) 7.4% cumulative persisting annual savings for the  
17 year ending December 31, 2029;

18 (9) 8.2% cumulative persisting annual savings for the  
19 year ending December 31, 2030;

20 (10) 9.0% cumulative persisting annual savings for the  
21 year ending December 31, 2031;

22 (11) 9.8% cumulative persisting annual savings for the  
23 year ending December 31, 2032;

24 (12) 10.6% cumulative persisting annual savings for  
25 the year ending December 31, 2033;

26 (13) 11.4% cumulative persisting annual savings for

1 the year ending December 31, 2034;

2 (14) 12.1% cumulative persisting annual savings for  
3 the year ending December 31, 2035;

4 (15) 12.8% cumulative persisting annual savings for  
5 the year ending December 31, 2036; and

6 (16) 13.5% cumulative persisting annual savings for  
7 the year ending December 31, 2037.

8 No later than December 31, 2025, the Illinois Commerce  
9 Commission shall establish additional cumulative persisting  
10 annual savings goals for the years 2037 through 2041. The  
11 Commission shall also establish additional cumulative  
12 persisting annual savings goals every 5 years thereafter to  
13 ensure utilities always have goals that extend at least 11  
14 years into the future. The cumulative persisting annual savings  
15 goals beyond the year 2035 shall increase by 0.6 percentage  
16 points per year absent a Commission decision to initiate a  
17 proceeding to consider establishing goals that increase by more  
18 or less than that amount. Such a proceeding must be conducted  
19 in accordance with the procedures described in subsection (f)  
20 of this Section. If such a proceeding is initiated, the  
21 cumulative persisting annual savings goals established by the  
22 Commission through that proceeding shall reflect the  
23 Commission's best estimate of the maximum amount of additional  
24 gas savings that are forecast to be cost-effectively achievable  
25 unless such best estimates would result in goals that represent  
26 less than 0.4 percentage point annual increases in total

1 cumulative persisting annual savings. The Commission may only  
2 establish goals that represent less than 0.4 percentage point  
3 annual increases in cumulative persisting annual savings if it  
4 can demonstrate, based on clear and convincing evidence, that  
5 0.4 percentage point increases are not cost-effectively  
6 achievable. The Commission shall inform its decision based on  
7 an energy efficiency potential study that conforms to the  
8 requirements of subsection (j-5) of this Section.

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

21 For those energy efficiency measures or programs that save  
22 both gas and other fuels but are not jointly offered with an  
23 electric utility under plans approved under this Section and  
24 Section 8-103B, the gas utility may count savings of fuels  
25 other than gas toward the achievement of its annual savings  
26 goal, and the energy-savings value associated with such other

1 fuels shall be converted to gas energy savings on an equivalent  
2 Btu basis at the premises.

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

7 (f) Gas utilities are responsible for overseeing the  
8 design, development, and filing of energy efficiency plans with  
9 the Commission and may, as part of that implementation,  
10 outsource various aspects of program development and  
11 implementation. A minimum of 10% of the utility's entire  
12 portfolio funding level for a given year shall be used to  
13 procure cost-effective energy efficiency measures from units  
14 of local government, municipal corporations, school districts,  
15 public housing, community college districts, and  
16 nonprofit-owned buildings provided that a minimum percentage  
17 of available funds shall be used to procure energy efficiency  
18 from public housing, which percentage shall be equal to public  
19 housing's share of public building energy consumption.

20 The utilities shall also implement energy efficiency  
21 measures targeted at low-income single-family and multifamily  
22 households, which, as used in this Section, means households at  
23 or below 80% of area median income, and expenditures to  
24 implement the measures shall be no less than 25% of the  
25 utility's total efficiency portfolio budget.

26 At least 70% of spending on programs targeted at low-income

1 households shall go toward integrated whole building  
2 efficiency programs, as defined in subsection (g), or  
3 individual measures that reduce space heating needs through  
4 improvements to the building envelope, heating distribution  
5 systems, or heating system controls. In implementing these  
6 programs, utilities shall ensure that thermal insulating  
7 materials used in the building envelope do not contain any  
8 substance that is a Category 1 respiratory sensitizer as  
9 defined by Appendix A to 29 CFR 1910.1200 (Health Hazard  
10 Criteria: A.4 Respiratory or Skin Sensitization) that was  
11 intentionally added or is present at greater than 0.1% (1000  
12 ppm) by weight in the product. Programs targeted at low-income  
13 households, which address single-family and multifamily  
14 buildings shall be treated such that forecast savings to be  
15 achieved in each building type are approximately in  
16 proportional to the magnitude of cost-effective energy  
17 efficiency opportunities in these respective building types.

18 Each gas utility shall assess opportunities to implement  
19 cost-effective energy efficiency measures and programs through  
20 a public-housing authority or authorities located in its  
21 service territory. If such opportunities are identified, the  
22 utility shall propose such measures and programs to address the  
23 opportunities. Expenditures to address such opportunities  
24 shall be credited toward the minimum procurement and  
25 expenditure requirements set forth in this subsection (f).

26 Implementation of energy efficiency measures and programs

1 targeted at low-income households shall be contracted, when it  
2 is practical, to independent third parties that have  
3 demonstrated capabilities to serve such households, with a  
4 preference for not-for-profit entities and government agencies  
5 that have existing relationships with or experience serving  
6 low-income communities in the State.

7 Each gas utility shall develop and implement reporting  
8 procedures that address and assist in determining the amount of  
9 energy savings that can be applied to the low-income  
10 procurement and expenditure requirements set forth in this  
11 subsection (f). Each gas utility shall also track the types and  
12 quantities or volumes of insulation and air sealing materials,  
13 and their associated energy saving benefits, installed in  
14 energy efficiency programs targeted at low-income  
15 single-family and multifamily households.

16 Each gas utility shall implement a health and safety fund  
17 of a minimum of 0.5% of the utility's entire portfolio funding  
18 level for a given year, that shall be used for the purpose of  
19 making grants for technical assistance, construction,  
20 reconstruction, improvement, or repair of buildings to  
21 facilitate their participation in the energy efficiency  
22 programs targeted at low-income single-family and multifamily  
23 households. These funds may also be used for the purpose of  
24 making grants for technical assistance, construction,  
25 reconstruction, improvement, or repair of the following  
26 buildings to facilitate their participation in the energy



1 efficiency programs created by this Section: (1) buildings that  
2 are owned or operated by registered 501(c)(3) public charities;  
3 and (2) day care centers, day care homes, or group day care  
4 homes, as defined by 89 Ill. Adm. Code Part 406, 407, or 408,  
5 respectively.

6 The gas utilities shall participate in a low-income energy  
7 efficiency accountability committee ("the committee"), which  
8 will directly inform the design, implementation, and  
9 evaluation of the low-income and public-housing energy  
10 efficiency programs. The committee shall be composed of the  
11 electric utilities subject to the requirements of Section  
12 8-103B of this Act, the gas utilities subject to the  
13 requirements of this Section, the utilities' low-income energy  
14 efficiency implementation contractors, nonprofit  
15 organizations, community action agencies, advocacy groups,  
16 State and local governmental agencies, public-housing  
17 organizations, and representatives of community-based  
18 organizations, especially those living in or working with  
19 environmental justice communities and BIPOC communities. The  
20 committee shall be composed of a statewide leadership committee  
21 and 2 geographically differentiated subcommittees: one for  
22 stakeholders in northern Illinois and one for stakeholders in  
23 central and southern Illinois. The subcommittees shall meet  
24 together at least twice per year.

25 There shall be a statewide leadership committee led by and  
26 composed of community-based organizations that are

1 representative of BIPOC and environmental justice communities  
2 and that includes equitable representation from BIPOC  
3 communities. The leadership committee shall be composed of an  
4 equal number of representatives from the 2 subcommittees.

5 The subcommittees shall address specific programs and  
6 issues, with the leadership committee convening targeted  
7 workgroups as needed. The leadership committee may elect to  
8 work with an independent facilitator to solicit and organize  
9 feedback, recommendations and meeting participation from a  
10 wide variety of community-based stakeholders. If a facilitator  
11 is used, they shall be fair and responsive to the needs of all  
12 stakeholders involved in the committee.

13 All committee meetings must be accessible, with rotating  
14 locations if meetings are held in-person, virtual  
15 participation options, and materials and agendas circulated  
16 well in advance.

17 There shall also be opportunities for direct input by  
18 committee members outside of committee meetings, such as via  
19 individual meetings, surveys, emails and calls, to ensure  
20 robust participation by stakeholders with limited capacity and  
21 ability to attend committee meetings. Committee meetings shall  
22 emphasize opportunities to bundle and coordinate delivery of  
23 low-income energy efficiency with other programs that serve  
24 low-income communities, such as Solar for All and bill payment  
25 assistance programs. Meetings shall include educational  
26 opportunities for stakeholders to learn more about these

1 additional offerings, and the committee shall assist in  
2 figuring out the best methods for coordinated delivery and  
3 implementation of offerings when serving low-income  
4 communities. The committee shall directly and equitably  
5 influence and inform utility low-income and public-housing  
6 energy efficiency programs and priorities.

7 Participating utilities shall implement recommendations  
8 from the committee whenever possible. Participating utilities  
9 shall track and report how input from the committee has led to  
10 new approaches and changes in their energy efficiency  
11 portfolios. This reporting shall occur at committee meetings  
12 and in quarterly energy efficiency reports to the Stakeholder  
13 Advisory Group and Illinois Commerce Commission, and other  
14 relevant reporting mechanisms. Participating utilities shall  
15 also report on relevant equity data and metrics requested by  
16 the committee, such as energy burden data, geographic, racial,  
17 and other relevant demographic data on where programs are being  
18 delivered and what populations programs are serving.

19 The Illinois Commerce Commission shall oversee and have  
20 relevant staff participate in the committee. The committee  
21 shall have a budget of 0.25% of each utility's entire  
22 efficiency portfolio funding for a given year. The budget shall  
23 be overseen by the Commission. The budget shall be used to  
24 provide grants for community-based organizations serving on  
25 the leadership committee, stipends for community-based  
26 organizations participating in the committee, grants for

1 community-based organizations to do energy efficiency outreach  
2 and education, and relevant meeting needs as determined by the  
3 leadership committee. The education and outreach shall  
4 include, but is not limited to, basic energy efficiency  
5 education, information about low-income energy efficiency  
6 programs, and information on the committee's purpose,  
7 structure, and activities.

8 (g) At least 50% of the entire efficiency program portfolio  
9 budget shall be spent on any combination of (1) heating energy  
10 savings from integrated, residential or nonresidential, new or  
11 existing whole building efficiency programs; and (2)  
12 individual heating measures in residential or nonresidential  
13 buildings, new or existing, that reduce the amount of space  
14 heating needs through improvements to the efficiency of  
15 building envelopes (including, but not limited to, insulation  
16 measures, efficient windows and air leakage reduction),  
17 improvements to systems for distributing heat (including, but  
18 not limited to, duct leakage reduction, duct insulation or pipe  
19 insulation) in buildings, improvements to ventilation systems  
20 (including, but not limited to heat recovery ventilation and  
21 demand control ventilation measures) or improvements to  
22 controls of heating equipment (including, but not limited to,  
23 advanced thermostats). Spending on efficient furnaces,  
24 efficient boilers, or other efficient heating equipment  
25 measures outside of or separate from integrated whole building  
26 efficiency programs is permitted within the efficiency program

1 portfolio, but does not count toward the minimum spending  
2 requirement in this subsection (g). Spending on integrated  
3 whole building efficiency programs targeted to low-income  
4 customers, as well as spending on individual building envelope,  
5 heating distribution system, ventilation system and heating  
6 system control measures installed in low-income homes does  
7 count toward this requirement. The portion of portfolio  
8 spending on program marketing, training of installers, audits  
9 of buildings, inspections of work performed, and other  
10 administrative and technical expenses that are clearly tied to  
11 promotion and delivery of integrated whole building efficiency  
12 programs or installation of individual building envelope,  
13 heating distribution system, ventilation system or heating  
14 system control measures shall count toward this requirement. If  
15 this minimum requirement is not met, any performance incentive  
16 earned under paragraph (7) of subsection (j) should be reduced  
17 by the percentage point level of shortfall in meeting this  
18 requirement; if the utility is subject to a performance  
19 penalty, then the magnitude of the penalty shall be increased  
20 by the percentage point shortfall in meeting this requirement.

21 As used in this subsection (g), "integrated whole building  
22 efficiency programs" means programs designed to optimize the  
23 heating efficiency of buildings by comprehensively and  
24 simultaneously addressing cost-effective energy-savings  
25 opportunities associated with heating equipment, heating  
26 distribution systems, heating system controls, ventilation

1 systems and building envelopes; such programs may be targeted  
2 to existing buildings or to construction of new buildings.

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

10 (i) Beginning in 2021, each gas utility shall file an  
11 energy efficiency plan with the Commission to meet the energy  
12 efficiency standards for the next applicable multi-year period  
13 beginning January 1 of the year following the filing, according  
14 to the schedule set forth in paragraphs (1) through (5) of this  
15 subsection (i). If a utility does not file such a plan on or  
16 before the applicable filing deadline for the plan, it shall  
17 face a penalty of \$100,000 per day until the plan is filed.

18 (1) No later March 1, 2021, each gas utility shall file  
19 a 4-year energy efficiency plan commencing on January 1,  
20 2022 that is designed to achieve the cumulative persisting  
21 annual savings goals specified in paragraphs (1) through  
22 (4) of subsection (d) of this Section through  
23 implementation of energy efficiency measures; however, the  
24 goals may be reduced if the plan's analysis and forecasts  
25 of the utility's ability to acquire energy savings  
26 demonstrate beyond a reasonable doubt that achievement of

1 such goals is not cost-effective. 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, taking into account the results of the potential  
10 study required by subsection (j-5) of this Section.

11 (2) 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 (5) through (8) 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 (3) 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 (9) through (12) 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 (4) No later than March 1, beginning in 2033 and each 4  
10 years thereafter, 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 thereafter, that is designed  
13 to achieve the cumulative persisting annual savings goals  
14 specified in paragraphs (13) through (16) of subsection  
15 (d), as well as goals for subsequent years that are  
16 established by the Illinois Commerce Commission pursuant  
17 to direction of subsection (d) of this Section, through  
18 implementation of energy efficiency measures; however, the  
19 goals may be reduced if each of the following conditions  
20 are met: (A) the plan's analysis and forecasts of the  
21 utility's ability to acquire energy savings demonstrate  
22 beyond a reasonable doubt that achievement of such goals is  
23 not cost-effective; and (B) the amount of energy savings  
24 achieved by the utility as determined by the independent  
25 evaluator for the most recent year for which savings have  
26 been evaluated preceding the plan filing was less than the

1 average annual amount of savings required to achieve the  
2 goals for the applicable 4-year plan period. Annual  
3 increases in cumulative persisting annual savings goals  
4 during the applicable 4-year plan period shall not be  
5 reduced to amounts that are less than the maximum amount of  
6 cumulative persisting annual savings that is forecast to be  
7 cost-effectively achievable during the 4-year plan period.  
8 The Commission shall review any proposed goal reduction as  
9 part of its review and approval of the utility's proposed  
10 plan, taking into account the results of the potential  
11 study required by subsection (j-5) of this Section.

12 Each utility's plan shall set forth the utility's proposals  
13 to meet the energy efficiency standards identified in  
14 subsection (d). The Commission shall seek public comment on the  
15 utility's plan and shall issue an order approving or  
16 disapproving each plan within 6 months after its submission. If  
17 the Commission disapproves a plan, the Commission shall, within  
18 30 days, describe in detail the reasons for the disapproval and  
19 describe a path by which the utility may file a revised draft  
20 of the plan to address the Commission's concerns  
21 satisfactorily. If the utility does not refile with the  
22 Commission within 60 days, the utility shall be subject to  
23 penalties at a rate of \$100,000 per day until the plan is  
24 filed. This process shall continue, and penalties shall accrue,  
25 until the utility has successfully filed a portfolio of energy  
26 efficiency measures. Penalties shall be deposited into the

1 Energy Efficiency Trust Fund.

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

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

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

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

24 (3.5) Demonstrate that the utility's plan integrates  
25 the delivery of energy efficiency programs with electric  
26 efficiency programs and other efforts to address bill

1 payment issues, including, but not limited to, LIHEAP and  
2 the Percent Income Payment Plan, to the extent such  
3 integration is practical and has the potential to enhance  
4 customer engagement, minimize market confusion, or reduce  
5 administrative costs.

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

9 (A) Beginning with the year commencing January 1,  
10 2024, gas utilities shall fund third-party energy  
11 efficiency programs in an amount that is no less than  
12 10% of total efficiency portfolio budgets per year.

13 (B) For the multi-year plans commencing on January  
14 1, 2022, the utility shall conduct a solicitation  
15 process during 2022 for purposes of requesting  
16 proposals from third-party vendors for those  
17 third-party energy efficiency programs to be offered  
18 during one or more years of the last 3 years of the  
19 2022 to 2025 plan period. For the solicitation process,  
20 the utility shall identify the sector, technology, or a  
21 geographic area for which it is seeking requests for  
22 proposals. The solicitation process must be for  
23 programs that fill gaps in the utility's program  
24 portfolio or target business sectors, building types,  
25 geographies or other specific parts of its customer  
26 base with initiatives that would be more effective at

1 reaching these customer segments than the utilities'  
2 programs filed in its energy efficiency plans.

3 (C) For multi-year plans commencing on January 1,  
4 2026, January 1, 2030, and every 4 years thereafter,  
5 the utility shall conduct a solicitation process  
6 during 2025, 2029, and every 4 years thereafter,  
7 respectively, for purposes of requesting proposals  
8 from third-party vendors for those third-party energy  
9 efficiency programs to be offered during one or more  
10 years of the respective multi-year plan period; for  
11 each solicitation process, the utility shall identify  
12 the sector, technology, or geographic area for which it  
13 is seeking requests for proposals; the solicitation  
14 process must be for programs that fill gaps in the  
15 utility's program portfolio or target business  
16 sectors, building types, geographies or other specific  
17 parts of its customer base with initiatives that would  
18 be more effective at reaching these customer segments  
19 than the utilities' programs filed in its energy  
20 efficiency plans.

21 (D) The utility shall propose the bidder  
22 qualifications, performance measurement process, and  
23 contract structure, which must include a performance  
24 payment mechanism and general terms and conditions;  
25 the proposed qualifications, process, and structure  
26 shall be subject to Commission approval.

1           (E) The utility shall retain an independent third  
2           party to score the proposals received through the  
3           solicitation process described in this paragraph (4),  
4           rank them according to their cost per lifetime kilowatt  
5           hours saved, and assemble the portfolio of third-party  
6           programs.

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

10          (5) Include a proposed or revised cost-recovery  
11          mechanism, as provided for under subsection (h) of this  
12          Section, to fund the proposed energy efficiency measures  
13          and to ensure the recovery of the prudently and reasonably  
14          incurred costs of Commission-approved programs.

15          (6) Provide for an annual independent evaluation of the  
16          performance of the cost-effectiveness of the utility's  
17          portfolio of measures, as well as a full review of the  
18          multi-year plan results of the broader net program impacts  
19          and, to the extent practical, for adjustment of the  
20          measures on a going-forward basis as a result of the  
21          evaluations. The resources dedicated to evaluation shall  
22          not exceed 3% of portfolio resources in any given year.

23          (7) Each gas utility shall be eligible to earn a  
24          shareholder incentive for effective implementation of its  
25          efficiency programs. The incentive shall be tied to each  
26          utility's annual energy efficiency spending and its

1 savings relative to its applicable annual total savings  
2 requirement as defined in paragraph (8) of this subsection  
3 (j). There shall be no incentive if the independent  
4 evaluator determines the utility failed to achieve savings  
5 equal to at least 85% of its applicable annual total  
6 savings requirement. The utility shall earn an incentive  
7 equal 0.5% of total annual efficiency spending in the year  
8 being evaluated for every one percentage point above 85% up  
9 to 100% of its applicable annual total savings requirement  
10 that the utility achieved in that year, such that the  
11 utility shall earn an incentive equal to 7.5% of spending  
12 for meeting 100% of its applicable annual total savings  
13 requirement. The utility shall earn an additional 0.3% of  
14 spending for every one percentage point above 100% of its  
15 applicable annual total savings requirement achieved, with  
16 a maximum incentive of 15% for achieving 125% of its  
17 applicable annual total savings requirement.

18 (7.5) In this Section, "applicable annual incremental  
19 goal" means the difference between the cumulative  
20 persisting annual savings goal for the calendar year that  
21 is the subject of the independent evaluator's  
22 determination and the cumulative persisting annual savings  
23 goal for the immediately preceding calendar year, as such  
24 goals are defined in subsection (d) of this Section. Under  
25 subsection (d) of this Section, a utility must first  
26 replace energy savings from measures that have expired and

1 would otherwise have to be replaced to meet the applicable  
2 savings goals identified in subsection (d) of this Section  
3 before any progress toward achievement of its applicable  
4 annual incremental goal may be counted. Savings may expire  
5 because measures installed in previous years have reached  
6 the end of their lives, because measures installed in  
7 previous years are producing lower savings in the current  
8 year than in the previous year or for other reasons  
9 identified by independent evaluators. Notwithstanding  
10 anything else set forth in this Section, the difference  
11 between the actual annual incremental savings achieved in  
12 any given year, including the replacement of energy savings  
13 that have expired, and the applicable annual incremental  
14 goal shall not affect adjustments to the return on equity  
15 for subsequent calendar years under this subsection (j).

16 (8) In this Section, "applicable annual total savings  
17 requirement" means the total amount of new annual savings  
18 that the utility must achieve in any given year to achieve  
19 the applicable annual incremental goal. This shall be equal  
20 to the applicable annual incremental goal plus the total  
21 new annual savings that are required to replace savings  
22 that expired in or at the end of the previous year.

23 (9) The utility shall submit the energy-savings data to  
24 the independent evaluator no later than 30 days after the  
25 close of the plan year. The independent evaluator shall  
26 determine the cumulative persisting annual savings and the



1 utility's performance relative to its applicable annual  
2 total savings requirement for a given plan year no later  
3 than 120 days after the close of the plan year. The  
4 independent evaluator must also estimate the job impacts  
5 and other macroeconomic impacts of the utility's  
6 efficiency programs. The utility shall submit an  
7 informational filing to the Commission no later than 160  
8 days after the close of the plan year that attaches the  
9 independent evaluator's final report identifying the  
10 cumulative persisting annual savings for the year and  
11 calculates, under paragraph (7) of this subsection (j), as  
12 applicable, the magnitude of any shareholder incentive  
13 that the utility has earned.

14 (9.5) The utility must demonstrate how it will ensure  
15 that program implementation contractors and energy  
16 efficiency installation vendors will meet multiple  
17 workforce equity building criteria, including, but not  
18 limited to:

19 (i) Ensuring that an amount of program portfolio  
20 incentive funding proportional to the population of  
21 BIPOC persons within the utility's territory, as  
22 updated every 2 years, is administered or installed by  
23 energy efficiency installation vendors who meet one of  
24 the following criteria:

25 (aa) certified under Section 2 of the Business  
26 Enterprise for Minorities, Women, and Persons with

1           Disabilities Act; or

2                   (bb) certified by another municipal, state,  
3                   federal, or other certification for disadvantaged  
4                   businesses; or

5                   (cc) submit an affidavit showing that the  
6                   vendor meets the eligibility criteria for a  
7                   certification program such as those in subdivision  
8                   (aa) or (bb); or

9                   (dd) if the vendor is a nonprofit, meet any of  
10                   the criteria in subdivision (aa), (bb), or (cc) or  
11                   is controlled by a board of directors that consists  
12                   of 51% or greater BIPOC persons.

13                   (ii) Ensuring that program implementation  
14                   contractors and energy efficiency installation vendors  
15                   pay employees working on energy efficiency programs at  
16                   or above the prevailing wage rate when such a wage rate  
17                   has been published by the Illinois Department of Labor  
18                   and pay employees working on energy efficiency  
19                   programs at or above the median wage rate for a similar  
20                   job description in the nearest metropolitan area when  
21                   there is no applicable published prevailing wage rate.  
22                   If necessary, utilities may conduct surveys to  
23                   establish the median wage rate for a given job  
24                   description. Utilities shall establish reporting  
25                   procedures for vendors that ensure compliance with  
26                   this subsection, but are structured to avoid, wherever

1 possible, placing an undue administrative burden on  
2 vendors.

3 (iii) Ensuring that program implementation  
4 contractor employees and energy efficiency  
5 installation vendor employees are proportional to the  
6 population of people of color, as defined in  
7 subparagraphs (a) through (e) of paragraph (A)(1) of  
8 Section 2 of the Business Enterprise for Minorities,  
9 Women, and Persons with Disabilities Act, within the  
10 utility's territory, as updated every 2 years.

11 (iv) Ensuring that 30% or more of the energy  
12 efficiency installation vendor employees working for  
13 vendors reporting to each program implementation  
14 contractor are graduates of or trainees in the Clean  
15 Energy Workforce Training Hubs programs, Returning  
16 Residents Clean Jobs Training programs, or similar  
17 programs offering equivalent certifications.

18 (v) Ensuring that vendors who are very small  
19 businesses of 5 or fewer full-time employees,  
20 businesses that have completed or are participating in  
21 the Expanding Clean Energy Entrepreneurship and  
22 Contractor Incubator Network Program, and businesses  
23 that have completed or are participating in the  
24 Illinois Clean Energy Black, Indigenous, and People of  
25 Color Primes Contractor Accelerator, receive a  
26 substantial portion of program portfolio funding.

1        Utility plans to achieve this shall include efforts to  
2        provide the necessary training and administrative  
3        support needed for very small businesses to meet  
4        utility-mandated training, certification, insurance,  
5        and security-related contract requirements.

6        (9.6) Utilities shall collect data necessary to ensure  
7        compliance with paragraph (9.5) no less than quarterly and  
8        shall communicate progress toward compliance with  
9        paragraph (9.5) to program implementation contractors and  
10       energy efficiency installation vendors no less than  
11       quarterly. When it seems unlikely that the criteria in  
12       paragraph (9.5) will be met, utilities shall work with  
13       relevant vendors, providing education, training, and other  
14       resources needed to ensure compliance and, where  
15       necessary, adjusting or terminating work with vendors that  
16       cannot assist with compliance.

17       (10) A utility required to implement efficiency  
18       programs under this Section shall report annually to the  
19       Illinois Commerce Commission and the General Assembly on  
20       how hiring, contracting, job training, and other practices  
21       related to its energy efficiency programs enhance the  
22       diversity of vendors working on such programs. These  
23       reports must include data on vendor and employee diversity,  
24       including data on the implementation of paragraphs (9.5)  
25       and (9.6). If the utility is not meeting the requirements  
26       of paragraphs (9.5) and (9.6), the utility shall submit a

1 plan to adjust their activities so that they meet the  
2 requirements of paragraphs (9.5) and (9.6) within the  
3 following year.

4 (j-5) Energy efficiency potential study. An energy  
5 efficiency potential study shall be commissioned and overseen  
6 by the Illinois Commerce Commission. The potential study shall  
7 be a dual fuel study, addressing both gas and electric  
8 efficiency potential, such that the requirements both in this  
9 subsection (j-5) and in subsection (f-5) of Section 8-103B are  
10 met in an integrated and cost-efficient manner. The potential  
11 study shall be designed and conducted with input from a  
12 Potential Study Stakeholder Committee established by the  
13 Commission. This Committee shall be composed of  
14 representatives from each electric utility, the Illinois  
15 Attorney General's office, at least 2 environmental  
16 stakeholders, at least one community-based organization, and  
17 additional parties representing consumers. The Committee shall  
18 provide input, at a minimum, into the scope of work for the  
19 studies, the selection of vendors to perform the studies in  
20 accordance with appropriate confidentiality and conflict of  
21 interest provisions, and draft work products. The Committee  
22 shall make best efforts to achieve consensus on the key  
23 elements of the potential study, including:

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

26 (ii) likely emergence of new technology or new program

1 concepts that could emerge, including proxies for new  
2 technologies or program concepts that cannot be  
3 specifically named, identified, or characterized at the  
4 time of the study;

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       the renewable energy sector in 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 open an investigation to deliberate,  
25 develop, and adopt a renewable energy access plan no later than  
26 December 31, 2022. To assist and support the Commission in the

1 development of the plan, the Commission shall retain the  
2 services of technical and policy experts with relevant fields  
3 of expertise, solicit technical and policy analysis from the  
4 public, and provide for a 120-day open public comment period  
5 after publication of a draft report, which shall be published  
6 no 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) use 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, 2025, and in each  
21 odd-numbered year thereafter, the Commission shall open an  
22 investigation to deliberate, develop, and adopt an updated  
23 renewable energy access plan that, at a minimum, evaluates the  
24 implementation and effectiveness of the renewable energy  
25 access plan, recommends improvements to the renewable energy  
26 access plan, and provides changes to transmission capacity

1 necessary to deliver electric output from the renewable energy  
2 access plan zones.

3 (220 ILCS 5/9-220.3)

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

5 Sec. 9-220.3. Natural gas surcharges authorized.

6 (a) Tariff.

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

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

22 (3) The Commission shall issue an order approving, or  
23 approving with modification to ensure compliance with this  
24 Section, the tariff no later than 120 days after such  
25 filing of the tariffs filed pursuant to this Section. The

1 utility shall have 7 days following the date of service of  
2 the order to notify the Commission in writing whether it  
3 will accept any modifications so identified in the order or  
4 whether it has elected not to proceed with the tariff. If  
5 the order includes no modifications or if the utility  
6 notifies the Commission that it will accept such  
7 modifications, the tariff shall take effect on the first  
8 day of the calendar year in which the Commission issues the  
9 order, subject to petitions for rehearing and appellate  
10 procedures. After the tariff takes effect, the utility may,  
11 upon 10 days' notice to the Commission, file to withdraw  
12 the tariff at any time, and the Commission shall approve  
13 such filing without suspension or hearing, subject to a  
14 final reconciliation as provided in subsection (e) of this  
15 Section.

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

1           (5) A natural gas utility that is subject to its  
2           delivery base rates being fixed at their current rates  
3           pursuant to a Commission order entered in Docket No.  
4           11-0046, notwithstanding the effective date of its tariff  
5           authorized pursuant to this Section, shall reflect in a  
6           tariff surcharge only those projects placed in service  
7           after the fixed rate period of the merger agreement has  
8           expired by its terms.

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

24               (1) the installation of facilities to retire and  
25               replace underground natural gas facilities, including  
26               facilities appurtenant to facilities constructed of those

1 materials such as meters, regulators, and services, and  
2 that are constructed of cast iron, wrought iron, ductile  
3 iron, unprotected coated steel, unprotected bare steel,  
4 mechanically coupled steel, copper, Cellulose Acetate  
5 Butyrate (CAB) plastic, pre-1973 DuPont Aldyl "A"  
6 polyethylene, PVC, or other types of materials identified  
7 by a State or federal governmental agency as being prone to  
8 leakage;

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

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

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

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

21 (B) the communications hardware and software and  
22 associated system software that creates a network  
23 between advanced gas meters and utility business  
24 systems and allows the collection and distribution of  
25 gas-related information to customers and other parties  
26 in addition to providing information to the utility

1           itself;

2           (5) replacing high-pressure transmission pipelines and  
3       associated facilities identified as having a higher risk of  
4       leakage or failure or installing or replacing  
5       high-pressure transmission pipelines and associated  
6       facilities to establish records and maximum allowable  
7       operating pressures;

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

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

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

22          (c) Qualifying infrastructure investment, defined in  
23       subsection (b) of this Section, recoverable through a tariff  
24       authorized by subsection (a) of this Section, shall not include  
25       costs or expenses incurred in the ordinary course of business  
26       for the ongoing or routine operations of the utility,



1 including, but not limited to:

2 (1) operating and maintenance costs; and

3 (2) costs of facilities that are revenue-producing,  
4 which means facilities that are constructed or installed  
5 for the purpose of serving new customers.

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

9 (1) recognize that the General Assembly identifies  
10 improved public safety and reliability of natural gas  
11 facilities as the cornerstone upon which this Section is  
12 designed, and qualifying projects should be encouraged,  
13 selected, and prioritized based on these factors; and

14 (2) provide information to the Commission as requested  
15 to demonstrate that (i) the projects included in the tariff  
16 are indeed qualifying projects and (ii) the projects are  
17 selected and prioritized taking into account improved  
18 public safety and reliability.

19 (3) The amount of qualifying infrastructure investment  
20 eligible for recovery under the tariff in the applicable  
21 calendar year is limited to the lesser of (i) the actual  
22 qualifying infrastructure plant placed in service in the  
23 applicable calendar year and (ii) the difference by which  
24 total plant additions in the applicable calendar year  
25 exceed the baseline amount, and subject to the limitation  
26 in subsection (g) of this Section. A natural gas utility

1 can recover the costs of qualifying infrastructure  
2 investments through an approved surcharge tariff from the  
3 beginning of each calendar year subject to the  
4 reconciliation initiated under paragraph (2) of subsection  
5 (e) of this Section, during which the Commission may make  
6 adjustments to ensure that the limits defined in this  
7 paragraph are not exceeded. Further, if total plant  
8 additions in a calendar year do not exceed the baseline  
9 amount in the applicable calendar year, the Commission,  
10 during the reconciliation initiated under paragraph (2) of  
11 subsection (e) of this Section for the applicable calendar  
12 year, shall adjust the amount of qualifying infrastructure  
13 investment eligible for recovery under the tariff to zero.

14 (4) For purposes of this Section, "baseline amount"  
15 means an amount equal to the utility's average of total  
16 depreciation expense, as reported on page 336, column (b)  
17 of the utility's ILCC Form 21, for the calendar years 2006  
18 through 2010.

19 (e) Review of investment.

20 (1) The amount of qualifying infrastructure investment  
21 shall be shown on an Information Sheet supplemental to the  
22 surcharge tariff and filed with the Commission monthly or  
23 some other time period at the option of the utility. The  
24 Information Sheet shall be accompanied by data showing the  
25 calculation of the qualifying infrastructure investment  
26 adjustment. Unless otherwise ordered by the Commission,

1 each qualifying infrastructure investment adjustment shown  
2 on an Information Sheet shall become effective pursuant to  
3 the utility's approved tariffs.

4 (2) For each calendar year in which a surcharge tariff  
5 is in effect, the natural gas utility shall file a petition  
6 with the Commission to initiate hearings to reconcile  
7 amounts billed under each surcharge authorized pursuant to  
8 this Section with the actual prudently incurred costs  
9 recoverable under this tariff in the preceding year. The  
10 petition filed by the natural gas utility shall include  
11 testimony and schedules that support the accuracy and the  
12 prudence of the qualifying infrastructure investment for  
13 the calendar year being reconciled. The petition filed  
14 shall also include the number of jobs attributable to the  
15 natural gas surcharge tariff as required by rule. The  
16 review of the utility's investment shall include  
17 identification and review of all plant that was ranked  
18 within the highest risk categories in that utility's most  
19 recent Distribution Integrity Management Plan.

20 (f) The rate of return applied shall be the overall rate of  
21 return authorized by the Commission in the utility's last gas  
22 rate case.

23 (g) The cumulative amount of increases billed under the  
24 surcharge, since the utility's most recent delivery service  
25 rate order, shall not exceed an annual average 4% of the  
26 utility's delivery base rate revenues, but shall not exceed

1 5.5% in any given year. On the effective date of new delivery  
2 base rates, the surcharge shall be reduced to zero with respect  
3 to qualifying infrastructure investment that is transferred to  
4 the rate base used to establish the utility's delivery base  
5 rates, provided that the utility may continue to charge or  
6 refund any reconciliation adjustment determined pursuant to  
7 subsection (e) of this Section.

8 (h) If a gas utility obtains a surcharge tariff under this  
9 Section 9-220.3, then it and its affiliates are excused from  
10 the rate case filing requirements contained in Sections  
11 9-220(h) and 9-220(h-1). In the event a natural gas utility,  
12 prior to the effective date of this amendatory Act of the 98th  
13 General Assembly, made a rate case filing that is still pending  
14 on the effective date of this amendatory Act of the 98th  
15 General Assembly, the natural gas utility may, at the time it  
16 files its surcharge tariff with the Commission, also file a  
17 notice with the Commission to withdraw its rate case filing.  
18 Any affiliate of such natural gas utility may also file to  
19 withdraw its rate case filing. Upon receipt of such notice, the  
20 Commission shall dismiss the rate case filing with prejudice  
21 and such tariffs and the record related thereto shall not be  
22 the subject of any further hearing, investigation, or  
23 proceeding of any kind related to rates for gas delivery  
24 services. Notwithstanding the foregoing, a natural gas utility  
25 shall not be permitted to withdraw a rate case filing for which  
26 a proposed order recommending a rate reduction is pending. A

1 natural gas utility shall not be permitted to withdraw the gas  
2 delivery services tariffs that are the subject of Commission  
3 Docket Nos. 12-0511/12-0512 (cons.). None of the costs incurred  
4 for the withdrawn rate case are recoverable from ratepayers.

5 (i) The Commission shall promulgate rules and regulations  
6 to carry out the provisions of this Section under the emergency  
7 rulemaking provisions set forth in Section 5-45 of the Illinois  
8 Administrative Procedure Act, and such emergency rules shall be  
9 effective no later than 30 days after the effective date of  
10 this amendatory Act of the 98th General Assembly.

11 (j) Utilities that have elected to recover qualifying  
12 infrastructure investment costs pursuant to this Section shall  
13 file annually their Distribution Integrity Management Plan  
14 (DIMP) with the Commission no later than June 1 of each year  
15 the utility has said tariff in effect. The DIMP shall include  
16 the following information:

17 (1) Baseline Distribution System Data: Information  
18 such as demand, system pressures and flows, and metering  
19 infrastructure.

20 (2) Financial Data: historical and projected spending  
21 on distribution system infrastructure.

22 (3) Scenario Analysis: Discussion of projected changes  
23 in usage over time.

24 (4) Descriptions of all qualifying infrastructure  
25 investment proposed for the coming year.

26 (k) Within 45 days after filing, the Commission shall, with

1 reasonable notice, open an investigation to consider whether  
2 the Plan meets the objectives set forth in this subsection and  
3 contains the information required by subsection (j). The  
4 Commission shall issue a final order approving the Plan, with  
5 any modifications the Commission deems reasonable and  
6 appropriate to achieve the goals of this Section, within 270  
7 days after the Plan filing. The investigation shall assess  
8 whether the DIMP:

9 (1) ensures optimized use of utility infrastructure  
10 assets and resources to minimize total 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.)

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 has the  
18       power to adopt rules to carry out the provisions of this  
19       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 of 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.

1 (220 ILCS 5/9-227) (from Ch. 111 2/3, par. 9-227)

2 Sec. 9-227. It is the policy of this State to encourage  
3 electric and natural gas public utilities to promote the  
4 welfare of this State and their communities through donations  
5 made from the utility's shareholder profits rather than by  
6 using ratepayer funds. Such contributions shall not be  
7 recoverable through the public utility's rates. ~~It shall be~~  
8 ~~proper for the Commission to consider as an operating expense,~~  
9 ~~for the purpose of determining whether a rate or other charge~~  
10 ~~or classification is sufficient, donations made by a public~~  
11 ~~utility for the public welfare or for charitable scientific,~~  
12 ~~religious or educational purposes, provided that such~~  
13 ~~donations are reasonable in amount. In determining the~~  
14 ~~reasonableness of such donations, the Commission may not~~  
15 ~~establish, by rule, a presumption that any particular portion~~  
16 ~~of an otherwise reasonable amount may not be considered as an~~  
17 ~~operating expense. The Commission shall be prohibited from~~  
18 ~~disallowing by rule, as an operating expense, any portion of a~~  
19 ~~reasonable donation for public welfare or charitable purposes.~~

20 (Source: P.A. 85-122.)

21 (220 ILCS 5/10-104) (from Ch. 111 2/3, par. 10-104)

22 Sec. 10-104. Public hearings.

23 (a) As used in this Section, "major case" includes:

24 (1) rate cases;

1           (2) rulemakings;

2           (3) other proceedings with a significant effect on  
3           rates;

4           (4) large infrastructure projects with significant  
5           nonrate impacts on communities near their location;

6           (5) new programs;

7           (6) any planning dockets related to energy efficiency,  
8           renewable energy, and interconnection infrastructure; and

9           (7) any other docketed or undocketed proceedings for  
10           which the Commission feels that robust public engagement is  
11           needed.

12           (b) When the outcome of a major case would have effects  
13           statewide, or have any significant effects outside the  
14           territory of the utility or utilities involved in the case, the  
15           Commission shall hold at least 5 public hearings for the  
16           purpose of receiving public comment on each such major case.  
17           One of these hearings must be in the Chicago metropolitan area.  
18           One of these hearings must be in Springfield. The remaining 3  
19           hearings must be outside of the Chicago metropolitan area and  
20           Springfield. One of the hearings shall be held within the  
21           county in which the subject matter of the hearing is situated,  
22           if it is situated within one county. When the outcome of a  
23           major case would have effects only within the territory of one  
24           utility, the Commission shall hold at least 5 public hearings  
25           at a variety of geographic locations within the utility's  
26           territory. The locations shall be chosen to give a wide variety

1 of stakeholders the best opportunity to participate in the  
2 hearings. The Commission may combine public hearings for  
3 multiple major cases into one event at a single venue, where  
4 practicable and compliant with all other requirements.

5 (c) The public hearings shall be held at times that make  
6 them accessible to the public, including to residents who work  
7 during the day. The public hearings shall be held at locations  
8 easily accessible, whenever possible, by public  
9 transportation. The public hearings shall be held at locations  
10 with wheelchair access. Upon request, a sign language  
11 interpreter or other equivalent assistance for the hearing  
12 impaired shall be provided. Upon request, translation services  
13 shall be provided. Translation services may include real-time  
14 telephone-based or other real-time translation services. All  
15 written materials distributed at public hearings by the  
16 Commission or utilities must be available at the hearing in  
17 Spanish and, upon request and reasonable notice, other  
18 languages. Call-in options shall be provided.

19 (d) At least 3 commissioners shall attend each public  
20 hearing in person.

21 (e) Public hearings under this Section are subject to the  
22 Open Meetings Act.

23 (f) The Commission may collect a reasonable fee from the  
24 affected utility to offset the cost of public hearings,  
25 including the cost of staffing. Within 30 days after the  
26 effective date of this amendatory Act of the 101st General

1 Assembly, the Commission shall set the amount of the fee and  
2 shall update the amount of the fee no less often than every 3  
3 years thereafter. All fees charged and collected by the  
4 Commission shall be paid promptly after the receipt of the  
5 same, accompanied by a detailed statement thereof, into the  
6 Public Utility Fund in the State treasury. ~~All hearings before~~  
7 ~~the Commission or any commissioner or administrative law judge~~  
8 ~~shall be held within the county in which the subject matter of~~  
9 ~~the hearing is situated, or if the subject matter of the~~  
10 ~~hearing is situated in more than one county, then at a place or~~  
11 ~~places designated by the Commission, or agreed upon by the~~  
12 ~~parties in interest, within one or more such counties, or at~~  
13 ~~the place which in the judgment of the Commission shall be most~~  
14 ~~convenient to the parties to be heard.~~

15 (Source: P.A. 100-840, eff. 8-13-18.)

16 (220 ILCS 5/16-105.17 new)

17 Sec. 16-105.17. Multi-year integrated grid plan.

18 (a) Findings and Purpose. The General Assembly finds that  
19 better aligning regulated utility operations, expenditures and  
20 investments with public benefit goals including safety;  
21 reliability; efficiency; affordability; equity; emissions  
22 reductions; and expansion of clean distributed energy  
23 resources, is critical to ensuring that Illinois residents and  
24 businesses do not suffer economic and environmental harm from  
25 the State's energy systems and to maximize the potential

1 benefits from utility expenditures. To that end, it is the  
2 policy of the State of Illinois to promote inclusive,  
3 comprehensive, transparent, cost-effective distribution system  
4 planning that minimizes long-term costs for Illinois customers  
5 and supports the achievement of state renewable energy  
6 development and other clean energy, public health, and  
7 environmental policy goals. Utility distribution system  
8 expenditures, programs, investments and policies must be  
9 evaluated in coordination with these goals. In particular, the  
10 General Assembly finds that:

11 (1) Illinois' electricity distribution system must  
12 cost-effectively integrate renewable energy resources,  
13 including utility-scale renewable energy resources,  
14 community renewable generation and distributed renewable  
15 energy resources, support beneficial electrification  
16 including electric vehicle use and adoption, promote  
17 opportunities for third-party investment in  
18 nontraditional, grid-related technologies and resources  
19 such as batteries, solar photovoltaic panels and smart  
20 thermostats, reduce energy usage generally and especially  
21 during times of greatest reliance on fossil fuels, and  
22 enhance customer engagement opportunities.

23 (2) Inclusive distribution system planning is an  
24 essential tool for the Illinois Commerce Commission,  
25 public utilities, and stakeholders to effectively  
26 coordinate environmental, consumer, reliability and equity

1 goals at fair and reasonable costs, and for ensuring  
2 transparent utility accountability for meeting those  
3 goals.

4 (3) Any planning process should advance Illinois  
5 energy policy goals while ensuring utility investments are  
6 cost-effective. Such a process should maximize the sharing  
7 of information, ensure robust stakeholder participation,  
8 and recognize the responsibility of the utility to  
9 ultimately manage the grid in a safe, reliable manner.

10 (4) Since the passage of the Energy Infrastructure  
11 Modernization Act in 2011, Illinois consumers have  
12 invested billions of dollars toward electric utility grid  
13 modernization. In the absence of a transparent  
14 distribution planning process, however, those investments  
15 have not served customers' best interests, have failed to  
16 promote the expansion of clean distributed energy  
17 resources, and have failed to advance equity and  
18 environmental justice.

19 (5) The traditional regulatory model rewards utilities  
20 for increasing capital expenditures by basing allowed  
21 revenues on the value of the rate base, resulting in an  
22 incentive for ever-increasing capital investments. The  
23 General Assembly is concerned that the existing regulatory  
24 model does not align the interests of customers, the State,  
25 and utilities because it does not encourage utilities to  
26 systematically analyze and consider nontraditional

1 solutions to utility, customer and grid needs that may be  
2 more efficient and cost effective, and less  
3 environmentally harmful than traditional solutions.  
4 Nontraditional solutions include distributed energy  
5 resources owned or implemented by customers and  
6 independent third parties, controllable load, beneficial  
7 electrification, or rate design that rewards efficient  
8 energy use, for example.

9 (6) The General Assembly also finds that Illinois  
10 utilities' current processes for planning their  
11 distribution system are not reasonably accessible or  
12 transparent to individuals and communities who pay for and  
13 are affected by the utilities' distribution system assets,  
14 and that more inclusive and accessible distribution system  
15 planning processes would be in the interests of all  
16 Illinois residents, but especially those residents  
17 historically most negatively impacted by unsafe or  
18 environmentally harmful energy infrastructure.

19 (7) The General Assembly finds it would be beneficial  
20 to require utilities to demonstrate how their spending  
21 promotes identified state energy goals, such as  
22 integrating renewable energy; empowering customers;  
23 supporting electric vehicles, beneficial electrification  
24 and energy storage; achieving equity goals; and  
25 maintaining reliability.

26 The General Assembly therefore directs the utilities to



1 implement distribution system planning in order to accelerate  
2 progress on Illinois clean energy and environmental goals and  
3 hold electric utilities publicly accountable for their  
4 performance.

5 (b) Definitions. As used in this Section:

6 "Commission" means the Illinois Commerce Commission.

7 "Demand response" means measures that decrease peak  
8 electricity demand or shift demand from peak to off-peak  
9 periods.

10 "Distributed energy resources" or "DER" means a wide range  
11 of technologies that are located on the customer side of the  
12 customer's electric meter and can provide value to the  
13 distribution system, including, but not limited to,  
14 distributed generation, energy storage, electric vehicles, and  
15 demand response technologies.

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

20 (c) Application. This Section applies to electric  
21 utilities serving more than 500,000 retail customers in the  
22 State.

23 (d) Objectives. The Multi-Year Integrated Grid Plan ("the  
24 Plan") shall be designed to:

25 (1) ensure coordination of the State's renewable  
26 energy goals, climate and environmental goals, utility

1 distribution system investments, and programs, policies  
2 and investments described in this Section to maximize the  
3 benefits of each while ensuring utility expenditures are  
4 cost-effective;

5 (2) bring the benefits of grid modernization and clean  
6 energy, including, but not limited to, deployment of  
7 distributed energy resources, to ratepayers in  
8 economically disadvantaged and environmental justice  
9 communities throughout Illinois, with at least 40% of these  
10 benefits being allocated to these ratepayers;

11 (3) enable greater customer engagement, empowerment,  
12 and options for energy services;

13 (4) reduce grid congestion, minimize the time and  
14 expense associated with interconnection, and increase the  
15 capacity of the distribution grid to host increasing levels  
16 of distributed energy resources, to facilitate  
17 availability and development of distributed energy  
18 resources, particularly in locations that enhance consumer  
19 and environmental benefits;

20 (5) ensure opportunities for robust public  
21 participation through open, transparent planning  
22 processes;

23 (6) provide for the analysis of the cost-effectiveness  
24 of proposed system investments, which takes into account  
25 environmental costs and benefits;

26 (7) to the maximum extent possible, achieve or support

1 the achievement of Illinois environmental goals, including  
2 those described in Section 9.10 of the Environmental  
3 Protection Act, Section 1-75 of the Illinois Power Agency  
4 Act, and emissions reductions required to improve the  
5 health, safety and prosperity of all Illinois residents;

6 (8) support existing Illinois policy goals promoting  
7 distributed energy resources and investments in renewable  
8 energy resources; and

9 (9) provide sufficient public information to the  
10 Commission, stakeholders, and market participants in order  
11 to enable nonemitting customer-owned or third-party  
12 distributed energy resources, acting individually or in  
13 aggregate, to seamlessly and easily connect to the grid;  
14 provide grid benefits; support grid services; and achieve  
15 environmental outcomes, without necessarily requiring  
16 utility ownership or unreasonable control over those  
17 resources, and enable those resources to act as  
18 alternatives to utility capital investments.

19 (e) Plan Development Stakeholder Process. No later than  
20 February 1, 2021, the Illinois Commerce Commission shall  
21 initiate a series of no fewer than 6 workshops which shall  
22 inform the filing requirements for, and contents of, the  
23 Multi-Year Integrated Grid Plans to be filed by electric  
24 utilities subject to this Section. The series of workshops  
25 shall be 11 months in length, concluding no later than December  
26 31, 2021. The workshops shall be facilitated by an independent

1 third-party facilitator selected by Staff of the Illinois  
2 Commerce Commission and approved by the Executive Director of  
3 the Illinois Commerce Commission.

4 (1) The workshops shall be designed to achieve the  
5 following objectives:

6 (i) review utilities' past, current and planned  
7 capital investments and all supporting data;

8 (ii) review utilities' historic and projected  
9 load;

10 (iii) review how utilities plan to invest in their  
11 distribution system in order to meet the system's  
12 projected needs;

13 (iv) review locational data on reliability,  
14 service quality, program participation and investment,  
15 provided by the utilities;

16 (v) integrate input from diverse stakeholders,  
17 including representatives from environmental justice  
18 communities, geographically diverse communities,  
19 low-income representatives, consumer representatives,  
20 environmental representatives, organized labor  
21 representatives, third-party technology providers, and  
22 utilities;

23 (vi) consider proposals from utilities and  
24 stakeholders on programs and policies necessary to  
25 achieve the objectives in subsection (d) of this  
26 Section; and

1           (vii) develop detailed filing requirements  
2           applicable to each component of the utilities'  
3           Multi-Year Integrated Grid Plan filings under  
4           paragraph (2) of subsection (f) of this Section.

5           (2) To the extent any of the information in  
6           subparagraphs (i) through (iv) of paragraph (1) of this  
7           subsection is designated as confidential because  
8           disclosure of such threatens the security of critical  
9           system infrastructure, that information shall be redacted  
10           as necessary but made available to parties who agree in  
11           writing to abide by confidentiality agreements as approved  
12           by the Office of General Counsel of the Illinois Commerce  
13           Commission. Information appropriately designated as  
14           confidential shall only include that which is critical to  
15           system security, and shall not include that information in  
16           which the electric utility claims a proprietary business  
17           interest.

18           (3) Workshops should be organized and facilitated in a  
19           manner that encourages representation from diverse  
20           stakeholders, ensuring equitable opportunities for  
21           participation, without requiring formal intervention or  
22           representation by an attorney. Workshops should be held  
23           during both day and evening hours, in a variety of  
24           locations around the State, and should allow remote  
25           participation.

26           (4) Utilities shall provide system data, including

1 data described in subparagraphs (i) through (iv) of  
2 paragraph (1) of subsection (e), at a time prior to the  
3 start of workshops to allow interested stakeholders to  
4 reasonably review data before attending workshops. To  
5 facilitate public feedback, the administrator facilitating  
6 the workshops shall, throughout the workshop process,  
7 develop questions for stakeholder input on topics being  
8 considered. This may include, but is not limited to: design  
9 of the workshop process, locational data and information  
10 provided by utilities, alignment of plans, programs,  
11 investments and objectives, and other topics as deemed  
12 appropriate by the Commission facilitation staff.  
13 Stakeholder feedback shall not be limited to these  
14 questions.

15 (5) Workshops shall not be considered settlement  
16 negotiations, compromise negotiations, or offers to  
17 compromise for the purposes of Illinois Rule of Evidence  
18 408. All materials shared as a part of the workshop process  
19 shall be made publicly available on a website made  
20 available by the Commission.

21 (6) On conclusion of the workshops, the Commission  
22 shall open a comment period that allows interested and  
23 diverse stakeholders to submit comments and  
24 recommendations regarding the utilities' Multi-Year  
25 Integrated Grid Plan filings. Based on the workshop process  
26 and stakeholder comments and recommendations offered

1 verbally or in writing during the workshops and in writing  
2 during the comment period following the workshops, the  
3 independent third-party facilitator shall prepare a  
4 report, to be submitted to the Commission no later than  
5 February 1, 2022, describing the stakeholders,  
6 discussions, proposals, and areas of consensus and  
7 disagreement from the workshop process, and making  
8 recommendations to the Commission regarding the utilities'  
9 Multi-Year Integrated Grid Plan filings. Interested  
10 stakeholders shall have an opportunity to provide comment  
11 on the independent third-party facilitator Report.

12 (7) Based on discussions in the workshops, the Staff  
13 Report, and stakeholder comments and recommendations made  
14 during and following the workshop process, the Commission  
15 shall issue Initiating Orders no later than April 1, 2022,  
16 requiring the electric utilities subject to this Section to  
17 file the first Multi-Year Integrated Grid Plan no later  
18 than June 1, 2022. The Initiating Orders shall specify the  
19 requirements applicable to the utilities' Multi-Year  
20 Integrated Grid Plans, above and beyond any requirements  
21 described in paragraph (2) of subsection (f) of this  
22 Section, and shall:

23 (i) analyze and identify specific programs,  
24 policies, and initiatives, among those that were  
25 raised during the workshop process, that the utilities  
26 must implement as a part of their Multi-Year Integrated

1           Grid Plans; and

2                   (ii) specify types of analyses and calculations  
3           the utilities shall perform, as well as scenarios they  
4           must analyze and (where applicable) specific  
5           assumptions they must use in the development of their  
6           Multi-Year Integrated Grid Plans.

7           (f) Multi-Year Integrated Grid Plan.

8                   (1) Design Objectives. Pursuant to this subsection (f)  
9           of this Section land the Initiating Orders of the  
10          Commission, to be filed no later than April 1, 2022, and  
11          for each subsequent Plan thereafter, each electric utility  
12          subject to this Section shall, no later than June 1, 2022,  
13          submit its first Multi-Year Integrated Grid Plan. While  
14          each Multi-Year Integrated Grid Plan will include a  
15          long-term, ten-year planning horizon, the Initial Plan  
16          shall be in effect from June 1, 2023 through May 31, 2026.  
17          Each Plan shall:

18                   (i) incorporate requirements established by the  
19           Commission in its Initiating Order; and

20                   (ii) Propose programs, policies and plans designed  
21           to optimize achievement of the objectives set forth in  
22           subsection (d) of this Section.

23           To the extent practicable and reasonable, all  
24          programs, policies and initiatives proposed by the utility  
25          in its plan should be informed by stakeholder input  
26          received during the workshop process pursuant to



1 subsection (e) of this Section. Where specific stakeholder  
2 input has not been incorporated in proposed programs,  
3 policies, and plans, the electric utility shall provide an  
4 explanation as to why that input was not incorporated.

5 (2) Plan Components. In order to ensure electric  
6 utilities' ability to meet the goals and objectives set  
7 forth in this Section, the Multi-Year Integrated Grid Plans  
8 must include, at minimum, the following information:

9 (i) Baseline Distribution System Data. A detailed  
10 description of the current operating conditions for  
11 the distribution system, including a detailed  
12 description, with supporting data, of: system  
13 conditions, including asset age and useful life,  
14 ratings, loadings, and other characteristics, as well  
15 as:

16 (A) modeling software currently used and  
17 planned software deployments;

18 (B) the distribution system annual loss  
19 percentage for the prior year (average of 12  
20 monthly loss percentages);

21 (C) the maximum hourly coincident load (kW)  
22 for the distribution system as measured at the  
23 interface between the transmission and  
24 distribution system;

25 (D) total distribution substation capacity in  
26 kVa;

1                   (E) total distribution transformer capacity in  
2                   kVa;

3                   (F) total miles of overhead distribution wire;

4                   (G) total miles of underground distribution  
5                   wire;

6                   (H) current and expected reliability measures;

7                   (I) detailed listing of all high-voltage and  
8                   low-voltage substations and circuits including, at  
9                   minimum, the following for each substation and  
10                   circuit: age, remaining useful life, capacity  
11                   rating, historical peak demand, historical  
12                   interval data, historic annual peak load growth,  
13                   forecast future annual peak load growth,  
14                   historical outages and voltage violations,  
15                   distribution system reliability events,  
16                   anticipated or modeled violations, existing and  
17                   planned visibility and measurement (feeder-level  
18                   and time) data, monitoring and control  
19                   capabilities, daytime minimum load, and other  
20                   characteristics as necessary to allow the  
21                   Commission and stakeholders to analyze system data  
22                   for the purposes of achieving the goals of this  
23                   Section;

24                   (J) distributed energy resource deployment by  
25                   type, size, customer class, and geographic  
26                   dispersion; and

1           (K) total number and nameplate capacity of  
2           distributed energy resources that completed  
3           interconnection to the system in each of the prior  
4           5 years, including average time to process  
5           interconnection applications for each type of  
6           resource and interconnection level.

7           (ii) Distribution System Planning Process. A  
8           detailed description of the electric utility's  
9           distribution system planning process including, but  
10           not limited to: any process required by a regional  
11           transmission organization; forecasts, inputs and  
12           assumptions of future total load and future peak  
13           demand; planned infrastructure investments and  
14           underlying assumptions regarding the necessity of such  
15           investments; the electric utility's identification of  
16           investments associated with the Commission's renewable  
17           energy access plan, pursuant to Section 8-512 of this  
18           Act; and other relevant details for the ten-year  
19           planning horizon.

20           (iii) Hosting Capacity and Interconnection  
21           Analysis. A hosting capacity analysis which includes a  
22           detailed and current analysis of how much capacity is  
23           available on each substation, circuit and node for  
24           integrating renewable and distributed energy resources  
25           as allowed by thermal ratings, protection system  
26           limits, power quality standards, and safety standards.

1       This section must include: circuit-level maps and  
2       downloadable data sets for public use; an assessment of  
3       how anticipated investments (for as far into the future  
4       as the utility has planned investments) will impact the  
5       analysis; and a narrative discussion of how the hosting  
6       capacity analysis advances customer-sited distributed  
7       energy resources, including in particular electric  
8       vehicles, electric storage systems and photovoltaic  
9       resources.

10       (iv) Scenario Analysis and Load Forecasting.  
11       Detailed load forecasts for the following 10 years at  
12       the substation and circuit level, using dynamic load  
13       forecasting (forecasting using multiple scenarios and  
14       probabilistic planning) and accounting for the impacts  
15       of anticipated energy efficiency programs, demand  
16       response programs, distributed energy resources,  
17       electric vehicle adoption, and other known or  
18       anticipated variables. This section shall also include  
19       a detailed description of the electric utility's  
20       anticipated capacity, thermal, voltage or other grid  
21       constraints for the following 3-year period, including  
22       modifications or upgrades to the system required to  
23       accommodate anticipated future load and distributed  
24       energy resource adoption. This section shall also  
25       include a discussion of the development of base-case,  
26       medium and high scenarios of distributed energy

1 resource deployment, reflecting a reasonable mix of  
2 individual distributed energy resource adoption and  
3 aggregated or bundled distributed energy resource  
4 service types, and detailed information on the  
5 methodologies used to develop those scenarios.

6 (v) Grid Value Analysis. An evaluation of the  
7 short- and long-run benefits and costs of distributed  
8 energy resources located on the distribution system,  
9 including, but not limited to, the locational,  
10 temporal, and performance-based benefits and costs of  
11 distributed energy resources. This evaluation shall be  
12 based on the reductions or increases in local  
13 generation capacity needs, avoided or increased  
14 investments in distribution infrastructure, avoided or  
15 increased line-losses, voltage support and ancillary  
16 services, safety benefits, reliability benefits,  
17 resilience benefits, and any other savings, benefits  
18 or value the distributed energy resources individually  
19 or in aggregate provide to the distribution system or  
20 costs to ratepayers of the electric utility. The  
21 utility shall use the results of this evaluation to  
22 inform its analysis of Solution Sourcing  
23 Opportunities, including nonwires alternatives, under  
24 subparagraph (H) of paragraph (2) subsection (f) of  
25 this Section. The Commission may use the data produced  
26 through this evaluation to, among other use-cases,

1 establish tariffs and compensation for distributed  
2 energy resources interconnecting to the utility's  
3 distribution system, including rebates provided by the  
4 electric utility pursuant to Section 16-107.6 of this  
5 Act.

6 (vi) Utility System Investment Plan. A detailed  
7 description of historic distribution system capital  
8 investments for the preceding 5 years and planned  
9 capital investments for the following 10 years, as well  
10 as load forecasts and all other data supporting those  
11 investments. This section shall include projected  
12 costs, scope of work, prioritization of work,  
13 sequencing of investments, and explanations of how  
14 planned investments will meet the objectives described  
15 in subsection (d).

16 (vii) Utility Operations Plan. A detailed  
17 description of historic distribution system operations  
18 and maintenance expenditures for the preceding 5 years  
19 and of planned operations and maintenance expenditures  
20 for the following 10 years, as well as the data,  
21 reasoning and explanation supporting planned  
22 expenditures. This section shall also include a  
23 description of total costs spent on distributed energy  
24 resource interconnection review and commissioning  
25 (including application review, responding to  
26 inquiries, metering, testing and other costs), as well

1 as interconnection fees and charges to customers and  
2 installers of distributed energy resources, including  
3 (application, metering and make-ready fees), broken  
4 down by type of generation and category or level of  
5 interconnection review, over each of the preceding 5  
6 years.

7 (viii) Solution Sourcing Opportunities.  
8 Identification of potential cost-effective solutions  
9 from nontraditional and third-party owned investments  
10 that could meet anticipated grid needs, including, but  
11 not limited to: distributed energy resource  
12 procurements, tariffs or contracts, programmatic  
13 solutions, rate design options, technologies or  
14 programs that facilitate load flexibility, nonwires  
15 alternatives, and other solutions that are intended to  
16 meet the objectives described at subsection (d). It is  
17 the policy of this State that cost-effective  
18 third-party or customer-owned distributed energy  
19 resources shall be prioritized because those resources  
20 create robust competition and customer choice.

21 (ix) Interoperability Plan. A detailed description  
22 of the utility's interoperability plan, which must  
23 describe the manner in which the electric utility's  
24 current and planned distribution system investments  
25 will work together and exchange information and data,  
26 the extent to which the utility is implementing open

1       standards and interfaces with third-party distributed  
2       energy resource owners and aggregators, and the  
3       utility's plan for interoperability testing and  
4       certification.

5       (x) Flexibility Analysis. A detailed analysis of  
6       current and projected flexible resources, including  
7       resource type, size (in MW and MWh), location and  
8       environmental impact, as well as anticipated needs  
9       that can be met using flexible resources (including,  
10      but not limited to, peak load reduction, managing ramp  
11      needs, storing excess generation, and avoiding  
12      unnecessary transmission expenditures).

13      (xi) Equity Requirements. A description of,  
14      exclusive of low-income rate relief programs and other  
15      income-qualified programs, how the utility is ensuring  
16      that at least 40% of benefits from programs, policies,  
17      and initiatives proposed in their Multi-Year  
18      Integrated Grid Plan will be directed to ratepayers in  
19      low-income and environmental justice communities. This  
20      should include locational reporting, at the  
21      census-tract level, on distribution system  
22      investments, program participation, and reliability  
23      and service quality data.

24      (3) To the extent any information in utilities'  
25      Multi-Year Integrated Grid Plans is designated as  
26      confidential because disclosure of such threatens the



1 security of critical system infrastructure, that  
2 information shall be redacted as necessary but made  
3 available to parties who agree in writing to abide by  
4 confidentiality requirements as approved by the Office of  
5 General Counsel of the Illinois Commerce Commission.  
6 Information appropriately designated as confidential shall  
7 only include that which is critical to system security, and  
8 shall not include that information in which the electric  
9 utility claims only a proprietary business interest.

10 (4) Comprehensive Consideration of Related Plans,  
11 Tariffs, Programs and Policies. It is the policy of this  
12 State that holistic consideration of all related  
13 investments, planning processes, tariffs, rate design  
14 options, programs, and other utility policies and plans  
15 shall be required. To that end, the Commission shall  
16 consider, comprehensively, the impact of all related  
17 plans, tariffs, programs and policies on the Plan and on  
18 each other, including:

19 (i) time-of-use pricing program, pursuant to  
20 Section 16-107.7 of this Act, hourly pricing program,  
21 pursuant to Section 16-107 of this Act, and any other  
22 time-variant or dynamic pricing program;

23 (ii) distributed generation rebate, pursuant to  
24 Section 16-107.6 of this Act;

25 (iii) net electricity metering, pursuant to  
26 Section 16-107.5 of this Act;

1           (iv) energy efficiency programs, pursuant to  
2           Section 8-103B of this Act;

3           (v) Electric Vehicle Access for All programs,  
4           pursuant to Section 30 of the Electric Vehicle Act;

5           (vi) beneficial electrification programs, pursuant to Section  
6           16-107.8 of this Act; (vii) Clean Energy Empowerment Zone Pilot  
7           Projects, pursuant to Section 16-108.9 of this Act;

8           (viii) Equitable Energy Financing Programs,  
9           pursuant to Section 16-111.10 of this Act; and

10           (ix) other plans, programs and policies that are  
11           relevant to distribution grid investments, costs  
12           planning, etc.

13           The Plan shall comprehensively detail the relationship  
14           between these plans, tariffs, and programs and the Plan and  
15           to the electric utility's achievement of the objectives in  
16           subsection (d). The Plan shall be designed to coordinate  
17           each of these plans, programs and tariffs with the electric  
18           utility's long-term distribution system investment  
19           planning in order to maximize the benefits of each.

20           (5) Hearing Procedure. The Initiating Order for the  
21           Initial Multi-Year Integrated Grid Plan, as well as each  
22           electric utility's subsequent Integrated Grid Plans under  
23           subsection (g), shall begin a contested proceeding as  
24           described in subsection d of Section 10-101.1 of this Act.

25           (i) In evaluating a utility's Plan, the Commission  
26           shall consider, at minimum, whether the Plan:

1           (A) meets the objectives of this Section;

2           (B) includes the components in paragraph (2)  
3 of subsection (f) of this Section;

4           (C) incorporates input from interested  
5 stakeholders, including parties and people who  
6 offer public comment;

7           (D) considers nontraditional and  
8 nonutility-owned investment alternatives that can  
9 meet grid needs and provide additional benefits  
10 (including consumer, economic and environmental  
11 benefits) beyond comparable, traditional  
12 utility-planned capital investments;

13           (E) equitably benefits environmental justice  
14 communities; and

15           (F) maximizes consumer, environmental,  
16 economic and community benefits.

17           (ii) The Commission, after notice and hearing,  
18 shall modify each electric utility's Plan as necessary  
19 to comply with the objectives of this Section. The  
20 Commission may approve, or modify and approve, a Plan  
21 only if it finds that the Plan is reasonable, complies  
22 with the objectives and requirements of this Section,  
23 and reasonably incorporates input from parties. The  
24 Commission's approval of any Plan does not constitute  
25 approval, or any adjudication of the prudence or  
26 reasonableness, of any expenditures associated with

1       the Plan. The Commission may reject each electric  
2       utility's Plan if it finds that the Plan does not  
3       comply with the objectives and requirements of this  
4       Section. Where the Commission enters an Order  
5       rejecting a Plan, the utility must refile a Plan within  
6       3 months of that Order, and until the Commission  
7       approves a Plan, the utility's existing Plan will  
8       remain in effect.

9               (iii) For all Integrated Grid Plan filings, the  
10       Commission shall enter an order no later than 9 months  
11       after the date of filing.

12               (iv) Each electric utility shall file its proposed  
13       Initial Multi-Year Integrated Grid Plan no later than  
14       June 1, 2022. Prior to that date and following the  
15       Initiating Order, the Commission shall initiate a case  
16       management conference and shall take any appropriate  
17       steps to begin meaningful consideration of issues,  
18       including enabling interested parties to begin  
19       conducting discovery.

20       (6) Implementation Plans.

21               (i) As part of its order approving a utility's  
22       Multi-Year Integrated Grid Plan, including any  
23       modifications required, the Commission shall create a  
24       subsequent implementation plan docket, or multiple  
25       implementation plan dockets, if the Commission  
26       determines that multiple dockets would be preferable,

1 to consider the utility's detailed plans for:

2 (A) acquiring the level of demand response  
3 resources specified in its approved Multi-Year  
4 Integrated Grid Plan;

5 (B) acquiring the level of load flexibility or  
6 energy storage resources specified in its approved  
7 Multi-Year Integrated Grid Plan;

8 (C) achieving the level of transportation,  
9 building and industry electrification specified in  
10 its approved Multi-Year Integrated Grid Plan, or  
11 implementing optimized charging or other  
12 beneficial electrification programs;

13 (D) developing any of the plans, tariffs,  
14 programs or policies required by paragraph (4) of  
15 subsection (e) and additionally required by the  
16 Commission in its Order regarding the Multi-Year  
17 Integrated Grid Plan; and

18 (E) developing the Hosting Capacity and  
19 Interconnection Analysis required by paragraph (2)  
20 of subsection (f);

21 (F) developing a process to screen, analyze  
22 and procure nonwires alternatives; and

23 (G) addressing any other topic or resource  
24 area covered by the utility's Multi-Year  
25 Integrated Grid Plan for which the Commission  
26 considers it important and necessary to receive

1           and approve a greater level of detail regarding the  
2           utility's plans.

3           (ii) Each implementation plan shall include a  
4           detailed explanation of:

5                 (A) the projected costs (investments and  
6                 expenses) and benefits of each plan or program to  
7                 be considered in the implementation plan,  
8                 including related financial incentives, marketing,  
9                 and administration;

10                (B) categories and sub-categories of resources  
11                or services to be acquired to achieve the  
12                objectives in the Multi-Year Integrated Grid Plan  
13                (for example, the implementation plan for demand  
14                response shall identify the different types of  
15                demand response resources that will collectively  
16                be pursued to achieve the total level of demand  
17                response capability approved in the Plan);

18                (C) the marketing, customer recruitment and  
19                engagement, financial incentive, procurement  
20                approach and other important elements of the plan  
21                or program, including efforts to cultivate  
22                qualifying customers in low-income and  
23                environmental justice communities;

24                (D) an explanation of how the proposed plans or  
25                programs will be able to achieve the objective in  
26                the Multi-Year Integrated Grid Plan;

1           (E) an analysis of how, exclusive of  
2           low-income rate relief and other income-qualified  
3           programs, the implementation plan will contribute  
4           to the Multi-year Integrated Grid Plan's  
5           requirement that at least 40% of benefits from  
6           programs, policies, and initiatives will be  
7           directed to low-income and environmental justice  
8           communities;

9           (F) a discussion of any risk in the utility's  
10          ability to acquire the planned levels of resource  
11          acquisition within the approved budget, as well as  
12          contingency plans for addressing such risks; and

13          (G) a plan for periodic (but at least  
14          quarterly) engagement with stakeholders on the  
15          rollout and implementation of the implementation  
16          plans in order to inform them of plans and  
17          progress, as well as to solicit input on  
18          opportunities for improving plans and  
19          implementation or on ways to modify plans as  
20          needed.

21          (iii) The implementation plan dockets shall be  
22          contested proceedings, with opportunities for  
23          discovery and filing of testimony by interested  
24          stakeholders. Each utility shall file its  
25          implementation plans within 90 days of approval, with  
26          any modifications, of its Multi-Year Integrated Grid

1           Plan.

2           (g) Subsequent Multi-Year Integrated Grid Plans. No later  
3 than June 1, 2025 and every 4 years thereafter, each electric  
4 utility subject to this Section shall file a new Multi-Year  
5 Integrated Grid Plan for the subsequent 4 delivery years after  
6 the completion of the then-effective Plan. Each Plan shall meet  
7 the requirements described in subsection (f), and shall be  
8 preceded by a workshop process which meets the same  
9 requirements described in subsection (e). If appropriate, the  
10 Commission may require additional implementation dockets to  
11 follow Subsequent Multi-Year Integrated Grid Plan filings.

12           (220 ILCS 5/16-107)

13           Sec. 16-107. Real-time pricing.

14           (a) Each electric utility shall file, on or before May 1,  
15 1998, a tariff or tariffs which allow nonresidential retail  
16 customers in the electric utility's service area to elect  
17 real-time pricing beginning October 1, 1998.

18           (b) Each electric utility shall file, on or before May 1,  
19 2000, a tariff or tariffs which allow residential retail  
20 customers in the electric utility's service area to elect  
21 real-time pricing beginning October 1, 2000.

22           (b-5) Each electric utility shall file a tariff or tariffs  
23 allowing residential retail customers in the electric  
24 utility's service area to elect real-time pricing beginning  
25 January 2, 2007. The Commission may, after notice and hearing,



1 approve the tariff or tariffs. A tariff or tariffs approved  
2 pursuant to this subsection (b-5) shall, at a minimum, describe  
3 (i) the methodology for determining the market price of energy  
4 to be reflected in the real-time rate and (ii) the manner in  
5 which customers who elect real-time pricing will be provided  
6 with ready access to hourly market prices, including, but not  
7 limited to, day-ahead hourly energy prices. A customer who  
8 elects real-time pricing under a tariff approved under this  
9 subsection (b-5) and thereafter terminates the election shall  
10 not return to taking service under the tariff for a period of  
11 12 months following the date on which the customer terminated  
12 real-time pricing. However, this limitation shall cease to  
13 apply on such date that the provision of electric power and  
14 energy is declared competitive under Section 16-113 of this Act  
15 for the customer group or groups to which this subsection (b-5)  
16 applies.

17 A proceeding under this subsection (b-5) may not exceed 120  
18 days in length.

19 (b-10) Each electric utility providing real-time pricing  
20 pursuant to subsection (b-5) shall install a meter capable of  
21 recording hourly interval energy use at the service location of  
22 each customer that elects real-time pricing pursuant to this  
23 subsection.

24 (b-15) If the Commission issues an order pursuant to  
25 subsection (b-5), the affected electric utility shall contract  
26 with an entity not affiliated with the electric utility to

1 serve as a program administrator to develop and implement a  
2 program to provide consumer outreach, enrollment, and  
3 education concerning real-time pricing and to establish and  
4 administer an information system and technical and other  
5 customer assistance that is necessary to enable customers to  
6 manage electricity use. The program administrator: (i) shall be  
7 selected and compensated by the electric utility, subject to  
8 Commission approval; (ii) shall have demonstrated technical  
9 and managerial competence in the development and  
10 administration of demand management programs; and (iii) may  
11 develop and implement risk management, energy efficiency, and  
12 other services related to energy use management for which the  
13 program administrator shall be compensated by participants in  
14 the program receiving such services. The electric utility shall  
15 provide the program administrator with all information and  
16 assistance necessary to perform the program administrator's  
17 duties, including, but not limited to, customer, account, and  
18 energy use data. The electric utility shall permit the program  
19 administrator to include inserts in residential customer bills  
20 2 times per year to assist with customer outreach and  
21 enrollment.

22 The program administrator shall submit an annual report to  
23 the electric utility no later than April 1 of each year  
24 describing the operation and results of the program, including  
25 information concerning the number and types of customers using  
26 real-time pricing, changes in customers' energy use patterns,

1 an assessment of the value of the program to both participants  
2 and non-participants, and recommendations concerning  
3 modification of the program and the tariff or tariffs filed  
4 under subsection (b-5). This report shall be filed by the  
5 electric utility with the Commission within 30 days of receipt  
6 and shall be available to the public on the Commission's web  
7 site.

8 (b-20) The Commission shall monitor the performance of  
9 programs established pursuant to subsection (b-15) and shall  
10 order the termination or modification of a program if it  
11 determines that the program is not, after a reasonable period  
12 of time for development not to exceed 4 years, resulting in net  
13 benefits to the residential customers of the electric utility.

14 (b-25) An electric utility shall be entitled to recover  
15 reasonable costs incurred in complying with this Section,  
16 provided that recovery of the costs is fairly apportioned among  
17 its residential customers as provided in this subsection  
18 (b-25). The electric utility may apportion costs on the  
19 residential customers who elect real-time pricing, but may also  
20 impose some of the costs of real-time pricing on customers who  
21 do not elect real-time pricing.

22 (c) The electric utility's tariff or tariffs filed pursuant  
23 to this Section shall be subject to Article IX.

24 (d) This Section does not apply to any electric utility  
25 providing service to 100,000 or fewer customers.

26 (e) Eligible customers shall include, but are not limited

1 to, customers participating in net electricity metering under  
2 the terms of Section 16-107.5 of this Act.

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

4 (220 ILCS 5/16-107.5)

5 Sec. 16-107.5. Net electricity metering.

6 (a) The General Assembly ~~Legislature~~ finds and declares  
7 that a program to provide net electricity metering, as defined  
8 in this Section, for eligible customers can encourage private  
9 investment in renewable energy resources, stimulate economic  
10 growth, enhance the continued diversification of Illinois'  
11 energy resource mix, and protect the Illinois environment. The  
12 General Assembly further finds and declares that ensuring a  
13 smooth, predictable transition from full net metering of the  
14 retail electricity rate to the distributed generation rebate  
15 described in Section 16-107.6 of this Act is important to  
16 achieve these legislative goals. In implementing the  
17 investigation discussed in subsection (e) of Section 16-107.6  
18 of this Act and the transition discussed in subsection (n) of  
19 this Section 16-107.5, the Commission shall ensure that  
20 distributed generation customers are fairly compensated for  
21 the benefits and services that customer-sited distributed  
22 generation provides and that the distributed generation market  
23 in Illinois continues to experience stable growth for both  
24 small and large customers.

25 (b) As used in this Section: 7

1       ~~(i)~~ "Community ~~community~~ renewable generation project" has  
2 ~~shall have~~ the meaning set forth in Section 1-10 of the  
3 Illinois Power Agency Act.~~;~~

4       "Delivery service provider" means a public utility as  
5 defined in subsection (a) of Section 3-105 of this Act.

6       "Electricity provider" means an electric utility or  
7 alternative retail electric supplier providing energy supply.

8       ~~(ii)~~ "Eligible ~~eligible~~ customer" means a retail customer  
9 or retail customers with that owns or operates a solar, wind,  
10 or other eligible renewable electrical generating facility  
11 with a rated capacity of not more than 2,000 kilowatts that is  
12 ~~located~~ on the customer's or customers' side of the billing  
13 meter premises and is intended primarily to offset the  
14 customer's or customers' own current or future electrical  
15 requirements when accounting for shading, orientation, and  
16 other siting factors that can reasonably be expected to alter  
17 an eligible renewable electrical generating facility's  
18 generation output. An eligible customer does not need to own  
19 the solar, wind, or other eligible renewable electrical  
20 generating facility. Subscribers to community renewable  
21 generation projects shall also be considered eligible  
22 customers for the purpose of this Section, including  
23 subscribers to community renewable generation projects that  
24 are larger than 2,000 kilowatts.~~;~~ ~~(iii) "electricity provider"~~

25 ~~means an electric utility or alternative retail electric~~  
26 ~~supplier.~~

1       ~~(iv)~~ "Eligible ~~eligible~~ renewable electrical generating  
2       facility" means a generator, which may include the co-location  
3       of an energy storage system, that is interconnected under rules  
4       adopted by the Commission and is powered by solar electric  
5       energy, wind, dedicated crops grown for electricity  
6       generation, agricultural residues, untreated and unadulterated  
7       wood waste, ~~landscape trimmings,~~ livestock manure, anaerobic  
8       digestion of livestock or food processing waste, fuel cells or  
9       microturbines powered by renewable fuels, or hydroelectric  
10      energy.~~†~~

11      "Energy storage system" means commercially available  
12      technology that is capable of absorbing energy and storing it  
13      for a period of time for use at a later time, including, but  
14      not limited to, electrochemical, thermal, and  
15      electromechanical technologies, and may be interconnected on  
16      the customer's side of the billing meter or interconnected via  
17      its own meter.

18      "Future electrical requirements" means the reasonable  
19      anticipation of load growth, such as from the addition of an  
20      electric vehicle, the addition of electric space heating or  
21      water heating, modeled electrical requirements upon occupation  
22      of a new or vacant property, as well as other reasonable  
23      expectations of future electrical use.

24      ~~(v)~~ "Net ~~net~~ electricity metering" (or "net metering")  
25      means the measurement, during the billing period applicable to  
26      an eligible customer, of the net amount of electricity supplied

1 by an electricity provider to the customer ~~customer's premises~~  
2 or provided to the electricity provider by the customer or  
3 subscriber. ~~+~~

4 "Statewide net metering penetration" means the sum of  
5 nameplate capacity of all net metering facilities in the State,  
6 excluding community renewable generation projects, divided by  
7 the aggregate of peak demand of electricity delivered by each  
8 delivery service provider in the State during the previous  
9 year.

10 ~~(vi)~~ "Subscriber subscriber" has shall have the meaning as  
11 set forth in Section 1-10 of the Illinois Power Agency Act. ~~+~~  
12 ~~and~~

13 ~~(vii)~~ "Subscription subscription" has shall have the  
14 meaning set forth in Section 1-10 of the Illinois Power Agency  
15 Act.

16 (c) A net metering facility shall be equipped with metering  
17 equipment that can measure the flow of electricity in both  
18 directions at the same rate.

19 (1) For eligible customers whose electric service has  
20 not been declared competitive pursuant to Section 16-113 of  
21 this Act as of July 1, 2011 and whose electric delivery  
22 service is provided and measured on a kilowatt-hour basis  
23 and electric supply service is not provided based on hourly  
24 pricing, this shall typically be accomplished through use  
25 of a single, bi-directional meter. If the eligible  
26 customer's existing electric revenue meter does not meet

1       this requirement, the electricity provider shall arrange  
2       for the local electric utility or a meter service provider  
3       to install and maintain a new revenue meter at the  
4       electricity provider's expense, which may be the smart  
5       meter described by subsection (b) of Section 16-108.5 of  
6       this Act.

7       (2) For eligible customers whose electric service has  
8       not been declared competitive pursuant to Section 16-113 of  
9       this Act as of July 1, 2011 and whose electric delivery  
10      service is provided and measured on a kilowatt demand basis  
11      and electric supply service is not provided based on hourly  
12      pricing, this shall typically be accomplished through use  
13      of a dual channel meter capable of measuring the flow of  
14      electricity both into and out of the customer's facility at  
15      the same rate and ratio. If such customer's existing  
16      electric revenue meter does not meet this requirement, then  
17      the electricity provider shall arrange for the local  
18      electric utility or a meter service provider to install and  
19      maintain a new revenue meter at the electricity provider's  
20      expense, which may be the smart meter described by  
21      subsection (b) of Section 16-108.5 of this Act.

22      (3) For all other eligible customers, until such time  
23      as the local electric utility installs a smart meter, as  
24      described by subsection (b) of Section 16-108.5 of this  
25      Act, the electricity provider may arrange for the local  
26      electric utility or a meter service provider to install and



1 maintain metering equipment capable of measuring the flow  
2 of electricity both into and out of the customer's facility  
3 at the same rate and ratio, typically through the use of a  
4 dual channel meter. If the eligible customer's existing  
5 electric revenue meter does not meet this requirement, then  
6 the costs of installing such equipment shall be paid for by  
7 the customer.

8 (d) An electricity provider shall measure and charge or  
9 credit for the net electricity supplied to eligible customers  
10 or provided by eligible customers whose electric service has  
11 not been declared competitive pursuant to Section 16-113 of  
12 this Act as of July 1, 2011 and whose electric delivery service  
13 is provided and measured on a kilowatt-hour basis and electric  
14 supply service is not provided based on hourly pricing in the  
15 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, the electricity provider shall  
19 charge the customer for the net electricity supplied to and  
20 used by the customer as provided in subsection (e-5) of  
21 this Section.

22 (2) If the amount of electricity produced by a customer  
23 during the billing period exceeds the amount of electricity  
24 used by the customer during that billing period, the  
25 electricity provider supplying that customer shall apply a  
26 1:1 kilowatt-hour credit to a subsequent bill for service

1 to the customer for the net electricity supplied to the  
2 electricity provider. The electricity provider shall  
3 continue to carry over any excess kilowatt-hour credits  
4 earned and apply those credits to subsequent billing  
5 periods to offset any customer-generator consumption in  
6 those billing periods until all credits are used or until  
7 the end of the annualized period.

8 (3) At the end of the year or annualized over the  
9 period that service is supplied by means of net metering,  
10 or in the event that the retail customer terminates service  
11 with the electricity provider prior to the end of the year  
12 or the annualized period, any remaining credits in the  
13 customer's account shall expire.

14 (d-5) An electricity provider shall measure and charge or  
15 credit for the net electricity supplied to eligible customers  
16 or provided by eligible customers whose electric service has  
17 not been declared competitive pursuant to Section 16-113 of  
18 this Act as of July 1, 2011 and whose electric delivery service  
19 is provided and measured on a kilowatt-hour basis and electric  
20 supply service is provided based on hourly pricing or  
21 time-of-use rates in the following manner:

22 (1) If the amount of electricity used by the customer  
23 during any hourly period exceeds the amount of electricity  
24 produced by the customer, the electricity provider shall  
25 charge the customer for the net electricity supplied to and  
26 used by the customer according to the terms of the contract

1 or tariff to which the same customer would be assigned to  
2 or be eligible for if the customer was not a net metering  
3 customer.

4 (2) If the amount of electricity produced by a customer  
5 during any hourly period or time-of-use period exceeds the  
6 amount of electricity used by the customer during that  
7 hourly period or time-of-use period, the energy provider  
8 shall apply a credit for the net kilowatt-hours produced in  
9 such period. The credit shall consist of an energy credit  
10 and a delivery service credit. The energy credit shall be  
11 valued at the same price per kilowatt-hour as the electric  
12 service provider would charge for kilowatt-hour energy  
13 sales during that same hourly or time-of-use period. The  
14 delivery credit shall be equal to the net kilowatt-hours  
15 produced in such hourly or time-of-use period times a  
16 credit that reflects all kilowatt-hour based charges in the  
17 customer's electric service rate, excluding energy  
18 charges.

19 (e) An electricity provider shall measure and charge or  
20 credit for the net electricity supplied to eligible customers  
21 whose electric service has not been declared competitive  
22 pursuant to Section 16-113 of this Act as of July 1, 2011 and  
23 whose electric delivery service is provided and measured on a  
24 kilowatt demand basis and electric supply service is not  
25 provided based on hourly pricing in the following manner:

26 (1) If the amount of electricity used by the customer

1 during the billing period exceeds the amount of electricity  
2 produced by the customer, then the electricity provider  
3 shall charge the customer for the net electricity supplied  
4 to and used by the customer as provided in subsection (e-5)  
5 of this Section. The customer shall remain responsible for  
6 all taxes, fees, and utility delivery charges that would  
7 otherwise be applicable to the net amount of electricity  
8 used by the customer.

9 (2) If the amount of electricity produced by a customer  
10 during the billing period exceeds the amount of electricity  
11 used by the customer during that billing period, then the  
12 electricity provider supplying that customer shall apply a  
13 1:1 kilowatt-hour credit that reflects the kilowatt-hour  
14 based charges in the customer's electric service rate to a  
15 subsequent bill for service to the customer for the net  
16 electricity supplied to the electricity provider. The  
17 electricity provider shall continue to carry over any  
18 excess kilowatt-hour credits earned and apply those  
19 credits to subsequent billing periods to offset any  
20 customer-generator consumption in those billing periods  
21 until all credits are used or until the end of the  
22 annualized period.

23 (3) At the end of the year or annualized over the  
24 period that service is supplied by means of net metering,  
25 or in the event that the retail customer terminates service  
26 with the electricity provider prior to the end of the year

1           or the annualized period, any remaining credits in the  
2           customer's account shall expire.

3           (e-5) An electricity provider shall provide electric  
4           service to eligible customers who utilize net metering at  
5           non-discriminatory rates that are identical, with respect to  
6           rate structure, retail rate components, and any monthly  
7           charges, to the rates that the customer would be charged if not  
8           a net metering customer. An electricity provider shall not  
9           charge net metering customers any fee or charge or require  
10          additional equipment, insurance, or any other requirements not  
11          specifically authorized by interconnection standards  
12          authorized by the Commission, unless the fee, charge, or other  
13          requirement would apply to other similarly situated customers  
14          who are not net metering customers. The customer will remain  
15          responsible for all taxes, fees, and utility delivery charges  
16          that would otherwise be applicable to the net amount of  
17          electricity used by the customer. Subsections (c) through (e)  
18          of this Section shall not be construed to prevent an  
19          arms-length agreement between an electricity provider and an  
20          eligible customer that sets forth different prices, terms, and  
21          conditions for the provision of net metering service,  
22          including, but not limited to, the provision of the appropriate  
23          metering equipment for non-residential customers.

24          (f) Notwithstanding the requirements of subsections (c)  
25          through (e-5) of this Section, an electricity provider must  
26          require dual-channel metering for customers operating eligible

1 renewable electrical generating facilities with a nameplate  
2 rating up to 2,000 kilowatts and to whom the provisions of  
3 neither subsection (d), (d-5), nor (e) of this Section apply.  
4 In such cases, electricity charges and credits shall be  
5 determined as follows:

6 (1) The electricity provider shall assess and the  
7 customer remains responsible for all taxes, fees, and  
8 utility delivery charges that would otherwise be  
9 applicable to the gross amount of kilowatt-hours supplied  
10 to the eligible customer by the electricity provider.

11 (2) Each month that service is supplied by means of  
12 dual-channel metering, the electricity provider shall  
13 compensate the eligible customer for any excess  
14 kilowatt-hour credits at the electricity provider's  
15 avoided cost of electricity supply over the monthly period  
16 or as otherwise specified by the terms of a power-purchase  
17 agreement negotiated between the customer and electricity  
18 provider.

19 (3) For all eligible net metering customers taking  
20 service from an electricity provider under contracts or  
21 tariffs employing hourly or time of use rates, any monthly  
22 consumption of electricity shall be calculated according  
23 to the terms of the contract or tariff to which the same  
24 customer would be assigned to or be eligible for if the  
25 customer was not a net metering customer. When those same  
26 customer-generators are net generators during any discrete

1 hourly or time of use period, the net kilowatt-hours  
2 produced shall be valued at the same price per  
3 kilowatt-hour as the electric service provider would  
4 charge for retail kilowatt-hour sales during that same time  
5 of use period.

6 (g) For purposes of federal and State laws providing  
7 renewable energy credits or greenhouse gas credits, the  
8 eligible customer shall be treated as owning and having title  
9 to the renewable energy attributes, renewable energy credits,  
10 and greenhouse gas emission credits related to any electricity  
11 produced by the qualified generating unit. The electricity  
12 provider may not condition participation in a net metering  
13 program on the signing over of a customer's renewable energy  
14 credits; provided, however, this subsection (g) shall not be  
15 construed to prevent an arms-length agreement between an  
16 electricity provider and an eligible customer that sets forth  
17 the ownership or title of the credits.

18 (h) Within 120 days after the effective date of this  
19 amendatory Act of the 95th General Assembly, the Commission  
20 shall establish standards for net metering and, if the  
21 Commission has not already acted on its own initiative,  
22 standards for the interconnection of eligible renewable  
23 generating equipment to the utility system. The  
24 interconnection standards shall address any procedural  
25 barriers, delays, and administrative costs associated with the  
26 interconnection of customer-generation while ensuring the

1 safety and reliability of the units and the electric utility  
2 system. The Commission shall consider the Institute of  
3 Electrical and Electronics Engineers (IEEE) Standard 1547 and  
4 the issues of (i) reasonable and fair fees and costs, (ii)  
5 clear timelines for major milestones in the interconnection  
6 process, (iii) nondiscriminatory terms of agreement, and (iv)  
7 any best practices for interconnection of distributed  
8 generation.

9 (h-3) On and after the effective date of this amendatory  
10 Act of the 101st General Assembly, it is the policy of the  
11 State that:

12 (1) Electric utilities must provide interconnection  
13 customers with a detailed accounting of the components of  
14 the utility's cost to study and perform system upgrades,  
15 with itemized lists of equipment costs, labor costs,  
16 engineering costs, and administrative costs associated  
17 with the study or system upgrade.

18 (2) An electric utility that has failed to meet an  
19 interconnection timeline by more than 20 days is subject to  
20 a penalty of \$1,000 for each day over 20 days past the  
21 applicable date upon which the utility action was due.

22 (3) The Illinois Commerce Commission shall, within 60  
23 days after the effective date of this amendatory Act of the  
24 101st General Assembly, hire or contract with an  
25 independent grid engineer to address delays and disputes  
26 between the utility and the interconnection customer.



1 Specifically, this independent engineer shall:

2 (A) review utility cost estimates at the request of  
3 interconnection customers;

4 (B) resolve technical disputes between utilities  
5 and interconnection customers regarding necessary  
6 upgrades and costs thereof;

7 (C) authorize customers to self-supply  
8 interconnection studies when the electric utility is  
9 unable to provide such studies at a reasonable cost and  
10 schedule; and

11 (D) authorize customers to self-build system  
12 upgrades consistent with electric utility standards  
13 when the electric utility cannot provide such upgrades  
14 and interconnection facilities at a reasonable cost  
15 and schedule.

16 The process to hire or contract with an independent  
17 grid engineer described in this paragraph (3) is exempt  
18 from the requirements of the Illinois Procurement Code,  
19 pursuant to Section 20-10 of that Code.

20 (h-5) Within 90 days after the effective date of this  
21 amendatory Act of the 101st General Assembly, the Commission  
22 shall open a proceeding to update the interconnection standards  
23 and applicable utility tariffs. For the public interest,  
24 safety, and welfare of Illinois residents, the Commission may  
25 adopt emergency rules under Section 5-45 of the Illinois  
26 Administrative Procedure Act to implement the requirements of

1 subsection (h-3) and this subsection (h-5). In addition to the  
2 requirements of subsection (h-3), the Commission shall also  
3 revise the standards to address critical standards for  
4 interconnection and the following issues:

5 (1) transparency and accuracy of costs, both direct and  
6 indirect, while maintaining system security through the  
7 effective management of confidentiality agreements;

8 (2) standardization of typical costs associated with  
9 interconnection;

10 (3) transparency of the interconnection queue or  
11 queues and hosting capacity;

12 (4) development of hosting capacity maps that enable  
13 greater visibility to customers about the locations with  
14 the greatest need or availability for distributed  
15 generation;

16 (5) predictability of the queue management process and  
17 enforcement of timelines;

18 (6) ability to undertake group interconnection studies  
19 and share interconnection costs among multiple applicants;

20 (7) minimum requirements for application to the  
21 interconnection process and throughout the interconnection  
22 process to avoid queue clogging behavior;

23 (8) requirements that the electric utility performing  
24 the interconnection study justify its interconnection  
25 study cost and the estimates of costs for identified  
26 upgrades, and to cap payments required by the

1 interconnection customer for the electric utility  
2 installed facilities to the lesser of +50% of the  
3 Feasibility Study estimate, +25% of the System Impact Study  
4 estimate, or +10% of the Facilities Study estimate;

5 (9) facilitation of the deployment of energy storage  
6 systems while ensuring the continued grid safety and  
7 reliability of the system, including addressing the  
8 following:

9 (A) treatment of energy storage systems as  
10 generation for purposes of the interconnection,  
11 ownership, and operation;

12 (B) fair study assumptions that reflect the  
13 operational profile of the energy storage device;

14 (C) streamlined notification-only interconnection  
15 requirements for nonexporting systems that meet  
16 utility criteria for safety and reliability, as is  
17 determined through a robust stakeholder process; and

18 (D) enabling exports from customer-sited energy  
19 storage systems for participation either in utility  
20 programs or wholesale markets;

21 (10) establishment of a dispute resolution process  
22 designed to address instances of unreasonable impediments  
23 by the electric utility to the critical standards for  
24 interconnection enumerated in paragraphs (1) through (9)  
25 of this subsection (h-5). The Commission shall make  
26 available adequate Commission staff for this dispute

1 resolution process to ensure that matters are decided on an  
2 expedited basis; and

3 (11) other policies, processes, tariffs, and standards  
4 associated with interconnection, including the creation of  
5 standards and processes that support the achievement of the  
6 objectives in subparagraph (K) of paragraph (1) of  
7 subsection (c) of Section 1-75 of the Illinois Power Agency  
8 Act

9 As part of this proceeding initiated under this subsection  
10 (h-5), the Commission shall establish an interconnection  
11 working group. The working group shall include representatives  
12 from electric utilities, developers of renewable electric  
13 generating facilities, representatives of interconnection  
14 customers, Commission staff, and other stakeholders. The  
15 working group shall be facilitated by Commission staff. The  
16 working group shall examine and make recommendations regarding  
17 best practices for interconnection process and customer  
18 service for interconnecting customer adopting distributed  
19 energy resources, including energy storage, interconnection of  
20 new technologies, including smart inverters and energy  
21 storage, and, without limitation, other technical, policy, and  
22 tariff issues related to and affecting interconnection  
23 performance and customer service.

24 The working group shall report to the Commission on changes  
25 to interconnection rules and tariffs and any other  
26 recommendations as determined by the working group within 6

1 months of its first meeting. The report shall include positions  
2 and recommendations of the working group and individual working  
3 group members. The report of the working group shall be entered  
4 into evidence in the rulemaking process mandated by this  
5 subsection (h-5). The working group shall be reconvened one  
6 year following the enactment of the rules adopted pursuant to  
7 this subsection (h-5) to recommend any additional changes and  
8 assess the performance of the rules in meeting the goals as  
9 described above.

10 (i) All electricity providers shall begin to offer net  
11 metering no later than April 1, 2008.

12 (j) An electricity provider shall provide net metering to  
13 eligible customers until both of the following occur: (i) the  
14 statewide net metering penetration equals 5% and (ii) the  
15 Commission approves the utility tariffs prescribed by  
16 subsection (e) of Section 16-107.6 of this Act that make  
17 distributed generation rebates available to all eligible  
18 customers, including residential customers, and those tariffs  
19 go into effect. After that time ~~the load of its net metering~~  
20 ~~customers equals 5% of the total peak demand supplied by that~~  
21 ~~electricity provider during the previous year. After such time~~  
22 ~~as the load of the electricity provider's net metering~~  
23 ~~customers equals 5% of the total peak demand supplied by that~~  
24 ~~electricity provider during the previous year,~~ eligible  
25 customers that begin taking net metering shall only be eligible  
26 for netting of energy.

1           (k) Each electricity provider shall maintain records and  
2     report annually to the Commission the total number of net  
3     metering customers served by the provider, as well as the type,  
4     capacity, and energy sources of the generating systems used by  
5     the net metering customers. Nothing in this Section shall limit  
6     the ability of an electricity provider to request the redaction  
7     of information deemed by the Commission to be confidential  
8     business information.

9           (1)(1) Notwithstanding the definition of "eligible  
10    customer" in item (ii) of subsection (b) of this Section, each  
11    electricity provider shall allow net metering as set forth in  
12    this subsection (1) and for the following projects:

13           (A) properties owned or leased by multiple customers  
14    that contribute to the operation of an eligible renewable  
15    electrical generating facility through an ownership or  
16    leasehold interest of at least 200 watts in such facility,  
17    such as a community-owned wind project, a community-owned  
18    biomass project, a community-owned solar project, or a  
19    community methane digester processing livestock waste from  
20    multiple sources, provided that the facility is also  
21    located within the utility's service territory;

22           (B) individual units, apartments, or properties  
23    located in a single building that are owned or leased by  
24    multiple customers and collectively served by a common  
25    eligible renewable electrical generating facility, such as  
26    an office or apartment building, a shopping center or strip

1 mall served by photovoltaic panels on the roof; and

2 (C) subscriptions to community renewable generation  
3 projects, including community renewable generation  
4 projects on the customer's side of the billing meter of a  
5 host facility and partially used for the customer's own  
6 load.

7 In addition, the nameplate capacity of the eligible  
8 renewable electric generating facility that serves the demand  
9 of the properties, units, or apartments identified in  
10 paragraphs (1) and (2) of this subsection (1) shall not exceed  
11 2,000 kilowatts in nameplate capacity in total. Any eligible  
12 renewable electrical generating facility or community  
13 renewable generation project that is powered by photovoltaic  
14 electric energy and installed after the effective date of this  
15 amendatory Act of the 99th General Assembly must be installed  
16 by a qualified person in compliance with the requirements of  
17 Section 16-128A of the Public Utilities Act and any rules or  
18 regulations adopted thereunder.

19 (2) Notwithstanding anything to the contrary, an  
20 electricity provider shall provide credits for the electricity  
21 produced by the projects described in paragraph (1) of this  
22 subsection (1). The electricity provider shall provide credits  
23 that include at least energy supply, capacity, transmission,  
24 and the purchased electricity adjustment, as applicable, at the  
25 ~~subscriber's energy supply rate~~ on the subscriber's monthly  
26 bill equal to the subscriber's share of the production of

1 electricity from the project, as determined by paragraph (3) of  
2 this subsection (1).

3 (3) For the purposes of facilitating net metering, the  
4 owner or operator of the eligible renewable electrical  
5 generating facility or community renewable generation project  
6 shall be responsible for determining the amount of the credit  
7 that each customer or subscriber participating in a project  
8 under this subsection (1) is to receive in the following  
9 manner:

10 (A) The owner or operator shall, on a monthly basis,  
11 provide to the electric utility the kilowatthours of  
12 generation attributable to each of the utility's retail  
13 customers and subscribers participating in projects under  
14 this subsection (1) in accordance with the customer's or  
15 subscriber's share of the eligible renewable electric  
16 generating facility's or community renewable generation  
17 project's output of power and energy for such month. The  
18 owner or operator shall electronically transmit such  
19 calculations and associated documentation to the electric  
20 utility, in a format or method set forth in the applicable  
21 tariff, on a monthly basis so that the electric utility can  
22 reflect the monetary credits on customers' and  
23 subscribers' electric utility bills. The electric utility  
24 shall be permitted to revise its tariffs to implement the  
25 provisions of this amendatory Act of the 101st General  
26 Assembly ~~this amendatory Act of the 99th General Assembly.~~



1       The owner or operator shall separately provide the electric  
2       utility with the documentation detailing the calculations  
3       supporting the credit in the manner set forth in the  
4       applicable tariff.

5               (B) For those participating customers and subscribers  
6       who receive their energy supply from an alternative retail  
7       electric supplier, the electric utility shall remit to the  
8       applicable alternative retail electric supplier the  
9       information provided under subparagraph (A) of this  
10      paragraph (3) for such customers and subscribers in a  
11      manner set forth in such alternative retail electric  
12      supplier's net metering program, or as otherwise agreed  
13      between the utility and the alternative retail electric  
14      supplier. The alternative retail electric supplier shall  
15      then submit to the utility the amount of the charges for  
16      power and energy to be applied to such customers and  
17      subscribers, including the amount of the credit associated  
18      with net metering.

19              (C) A participating customer or subscriber may provide  
20      authorization as required by applicable law that directs  
21      the electric utility to submit information to the owner or  
22      operator of the eligible renewable electrical generating  
23      facility or community renewable generation project to  
24      which the customer or subscriber has an ownership or  
25      leasehold interest or a subscription. Such information  
26      shall be limited to the components of the net metering

1 credit calculated under this subsection (1), including the  
2 bill credit rate, total kilowatthours, and total monetary  
3 credit value applied to the customer's or subscriber's bill  
4 for the monthly billing period.

5 For community renewable generation projects located behind  
6 the meter of a host facility, the determination of the quantity  
7 of energy eligible for crediting to participating customers or  
8 subscribers of the community renewable generation project  
9 shall be based on any energy production of the project that  
10 exceeds the host's instantaneous on-site consumption during  
11 the applicable billing period.

12 (1-5) Within 90 days after the effective date of this  
13 amendatory Act of the 101st General Assembly ~~this amendatory~~  
14 ~~Act of the 99th General Assembly~~, each electric utility subject  
15 to this Section shall file a tariff to implement the provisions  
16 of subsection (1) of this Section, which shall, consistent with  
17 the provisions of subsection (1), describe the terms and  
18 conditions under which owners or operators of qualifying  
19 properties, units, or apartments may participate in net  
20 metering. The Commission shall approve, or approve with  
21 modification, the tariff within 120 days after the effective  
22 date of this amendatory Act of the 101st General Assembly ~~this~~  
23 ~~amendatory Act of the 99th General Assembly~~.

24 (m) Nothing in this Section shall affect the right of an  
25 electricity provider to continue to provide, or the right of a  
26 retail customer to continue to receive service pursuant to a

1 contract for electric service between the electricity provider  
2 and the retail customer in accordance with the prices, terms,  
3 and conditions provided for in that contract. Either the  
4 electricity provider or the customer may require compliance  
5 with the prices, terms, and conditions of the contract.

6 (n) At such time, if any, that statewide net metering  
7 penetration equals 5% ~~the load of the electricity provider's~~  
8 ~~net metering customers equals 5% of the total peak demand~~  
9 ~~supplied by that electricity provider during the previous year,~~  
10 as specified in subsection (j) of this Section, and the  
11 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, the net metering services  
15 described in subsections (d), (d-5), (e), (e-5), and (f) of  
16 this Section shall no longer be offered, except as to those  
17 eligible renewable generating facilities for which retail  
18 customers ~~that~~ are receiving net metering service under these  
19 subsections at the time the net metering services under those  
20 subsections are no longer offered; those systems shall continue  
21 to receive net metering services described in subsections (d),  
22 (d-5), (e), (e-5), and (f) of this Section for the lifetime of  
23 the system, regardless of whether those retail customers change  
24 electricity providers or whether the retail customer  
25 benefiting from the system changes. Those retail customers that  
26 begin taking net metering service after the date that net

1 metering services are no longer offered under such subsections  
2 shall be subject to the provisions set forth in the following  
3 paragraphs (1) through (3) of this subsection (n):

4 (1) An electricity provider shall charge or credit for  
5 the net electricity supplied to eligible customers or  
6 provided by eligible customers whose electric supply  
7 service is not provided based on hourly pricing in the  
8 following manner:

9 (A) If the amount of electricity used by the  
10 customer during the billing period exceeds the amount  
11 of electricity produced by the customer, then the  
12 electricity provider shall charge the customer for the  
13 net kilowatt-hour based electricity charges reflected  
14 in the customer's electric service rate supplied to and  
15 used by the customer as provided in paragraph (3) of  
16 this subsection (n).

17 (B) If the amount of electricity produced by a  
18 customer during the billing period exceeds the amount  
19 of electricity used by the customer during that billing  
20 period, then the electricity provider supplying that  
21 customer shall apply a 1:1 kilowatt-hour energy credit  
22 that reflects the kilowatt-hour based energy charges  
23 in the customer's electric service rate to a subsequent  
24 bill for service to the customer for the net  
25 electricity supplied to the electricity provider. The  
26 electricity provider shall continue to carry over any

1 excess kilowatt-hour energy credits earned and apply  
2 those credits to subsequent billing periods to offset  
3 any customer-generator consumption in those billing  
4 periods until all credits are used or until the end of  
5 the annualized period.

6 (C) At the end of the year or annualized over the  
7 period that service is supplied by means of net  
8 metering, or in the event that the retail customer  
9 terminates service with the electricity provider prior  
10 to the end of the year or the annualized period, any  
11 remaining credits in the customer's account shall  
12 expire.

13 (2) An electricity provider shall charge or credit for  
14 the net electricity supplied to eligible customers or  
15 provided by eligible customers whose electric supply  
16 service is provided based on hourly pricing in the  
17 following manner:

18 (A) If the amount of electricity used by the  
19 customer during any hourly period exceeds the amount of  
20 electricity produced by the customer, then the  
21 electricity provider shall charge the customer for the  
22 net electricity supplied to and used by the customer as  
23 provided in paragraph (3) of this subsection (n).

24 (B) If the amount of electricity produced by a  
25 customer during any hourly period exceeds the amount of  
26 electricity used by the customer during that hourly

1 period, the energy provider shall calculate an energy  
2 credit for the net kilowatt-hours produced in such  
3 period. The value of the energy credit shall be  
4 calculated using the same price per kilowatt-hour as  
5 the electric service provider would charge for  
6 kilowatt-hour energy sales during that same hourly  
7 period.

8 (3) An electricity provider shall provide electric  
9 service to eligible customers who utilize net metering at  
10 non-discriminatory rates that are identical, with respect  
11 to rate structure, retail rate components, and any monthly  
12 charges, to the rates that the customer would be charged if  
13 not a net metering customer. An electricity provider shall  
14 charge the customer for the net electricity supplied to and  
15 used by the customer according to the terms of the contract  
16 or tariff to which the same customer would be assigned or  
17 be eligible for if the customer was not a net metering  
18 customer. An electricity provider shall not charge net  
19 metering customers any fee or charge or require additional  
20 equipment, insurance, or any other requirements not  
21 specifically authorized by interconnection standards  
22 authorized by the Commission, unless the fee, charge, or  
23 other requirement would apply to other similarly situated  
24 customers who are not net metering customers. The charge or  
25 credit that the customer receives for net electricity shall  
26 be at a rate equal to the customer's energy supply rate.

1       The customer remains responsible for the gross amount of  
2       delivery services charges, supply-related charges that are  
3       kilowatt based, and all taxes and fees related to such  
4       charges. The customer also remains responsible for all  
5       taxes and fees that would otherwise be applicable to the  
6       net amount of electricity used by the customer. Paragraphs  
7       (1) and (2) of this subsection (n) shall not be construed  
8       to prevent an arms-length agreement between an electricity  
9       provider and an eligible customer that sets forth different  
10      prices, terms, and conditions for the provision of net  
11      metering service, including, but not limited to, the  
12      provision of the appropriate metering equipment for  
13      non-residential customers. Nothing in this paragraph (3)  
14      shall be interpreted to mandate that a utility that is only  
15      required to provide delivery services to a given customer  
16      must also sell electricity to such customer.

17      (o) Within 90 days after the effective date of this  
18      amendatory Act of the 101st General Assembly, each electric  
19      utility subject to this Section shall file a tariff that shall,  
20      consistent with the provisions of this Section, propose the  
21      terms and conditions under which an eligible customer may  
22      participate in net metering. The Commission shall approve, or  
23      approve with modification based on a stakeholder process, the  
24      tariff within 120 days after the effective date of this  
25      amendatory Act of the 101st General Assembly. Each electric  
26      utility shall file any changes to terms as a subsequent tariff

1 for approval or approval with modifications from the  
2 Commission.

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

4 (220 ILCS 5/16-107.6)

5 Sec. 16-107.6. Distributed generation rebate.

6 (a) In this Section:

7 "Distributed energy resource" means a wide range of  
8 technologies that are located on the customer side of the  
9 customer's electric meter and can provide value to the  
10 distribution system, including, but not limited to,  
11 distributed generation, energy storage, electric vehicles, and  
12 demand response technologies.

13 "Smart inverter" means a device that converts direct  
14 current into alternating current and meets the IEEE 1547-2018  
15 equipment standards. Until devices that meet the IEEE 1547-2018  
16 standard are available, devices that meet the UL 1741 SA  
17 standard are acceptable ~~can autonomously contribute to grid~~  
18 ~~support during excursions from normal operating voltage and~~  
19 ~~frequency conditions by providing each of the following:~~  
20 ~~dynamic reactive and real power support, voltage and frequency~~  
21 ~~ride-through, ramp rate controls, communication systems with~~  
22 ~~ability to accept external commands, and other functions from~~  
23 ~~the electric utility.~~

24 "Subscriber" has the meaning set forth in Section 1-10 of  
25 the Illinois Power Agency Act.



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

3 "Threshold date" means the date on which statewide net  
4 metering penetration equals 5% ~~the load of an electricity~~  
5 ~~provider's net metering customers equals 5% of the total peak~~  
6 ~~demand supplied by that electricity provider during the~~  
7 ~~previous year~~, as specified under subsection (j) of Section  
8 16-107.5 of this Act.

9 (b) An electric utility that serves more than 200,000  
10 customers in the State shall file a petition with the  
11 Commission requesting approval of the utility's tariff to  
12 provide a rebate to a retail customer who owns or operates  
13 distributed generation that meets the following criteria:

14 (1) has a nameplate generating capacity no greater than  
15 2,000 kilowatts and is primarily used to offset that  
16 customer's electricity load;

17 (2) is located on the customer's side of the billing  
18 meter premises, for the customer's own use, and not for  
19 commercial use or sales, including, but not limited to,  
20 wholesale sales of electric power and energy;

21 (3) is located in the electric utility's service  
22 territory; and

23 (4) is interconnected under rules adopted by the  
24 Commission by means of the inverter or smart inverter  
25 required by this Section, as applicable.

26 For purposes of this Section, "distributed generation"

1 shall satisfy the definition of distributed renewable energy  
2 generation device set forth in Section 1-10 of the Illinois  
3 Power Agency Act to the extent such definition is consistent  
4 with the requirements of this Section.

5 In addition, any new photovoltaic distributed generation  
6 that is installed after the effective date of this amendatory  
7 Act of the 99th General Assembly must be installed by a  
8 qualified person, as defined by subsection (i) of Section 1-56  
9 of the Illinois Power Agency Act.

10 The tariff shall provide that the smart inverter associated  
11 with the distributed generation shall provide autonomous  
12 responses to grid conditions through its default settings as  
13 approved by the Commission ~~utility shall be permitted to~~  
14 ~~operate and control the smart inverter associated with the~~  
15 ~~distributed generation that is the subject of the rebate for~~  
16 ~~the purpose of preserving reliability during distribution~~  
17 ~~system reliability events and shall address the terms and~~  
18 ~~conditions of the operation and the compensation associated~~  
19 ~~with the operation.~~ Nothing in this Section shall negate or  
20 supersede Institute of Electrical and Electronics Engineers  
21 equipment interconnection requirements ~~or~~ standards or other  
22 similar standards or requirements. The tariff shall not limit  
23 the ability of the smart inverter or other distributed energy  
24 resource to provide wholesale market products services. ~~The~~  
25 ~~tariff shall also provide for additional uses of the smart~~  
26 ~~inverter that shall be separately compensated and which may~~

1 ~~include, but are not limited to, voltage and VAR support,~~  
2 ~~regulation, and other grid services. As part of the proceeding~~  
3 ~~described in subsection (c) of this Section, the Commission~~  
4 ~~shall review and determine whether smart inverters can provide~~  
5 ~~any additional uses or services. If the Commission determines~~  
6 ~~that an additional use or service would be beneficial, the~~  
7 ~~Commission shall determine the terms and conditions of the~~  
8 ~~operation and how the use or service should be separately~~  
9 ~~compensated.~~

10 (c) The proposed tariff authorized by subsection (b) of  
11 this Section shall include the following participation terms  
12 and formulae to calculate the value of the rebates to be  
13 applied under this Section for distributed generation that  
14 satisfies the criteria set forth in subsection (b) of this  
15 Section:

16 (1) Until the utility's tariff or tariffs setting the  
17 new compensation values established under subsection (e)  
18 take effect ~~utility files its tariff or tariffs to place~~  
19 ~~into effect the rebate values established by the Commission~~  
20 ~~under subsection (c) of this Section,~~ non-residential  
21 customers that are taking service under a net metering  
22 program offered by an electricity provider under the terms  
23 of Section 16-107.5 of this Act may apply for a rebate as  
24 provided for in this Section. The value of the rebate shall  
25 be \$250 per kilowatt of nameplate generating capacity,  
26 measured as nominal DC power output, of a non-residential

1 customer's distributed generation.

2 (2) After the utility's tariff or tariffs setting the  
3 new rebate values established under subsection (e) ~~(d)~~ of  
4 this Section take effect, retail customers may, as  
5 applicable, make the following elections:

6 (A) Residential customers that are taking service  
7 under a net metering program offered by an electricity  
8 provider under the terms of Section 16-107.5 of this  
9 Act on the threshold date may elect to either continue  
10 to take such service under the terms of such program as  
11 in effect on such threshold date for the useful life of  
12 the customer's eligible renewable electric generating  
13 facility as defined in such Section, or file an  
14 application to receive a rebate under the terms of this  
15 Section, provided that such application must be  
16 submitted within 6 months after the effective date of  
17 the tariff approved under subsection (d) of this  
18 Section. The value of the rebate shall be the amount  
19 established by the Commission and reflected in the  
20 utility's tariff approved pursuant to subsection (e)  
21 of this Section.

22 (B) Non-residential customers that are taking  
23 service under a net metering program offered by an  
24 electricity provider under the terms of Section  
25 16-107.5 of this Act on the threshold date may apply  
26 for a rebate as provided for in this Section. The value

1 of the rebate shall be the amount established by the  
2 Commission and reflected in the utility's tariff  
3 pursuant to subsection (e) of this Section.

4 (3) Upon approval of a rebate application submitted  
5 under this subsection (c), the retail customer shall no  
6 longer be entitled to receive any delivery service credits  
7 for the excess electricity generated by its facility and  
8 shall be subject to the provisions of subsection (n) of  
9 Section 16-107.5 of this Act.

10 (4) To be eligible for a rebate described in this  
11 subsection (c), customers who begin taking service after  
12 the effective date of this amendatory Act of the 99th  
13 General Assembly under a net metering program offered by an  
14 electricity provider under the terms of Section 16-107.5 of  
15 this Act must have a smart inverter associated with the  
16 customer's distributed generation.

17 (d) The Commission shall review the proposed tariff  
18 submitted under subsections (b) and (c) of this Section and may  
19 make changes to the tariff that are consistent with this  
20 Section and with the Commission's authority under Article IX of  
21 this Act, subject to notice and hearing. Following notice and  
22 hearing, the Commission shall issue an order approving, or  
23 approving with modification, such tariff no later than 240 days  
24 after the utility files its tariff.

25 (e) When statewide ~~the total generating capacity of the~~  
26 ~~electricity provider's~~ net metering penetration, as defined in

1 Section 16-107.5, ~~customers~~ is equal to 3%, the Commission  
2 shall open an investigation into a ~~an annual~~ process and  
3 formula for calculating the compensation ~~value of rebates~~ for  
4 the retail customers described in subsections (b) and (f) of  
5 this Section ~~that submit rebate applications after the~~  
6 ~~threshold date for an electric utility that elected to file a~~  
7 ~~tariff pursuant to this Section.~~ The investigation shall  
8 include, at minimum, diverse sets of stakeholders,  
9 calculations for valuing distributed energy resource benefits  
10 based on best practices, and assessments of present and future  
11 technological capabilities of distributed energy resources.  
12 Compensation shall reflect all known and measurable values of  
13 the distributed energy resources, taking into account any  
14 geographic, time-based, performance-based, and other benefits,  
15 as well as technological capabilities and present and future  
16 grid needs. The Commission's final order concluding this  
17 investigation shall establish a formula for the compensation of  
18 distributed energy resources, and an initial set of inputs for  
19 that formula. The Commission's final order concluding this  
20 proceeding shall also direct the utilities to update the  
21 formula, on an annual basis, with inputs derived from their  
22 distribution system plans developed pursuant to Section  
23 16-108.17. The Commission shall also determine, as a part of  
24 its investigation under this subsection, whether distributed  
25 energy resources can provide any additional beneficial uses or  
26 services through utility-controlled responses to grid

1 conditions. If the Commission determines that distributed  
2 energy resources can provide additional beneficial uses or  
3 services, the Commission shall determine the terms and  
4 conditions for the operation and compensation of that service.  
5 That compensation shall be above and beyond any rebate that the  
6 distributed energy resource receives. ~~diverse sets of~~  
7 ~~stakeholders, calculations for valuing distributed energy~~  
8 ~~resource benefits to the grid based on best practices, and~~  
9 ~~assessments of present and future technological capabilities~~  
10 ~~of distributed energy resources. The value of such rebates~~  
11 ~~shall reflect the value of the distributed generation to the~~  
12 ~~distribution system at the location at which it is~~  
13 ~~interconnected, taking into account the geographic,~~  
14 ~~time based, and performance based benefits, as well as~~  
15 ~~technological capabilities and present and future grid needs.~~  
16 The Commission shall consider the electric utility's  
17 distribution system plan developed pursuant to Section  
18 16-108.17 of this Act to help identify the value of distributed  
19 energy resources for the purpose of calculating the rebates  
20 described in this subsection. The Commission shall determine  
21 additional compensation for distributed generation that  
22 creates savings and value on the distribution system by being  
23 co-located or in close proximity to electric vehicle charging  
24 infrastructure in use by medium-duty and heavy-duty vehicles,  
25 primarily serving environmental justice communities, as  
26 outlined in the utility distribution system planning process

1 under Section 16-108.17 of this Act. No later than 10 days  
2 after the Commission enters its final order under this  
3 subsection (e), each ~~the~~ utility shall file its tariff or  
4 tariffs in compliance with the order, including new tariffs for  
5 the recovery of costs incurred under this subsection (e) that  
6 shall provide for volumetric-based cost recovery, and the  
7 Commission shall approve, or approve with modification, the  
8 tariff or tariffs within 240 ~~45~~ days after the utility's  
9 filing. For those rebate applications filed after the threshold  
10 date but before the utility's tariff or tariffs filed pursuant  
11 to this subsection (e) take effect, the value of the rebate  
12 shall remain at the value established in subsection (c) of this  
13 Section until the tariff is approved. As part of the process,  
14 the Commission shall ensure that the distributed generation  
15 rebate results in stable growth of both small and large  
16 distributed generation projects in Illinois as provided in  
17 subsection (j) of Section 16-107.5 of this Act, with particular  
18 attention to impacts to the growth of residential distributed  
19 generation customers. The Commission has the authority to  
20 establish interim rebate values for part or all of a utility's  
21 service territory to ensure transparency and stability of  
22 compensation for distributed energy resources in the utility's  
23 service territory.

24 (f) Notwithstanding any provision of this Act to the  
25 contrary, the owner, developer, or subscriber of a generation  
26 facility that is part of a net metering program provided under



1 subsection (l) of Section 16-107.5 shall also be eligible to  
2 apply for the rebate described in this Section. A subscriber to  
3 the generation facility may apply for a rebate in the amount of  
4 the subscriber's subscription only if the owner, developer, or  
5 previous subscriber to the same panel or panels has not already  
6 submitted an application, and, regardless of whether the  
7 subscriber is a residential or non-residential customer, may be  
8 allowed the amount identified in paragraph (1) of subsection  
9 (c) or in subsection (e) of this Section applicable to such  
10 customer on the date that the application is submitted. An  
11 application for a rebate for a portion of a project described  
12 in this subsection (f) may be submitted at or after the time  
13 that a related request for net metering is made.

14 (g) No later than 60 days after the utility receives an  
15 application for a rebate under its tariff approved under  
16 subsection (d) or (e) of this Section, the utility shall issue  
17 a rebate to the applicant under the terms of the tariff. In the  
18 event the application is incomplete or the utility is otherwise  
19 unable to calculate the payment based on the information  
20 provided by the owner, the utility shall issue the payment no  
21 later than 60 days after the application is complete or all  
22 requested information is received.

23 (h) An electric utility shall recover from its retail  
24 customers all of the costs of the rebates made under a tariff  
25 or tariffs approved under subsection (d) of ~~placed into effect~~  
26 ~~under~~ this Section, including, but not limited to, the value of

1 the rebates and all costs incurred by the utility to comply  
2 with and implement subsections (b) and (c) of this Section, but  
3 not including costs incurred by the utility to comply with and  
4 implement subsection (e) of this Section, consistent with the  
5 following provisions:

6 (1) The utility shall defer the full amount of its  
7 costs ~~incurred under this Section~~ as a regulatory asset.  
8 The total costs deferred as a regulatory asset shall be  
9 amortized over a 15-year period. The unamortized balance  
10 shall be recognized as of December 31 for a given year. The  
11 utility shall also earn a return on the total of the  
12 unamortized balance of the regulatory assets, less any  
13 deferred taxes related to the unamortized balance, at an  
14 annual rate equal to the utility's weighted average cost of  
15 capital that includes, based on a year-end capital  
16 structure, the utility's actual cost of debt for the  
17 applicable calendar year and a cost of equity, which shall  
18 be calculated as the sum of (i) the average for the  
19 applicable calendar year of the monthly average yields of  
20 30-year U.S. Treasury bonds published by the Board of  
21 Governors of the Federal Reserve System in its weekly H.15  
22 Statistical Release or successor publication; and (ii) 580  
23 basis points, including a revenue conversion factor  
24 calculated to recover or refund all additional income taxes  
25 that may be payable or receivable as a result of that  
26 return.

1           When an electric utility creates a regulatory asset  
2           under the provisions of this Section, the costs are  
3           recovered over a period during which customers also receive  
4           a benefit, which is in the public interest. Accordingly, it  
5           is the intent of the General Assembly that an electric  
6           utility that elects to create a regulatory asset under the  
7           provisions of this Section shall recover all of the  
8           associated costs, including, but not limited to, its cost  
9           of capital as set forth in this Section. After the  
10          Commission has approved the prudence and reasonableness of  
11          the costs that comprise the regulatory asset, the electric  
12          utility shall be permitted to recover all such costs, and  
13          the value and recoverability through rates of the  
14          associated regulatory asset shall not be limited, altered,  
15          impaired, or reduced. To enable the financing of the  
16          incremental capital expenditures, including regulatory  
17          assets, for electric utilities that serve less than  
18          3,000,000 retail customers but more than 500,000 retail  
19          customers in the State, the utility's actual year-end  
20          capital structure that includes a common equity ratio,  
21          excluding goodwill, of up to and including 50% of the total  
22          capital structure shall be deemed reasonable and used to  
23          set rates.

24          (2) The utility, at its election, may recover all of  
25          the costs ~~it incurs under this Section~~ as part of a filing  
26          for a general increase in rates under Article IX of this

1 Act, as part of an annual filing to update a  
2 performance-based formula rate under subsection (d) of  
3 Section 16-108.5 of this Act, or through an automatic  
4 adjustment clause tariff, provided that nothing in this  
5 paragraph (2) permits the double recovery of such costs  
6 from customers. If the utility elects to recover the costs  
7 it incurs under this Section through an automatic  
8 adjustment clause tariff, the utility may file its proposed  
9 tariff together with the tariff it files under subsection  
10 (b) of this Section or at a later time. The proposed tariff  
11 shall provide for an annual reconciliation, less any  
12 deferred taxes related to the reconciliation, with  
13 interest at an annual rate of return equal to the utility's  
14 weighted average cost of capital as calculated under  
15 paragraph (1) of this subsection (h), including a revenue  
16 conversion factor calculated to recover or refund all  
17 additional income taxes that may be payable or receivable  
18 as a result of that return, of the revenue requirement  
19 reflected in rates for each calendar year, beginning with  
20 the calendar year in which the utility files its automatic  
21 adjustment clause tariff under this subsection (h), with  
22 what the revenue requirement would have been had the actual  
23 cost information for the applicable calendar year been  
24 available at the filing date. The Commission shall review  
25 the proposed tariff and may make changes to the tariff that  
26 are consistent with this Section and with the Commission's

1 authority under Article IX of this Act, subject to notice  
2 and hearing. Following notice and hearing, the Commission  
3 shall issue an order approving, or approving with  
4 modification, such tariff no later than 240 days after the  
5 utility files its tariff.

6 (i) An electric utility shall recover from its retail  
7 customers, on a volumetric basis, all of the costs of the  
8 rebates made under a tariff or tariffs placed into effect under  
9 subsection (e) of this Section, including, but not limited to,  
10 the value of the rebates and all costs incurred by the utility  
11 to comply with and implement subsection (e) of this Section,  
12 consistent with the following provisions:

13 (1) The utility may defer a portion of its costs as a  
14 regulatory asset. The Commission shall determine the  
15 portion that may be appropriately deferred as a regulatory  
16 asset. Factors that the Commission shall consider in  
17 determining the portion of costs that shall be deferred as  
18 a regulatory asset include, but are not limited to: (i)  
19 whether and the extent to which a cost effectively deferred  
20 or avoided other distribution system costs; (ii) the extent  
21 to which a cost provides environmental benefits; (iii) the  
22 extent to which a cost improves system reliability or  
23 resilience; (iv) the electric utility's distribution  
24 system plan developed pursuant to Section 16-108.17 of this  
25 Act; and (v) such other factors as the Commission deems  
26 appropriate. The remainder of costs shall be deemed an

1 operating expense and shall be recoverable if found prudent  
2 and reasonable by the Commission.

3 The total costs deferred as a regulatory asset shall be  
4 amortized over a 15-year period. The unamortized balance  
5 shall be recognized as of December 31 for a given year. The  
6 utility shall also earn a return on the total of the  
7 unamortized balance of the regulatory assets, less any  
8 deferred taxes related to the unamortized balance, at an  
9 annual rate equal to the utility's weighted average cost of  
10 capital that includes, based on a year-end capital  
11 structure, the utility's actual cost of debt for the  
12 applicable calendar year and a cost of equity, which shall  
13 be calculated as the sum of: (I) the average for the  
14 applicable calendar year of the monthly average yields of  
15 30-year U.S. Treasury bonds published by the Board of  
16 Governors of the Federal Reserve System in its weekly H.15  
17 Statistical Release or successor publication; and (II) 580  
18 basis points, including a revenue conversion factor  
19 calculated to recover or refund all additional income taxes  
20 that may be payable or receivable as a result of that  
21 return.

22 When an electric utility creates a regulatory asset  
23 under the provisions of this subsection (i), the costs are  
24 recovered over a period during which customers also receive  
25 a benefit, which is in the public interest. Accordingly, it  
26 is the intent of the General Assembly that an electric

1 utility that elects to create a regulatory asset under the  
2 provisions of this Section shall recover all of the  
3 associated costs, including, but not limited to, its cost  
4 of capital as set forth in this Section. After the  
5 Commission has approved the prudence and reasonableness of  
6 the costs that comprise the regulatory asset, the electric  
7 utility shall be permitted to recover all such costs, and  
8 the value and recoverability through rates of the  
9 associated regulatory asset shall not be limited, altered,  
10 impaired, or reduced. To enable the financing of the  
11 incremental capital expenditures, including regulatory  
12 assets, for electric utilities that serve less than  
13 3,000,000 retail customers but more than 500,000 retail  
14 customers in the State, the utility's actual year-end  
15 capital structure that includes a common equity ratio,  
16 excluding goodwill, of up to and including 50% of the total  
17 capital structure shall be deemed reasonable and used to  
18 set rates.

19 (2) The utility may recover all of the costs through an  
20 automatic adjustment clause tariff, on a volumetric basis.  
21 The utility may file its proposed cost-recovery tariff  
22 together with the tariff it files under subsection (e) of  
23 this Section or at a later time. The proposed tariff shall  
24 provide for an annual reconciliation, less any deferred  
25 taxes related to the reconciliation, with interest at an  
26 annual rate of return equal to the utility's weighted

1 average cost of capital as calculated under paragraph (1)  
2 of this subsection (i), including a revenue conversion  
3 factor calculated to recover or refund all additional  
4 income taxes that may be payable or receivable as a result  
5 of that return, of the revenue requirement reflected in  
6 rates for each calendar year, beginning with the calendar  
7 year in which the utility files its automatic adjustment  
8 clause tariff under this subsection (i), with what the  
9 revenue requirement would have been had the actual cost  
10 information for the applicable calendar year been  
11 available at the filing date. The Commission shall review  
12 the proposed tariff and may make changes to the tariff that  
13 are consistent with this Section and with the Commission's  
14 authority under Article IX of this Act, subject to notice  
15 and hearing. Following notice and hearing, the Commission  
16 shall issue an order approving, or approving with  
17 modification, such tariff no later than 240 days after the  
18 utility files its tariff.

19 (j) ~~(i)~~ No later than 90 days after the Commission enters  
20 an order, or order on rehearing, whichever is later, approving  
21 an electric utility's proposed tariff under subsection (d) of  
22 this Section, the electric utility shall provide notice of the  
23 availability of rebates under this Section. Subsequent to the  
24 utility's notice, any entity that offers in the State, for sale  
25 or lease, distributed generation and estimates the dollar  
26 saving attributable to such distributed generation shall



1 provide estimates based on both delivery service credits, if  
2 applicable and if available under Section 16-107.5 of this Act,  
3 and the rebates available under this Section.

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

5 (220 ILCS 5/16-107.7 new)

6 Sec. 16-107.7. Residential time-of-use pricing.

7 (a) The General Assembly finds that time-of-use rates and  
8 pricing plans can lower energy costs for consumers and reduce  
9 grid costs as well as help Illinois achieve its energy policy  
10 goals by improving load shape, encouraging energy  
11 conservation, and shifting usage away from periods where fossil  
12 fuels are used to meet peak demand. Further, by providing  
13 consumers information relating the costs of service to the time  
14 of energy usage, time-of-use rates can help consumers reduce  
15 their energy bills by using electricity when it is less costly.  
16 Time-of-use rates can help allocate electricity system costs  
17 more accurately and thus equitably to those who cause costs.  
18 Such rates can reduce the need for ramping resources and  
19 increase the grid's ability to cost-effectively integrate  
20 greater quantities of variable renewable energy and  
21 distributed energy resources.

22 (b) An electric utility that has a tariff in effect under  
23 Section 16-108.5 as of the effective date of this amendatory  
24 Act of the 101st General Assembly shall also offer at least one  
25 market-based, time-of-use rate for eligible retail customers

1 that choose to take power and energy supply service from the  
2 utility. The utility shall file its time-of-use rate tariff no  
3 later than 120 days after the effective date of this amendatory  
4 Act of the 101st General Assembly, and each utility subject to  
5 this requirement shall implement the requirements of this  
6 paragraph by filing a tariff with the Commission. The tariff or  
7 tariffs shall be subject to the following provisions:

8 (1) If more than one tariff is proposed, at least one  
9 tariff shall include at least 3 time blocks: a peak time  
10 block defined as 2 p.m. to 7 p.m. on nonholiday weekdays or  
11 the 5 consecutive hours best reflecting the highest system  
12 peak demands, an off-peak time block defined as 10 a.m. to  
13 2 p.m. and 7 p.m. to 10 p.m. on nonholiday weekdays or the  
14 7 total hours, occurring in some combination before and  
15 after the peak period, which reflect the next highest  
16 system peak demands, and a super-off-peak time block  
17 defined as all other hours including weekend days.

18 2) This tariff shall strive to achieve price ratios  
19 between the blocks as follows: the super-off-peak time  
20 block price shall be no less than zero but no greater than  
21 one-half of the price of the off-peak time block price, and  
22 the off-peak time block price shall be no greater than  
23 one-half of the price of the peak time block price.

24 (3) The time-of-use rate shall include the costs of  
25 electric capacity, costs of transmission services, and  
26 charges for network integration transmission service,

1 transmission enhancement, and locational reliability, as  
2 these terms are defined in the PJM Interconnection LLC Open  
3 Access Transmission Tariff and manuals on January 1, 2019,  
4 within the prices for each time block and seasonal block in  
5 which the associated costs generally are incurred. If the  
6 Open Access Transmission Tariff or manuals subsequently  
7 renames those terms, the services reflected under those  
8 terms shall continue to be included in the time-of-use rate  
9 described in this paragraph (2).

10 (4) Adjustments to the charges set by the tariff may be  
11 made on a semi-annual basis, as follows: each May and  
12 November, the utility shall submit to the Commission,  
13 through an informational filing, its updated charges, and  
14 such charges shall take effect beginning with the June  
15 monthly billing period and December monthly billing  
16 period, respectively.

17 (5) The tariff shall include a purchased energy  
18 adjustment to fully recover the supply costs for the  
19 customers taking service under this tariff.

20 "Eligible customers" includes, but is not limited to,  
21 customers participating in net electricity metering under the  
22 terms of Section 16-107.5.

23 (c) The Commission shall, after notice and hearing, approve  
24 the tariff or tariffs with modifications the Commission finds  
25 necessary to improve the program design, customer  
26 participation in the program, or coordination with existing

1 utility pricing programs, energy efficiency programs, demand  
2 response programs, and any other programs supporting Illinois  
3 energy policy goals and the integration of distributed energy  
4 resources. The Commission shall also consider how the proposed  
5 time-of-use rate design reflects the system costs and usage  
6 patterns of the utility. A proceeding under this subsection may  
7 not exceed 120 days in length.

8 (d) If the Commission issues an order pursuant to this  
9 subsection, the affected electric utility shall contract with  
10 an entity not affiliated with the electric utility to serve as  
11 a program administrator to develop and implement a program to  
12 provide consumer outreach, enrollment, and education  
13 concerning time-of-use pricing and to establish and administer  
14 an information system and technical and other customer  
15 assistance that is necessary to enable customers to manage  
16 electricity use. The program administrator: (i) shall be  
17 selected and compensated by the electric utility, subject to  
18 Commission approval; (ii) shall have demonstrated technical  
19 and managerial competence in the development and  
20 administration of demand management programs; and (iii) may  
21 develop and implement risk management, energy efficiency, and  
22 other services related to energy use management for which the  
23 program administrator shall be compensated by participants in  
24 the program receiving such services. The electric utility shall  
25 provide the program administrator with all information and  
26 assistance necessary to perform the program administrator's

1 duties, including, but not limited to, customer, account, and  
2 energy use data. The electric utility shall permit the program  
3 administrator to include inserts in residential customer bills  
4 2 times per year to assist with customer outreach and  
5 enrollment.

6 The program administrator shall submit an annual report to  
7 the electric utility no later than April 1 of each year  
8 describing the operation and results of the program, including  
9 information concerning the number and types of customers using  
10 the program, changes in customers' energy use patterns, an  
11 assessment of the value of the program to both participants and  
12 nonparticipants, and recommendations concerning modification  
13 of the program and the tariff or tariffs filed under this  
14 Section. This report shall be filed by the electric utility  
15 with the Commission within 30 days after receipt and shall be  
16 available to the public on the Commission's website.

17 (e) Once the tariff or tariffs has been in effect for 24  
18 months, the Commission may, upon complaint, petition, or its  
19 own initiative, open a proceeding to investigate whether  
20 changes or modifications to the tariff or tariffs, program  
21 administration and any other program design element is  
22 necessary to achieve the goals described in subsection (a) of  
23 this Section. Such a proceeding may not last more than 120 days  
24 from the date upon which the investigation is opened by  
25 Commission order.

26 (f) An electric utility shall be entitled to recover

1 reasonable costs incurred in complying with this Section,  
2 provided that recovery of the costs is fairly apportioned among  
3 its residential customers.

4 (g) The electric utility's tariff or tariffs filed pursuant  
5 to this Section shall be subject to the provisions of Article  
6 IX of this Act insofar as they do not conflict with this  
7 Section.

8 (h) This Section does not apply to any electric utility  
9 providing service to 100,000 or fewer customers.

10 (220 ILCS 5/16-107.8 new)

11 Sec. 16-107.8. Beneficial electrification.

12 (a) It is the intent of the General Assembly to decrease  
13 reliance on fossil fuels, reduce pollution from the  
14 transportation sector, increase access to electrification for  
15 all consumers, and ensure that electric vehicle adoption and  
16 increased electricity usage and demand do not place significant  
17 additional burdens on the electric system and create benefits  
18 for Illinois residents.

19 (b) As used in this Section:

20 "Beneficial electrification programs" means programs that  
21 lower carbon dioxide emissions, replace fossil fuel use, create  
22 cost savings, improve electric grid operations, reduce  
23 increases to peak demand, improve electric usage load shape,  
24 and align electric usage with times of renewable generation.  
25 All beneficial electrification programs shall provide for

1 incentives such that customers are induced to use electricity  
2 at times of low overall system usage or at times when  
3 generation from renewable energy sources is high. "Beneficial  
4 electrification programs" include a portfolio of the  
5 following:

6 (1) time-of-use electric rates;

7 (2) hourly pricing electric rates;

8 (3) charging plans or rates set by electric vehicle  
9 service providers that encourage off-peak charging;

10 (4) optimized charging programs or programs that  
11 encourage charging at times beneficial to the electric  
12 grid;

13 (5) demand-response programs specifically related to  
14 electrification efforts;

15 (6) incentives for electrification and associated  
16 infrastructure tied to using electricity at beneficial  
17 times;

18 (7) incentives for electrification and associated  
19 infrastructure targeted to medium-duty and heavy-duty  
20 vehicles used by transit agencies;

21 (8) incentives for electrification and associated  
22 infrastructure targeted to school buses;

23 (9) incentives for electrification and associated  
24 infrastructure for medium-duty and heavy-duty government  
25 and private fleet vehicles;

26 (10) low-income programs that provide access to

1 electric vehicles for communities where car ownership or  
2 new car ownership is not common;

3 (11) incentives for electrification in low-income and  
4 environmental justice communities;

5 (12) incentives or programs to enable quicker adoption  
6 of electric vehicles by developing public charging  
7 stations in dense areas, workplaces, and in low-income  
8 communities;

9 (13) incentives or programs to develop electric  
10 vehicles infrastructure to ensure electric vehicles can  
11 travel statewide, filling the gaps in deployment,  
12 particularly in rural areas or along highway corridors;

13 (14) incentives or planning to encourage the  
14 development in close proximity of electrification and  
15 renewable energy generation to reduce grid impacts; and

16 (15) other such programs as defined by the Commission.

17 "Disadvantaged participant contractor" has the meaning set  
18 forth in Clean Jobs, Workforce and Contractor Equity Act.

19 "Displaced energy worker" has the meaning set forth in  
20 Section 20-10 of the Energy Community Reinvestment Act.

21 "Environmental justice communities" means the definition  
22 of that term based on existing methodologies and findings, used  
23 and as may be updated by the Illinois Power Agency and its  
24 program administrator in the Illinois Solar for All Program.

25 "Labor peace agreement" means an agreement between an  
26 entity and any labor organization recognized under the National



1 Labor Relations Act, referred to in this Act as a bona fide  
2 labor organization, that may prohibit labor organizations and  
3 members from engaging in picketing, work stoppages, boycotts,  
4 and any other economic interference with the entity. This  
5 agreement means that the entity has agreed not to disrupt  
6 efforts by the bona fide labor organization to communicate  
7 with, and attempt to organize and represent, the entity's  
8 employees. The agreement shall provide a bona fide labor  
9 organization access at reasonable times to areas in which the  
10 entity's employees work, for the purpose of meeting with  
11 employees to discuss their right to representation, employment  
12 rights under State law, and terms and conditions of employment.  
13 This type of agreement shall not mandate a particular method of  
14 election or certification of the bona fide labor organization.

15 "Low-income" means persons and families whose income does  
16 not exceed 80% of area median income, adjusted for family size  
17 and revised every 2 years.

18 "Optimized charging programs" mean programs whereby owners  
19 of electric vehicles can set their vehicles to be charged based  
20 on the electric system's current demand, retail or wholesale  
21 market rates, incentives, the carbon or other pollution  
22 intensity of the electric generation mix, the provision of grid  
23 services, efficient use of the electric grid, or the  
24 availability of clean energy generation. Optimized charging  
25 programs may be operated by utilities as well as third parties.

26 "BIPOC" and "black, indigenous, and people of color" are

1 identical in meaning and have the same definition as used in  
2 the Clean Jobs, Workforce and Contractor Equity Act.

3 (c) No later than March 31, 2021, electric utilities  
4 serving greater than 500,000 customers in the State shall  
5 initiate a stakeholder workshop process to solicit input on the  
6 design of beneficial electrification programs that the utility  
7 shall offer. The stakeholder workshop process shall take into  
8 consideration the benefits of electric vehicle adoption and  
9 barriers to adoption, including:

10 (1) the benefit of lower bills for customers who do not  
11 charge electric vehicles;

12 (2) benefits from electric vehicle usage of the  
13 distribution system;

14 (3) the avoidance and reduction in capacity costs from  
15 optimized charging and off-peak charging;

16 (4) energy price and cost reductions; and

17 (5) environmental benefits, including greenhouse gas  
18 emission and other pollution reductions.

19 (6) current barriers to mass-market adoption,  
20 including cost of ownership and availability of charging  
21 stations;

22 (7) benefits of and incentives for medium-duty and  
23 heavy-duty fleet vehicle electrification;

24 (8) opportunities for environmental justice and  
25 low-income communities to benefit from electrification.

26 The workshops should consider barriers, incentives,

1       enabling rate structures, and other opportunities for the  
2       bill reduction and environmental benefits described in  
3       this subsection.

4       Stakeholders and the electric utilities shall propose  
5       discrete beneficial electrification programs and shall provide  
6       estimates of the costs and benefits of those programs in the  
7       workshops. The process shall be open and transparent with  
8       inclusion of stakeholder interests, including stakeholders  
9       representing environmental justice and low-income communities.

10       (d) No later than October 31, 2021, electric utilities  
11       serving greater than 500,000 customers in the State shall file  
12       a Beneficial Electrification Plan with the Illinois Commerce  
13       Commission for programs that start no later than June 1, 2022.  
14       The Beneficial Electrification Plan shall specifically  
15       address, at a minimum, the following:

16               (1) the development and implementation of time-of-use  
17               rates and their benefit for electric vehicle users and for  
18               all customers;

19               (2) the development of optimized charging programs to  
20               achieve savings identified, and new contracts and  
21               compensation for services in those programs, through  
22               signals that allow electric vehicle charging to respond to  
23               local system conditions, manage critical peak periods,  
24               serve as a demand response or peak resource, and maximize  
25               renewable energy use and integration into the grid;

26               (3) plans to address environmental justice interests

1 and the provision of opportunities for residents and  
2 businesses in environmental justice communities to  
3 directly benefit from transportation electrification;

4 (4) financial and other challenges to electric vehicle  
5 usage in low-income communities, and strategies for  
6 overcoming those challenges, particularly in communities  
7 and for people for whom car ownership is not an option;

8 (5) plans to increase access to Level 3 Public Electric  
9 Vehicle Charging Infrastructure located along  
10 transportation corridors to serve vehicles that need  
11 quicker charging times and vehicles of persons who have no  
12 other access to charging infrastructure, regardless of  
13 whether those projects participate in optimized charging  
14 programs;

15 (6) opportunities for coordination and cohesion with  
16 electric vehicle and electric vehicle charging equipment  
17 incentives established by any agency, department, board,  
18 or commission of the State of Illinois, any other unit of  
19 government in the State, any national programs, or any unit  
20 of the federal government;

21 (7) ideas for the development of online tools,  
22 applications, and data sharing that provide essential  
23 information to those charging electric vehicles, and  
24 enable an automated charging response to price signals,  
25 emission signals, real-time renewable generation  
26 production, and other Commission-approved or

1 customer-desired indicators of beneficial charging times;  
2 and

3 (8) an outline of proposed customer education  
4 measures, including a shadow billing option to allow  
5 customers to compare current and historical monthly bills  
6 under different rate plans, cost calculators to compare  
7 electric vehicles costs with internal combustion engine  
8 vehicle costs, the use of utility communications for  
9 proactive customer engagement on electric vehicles, rate  
10 and cost comparison information materials for car dealers  
11 and their customers, and direct outreach to diverse  
12 communities through community and other organizations.

13 (e) The initial Beneficial Electrification Plans submitted  
14 under subsection (d) shall include at least the following  
15 programs:

16 (1) Electric Vehicle Access for All Program. Electric  
17 utilities that serve more than 3,000,000 retail customers  
18 in the State shall reimburse \$7,500,000 per year, or 15% of  
19 the total plan budget, to the Department of Commerce and  
20 Economic Opportunity for programs developed under the  
21 Electric Vehicle Access for All Program. Electric  
22 utilities that serve less than 3,000,000 retail customers  
23 but more than 500,000 retail customers in the State shall  
24 reimburse \$3,150,000, or 15% of the total plan budget, to  
25 the Department of Commerce and Economic Opportunity for  
26 programs developed under the Electric Vehicle for All

1       Program.

2       (2) Medium-Duty and Heavy-Duty Vehicle Charging  
3       Programs. Electric utilities that serve more than  
4       3,000,000 retail customers in the State must offer a rebate  
5       program that averages \$25,000,000 per year, or 50% of the  
6       program budget, for the duration of the plan for rebates to  
7       government entity retail customers to support the  
8       electrification of public transit, as well as government,  
9       commercial and school bus fleet vehicles. Electric  
10       utilities that serve less than 3,000,000 retail customers  
11       but more than 500,000 retail customers in the State shall  
12       reimburse \$10,500,000, or 50% of the program budget, for  
13       the duration of the plan for rebates to government entity  
14       retail customers to support the electrification of public  
15       transit, as well as government, commercial and school bus  
16       fleet vehicles. Rebates for public transit agencies must be  
17       used toward the purchase and installation of all-electric  
18       transit buses, the purchase and installation of electric  
19       vehicle charging infrastructure, or necessary supporting  
20       infrastructure, to be used in transit routes that primarily  
21       serve low-income communities or environmental justice  
22       communities. The amount of the rebate should be designed to  
23       cover the expected capital gap and needs of Illinois  
24       transit agencies. Rebates for government, commercial, or  
25       other retail customers to support the electrification of  
26       fleets and school buses must be used toward the purchase

1 and installation of electric transit or school buses,  
2 electric vehicle charging infrastructure, or necessary  
3 supporting infrastructure, for vehicles that primarily  
4 serve or travel through low-income communities or  
5 environmental justice communities. Recipients of rebates  
6 under this paragraph must participate in an optimized  
7 charging program. Operations, whether private or public,  
8 that primarily serve governmental or educational  
9 institutions, shall be prioritized over commercial vehicle  
10 operations that do not primarily serve a governmental or  
11 educational institution.

12 (3) Mass-market program. All electric utilities  
13 serving more than 500,000 customers may spend up to the  
14 remaining plan budget each year on rebates that support the  
15 widespread adoption and integration of electric vehicles.  
16 Electric utilities serving more than 500,000 customers may  
17 offer a rebate program that offers retail customers a  
18 rebate of up to \$500 for the purchase or installation of  
19 electric vehicle charging infrastructure, provided that  
20 the customer takes electric service under an hourly pricing  
21 program or a time-of-use rate, or participates in an  
22 optimized charging program. Further, electric utilities  
23 serving more than 500,000 customers shall offer a rebate  
24 program to incentivize the purchase and installation of  
25 publicly accessible electric vehicle charging stations  
26 throughout its service territory, with a prioritization

1 for workplace charging and public charging in dense urban  
2 areas and in low-income communities. Finally, electric  
3 utilities serving more than 500,000 customers shall offer a  
4 rebate program to incentivize the development of publicly  
5 accessible fast charging stations targeted to fill the gaps  
6 in deployment, and along State highway corridors.

7 (f) The Commission shall open an investigation into the  
8 electric utility's (if serving more than 500,000 customers)  
9 Beneficial Electrification Plan to determine if the proposed  
10 plan is cost-beneficial. The plan shall be determined to be  
11 cost-beneficial if the total cost of beneficial  
12 electrification expenditures is less than the net present value  
13 of increased electricity costs (defined as marginal avoided  
14 energy, avoided capacity, and avoided transmission and  
15 distribution system costs) avoided by programs under the plan,  
16 the net present value of reductions in other customer energy  
17 costs, and the societal value of reduced carbon emissions and  
18 surface-level pollutants, particularly in environmental  
19 justice communities. The calculation of costs and benefits  
20 should be based on net impacts. The Commission shall review the  
21 Plan and determine whether the portfolio of programs or  
22 initiatives as a whole is optimized to address all key policy  
23 objectives, including: maximizing total energy cost savings,  
24 maximizing rate reductions so that nonparticipants can  
25 benefit, facilitating better grid management, maximizing  
26 carbon emission reductions, reducing other harmful emissions



1 and particularly localized emissions in economically  
2 disadvantaged and environmental justice communities, and  
3 addressing environmental justice interests by ensuring there  
4 are significant opportunities for residents and businesses in  
5 environmental justice communities to directly participate in  
6 and benefit from programs.

7 (g) Any electric utility serving more than 500,000  
8 customers shall update its Beneficial Electrification Plan  
9 every 3 years and, beginning with the first update, shall  
10 develop the Plan in conjunction with the distribution system  
11 planning process described in Section 16-105.17 of this Act,  
12 including incorporation of stakeholder feedback from that  
13 process.

14 (h) For utilities serving more than 3,000,000 retail  
15 customers in the State, the annual total cost of all programs  
16 and initiatives in the Beneficial Electrification Plan shall  
17 not exceed \$50,000,000 per year and shall be recovered  
18 volumetrically from all retail customers as an operating  
19 expense in its Multi-Year Rate Plan. For utilities serving less  
20 than 3,000,000 retail customers, but more than 500,000 retail  
21 customers, the annual total cost of all programs and  
22 initiatives in the Beneficial Electrification Plan shall not  
23 exceed \$21,000,000 per year and shall be recovered  
24 volumetrically from all retail customers as an operating  
25 expense in its Multi-Year Rate Plan.

26 (i) In meeting the requirements of this Section, to the

1 extent feasible and consistent with State and federal law, all  
2 beneficial electrification programs included in Beneficial  
3 Electrification Plans shall provide employment opportunities  
4 for all segments of the population and workforce, including  
5 BIPOC-owned and women-owned business enterprises, as well as  
6 BIPOC-owned and women-owned worker-owned cooperatives or other  
7 such employee-owned entities, and shall not, consistent with  
8 State and federal law, discriminate based on race or  
9 socioeconomic status.

10 Specifically, to the extent feasible and consistent with  
11 State and federal law, as utilities conduct selection and  
12 contracting of businesses, nonprofit organizations, or  
13 worker-owned cooperatives for implementation of beneficial  
14 electrification programs or projects providing electrification  
15 for vehicles and associated electric vehicle infrastructure,  
16 utilities must give preference to businesses, nonprofit  
17 organizations, or worker-owned cooperatives as described in  
18 the workforce equity actions points calculation as specified in  
19 this subsection (i). Utilities shall track and award equity  
20 actions in selection of businesses, nonprofit organizations,  
21 or worker-owned cooperatives, using a points system totaling a  
22 maximum of 235 points. This system shall consider both equity  
23 actions to meet the goals described in this Section and the bid  
24 prices, as specified in paragraphs (1) through (9) of this  
25 subsection (i). Businesses, nonprofit organizations, and  
26 worker-owned cooperatives that are selected and contracted for

1 implementation of beneficial electrification programs or  
2 projects providing electrification for vehicles and associated  
3 electric vehicle infrastructure by utilities shall submit no  
4 later than June 1 of each applicable year an annual report of  
5 elements described in the equity actions points calculation in  
6 paragraphs (1) through (9) of this subsection (i) for the first  
7 3 years after the year in which installation contracts were  
8 awarded.

9 (1) Hiring Equity Action (up to 20 points): awarded based  
10 on the percentage of the company's or entity's workforce  
11 (measured by full-time equivalents as defined by the Government  
12 Accountability Office of the United States Congress) are black,  
13 indigenous, and people of color and are paid at or above the  
14 prevailing wage. One point shall be awarded for each 5% of the  
15 workforce which is composed of BIPOC persons who are also paid  
16 at or above the prevailing wage, up to a maximum of 20 points.

17 (2) Clean Jobs Workforce Hubs and Returning Residents  
18 Action (up to 20 points): awarded based on the percentage of  
19 the workers associated with the project who are graduates or  
20 trainees from the Clean Jobs Workforce Hubs Network Program, or  
21 the Returning Residents Clean Jobs Training Program, or  
22 equivalent certification, and paid at or above the prevailing  
23 wage; one point shall be awarded for each 5% of the workforce  
24 which is composed of Clean Jobs Workforce Hubs Network Program  
25 graduates or trainees or Returning Residents Clean Jobs  
26 Training Program graduates or trainees who are also paid a

1 living wage, up to a maximum of 20 points.

2 (3) BIPOC Business Enterprise Action (30 points): being (i)  
3 an entity defined as a minority-owned business under Section 2  
4 of the Business Enterprise for Minorities, Women, and Persons  
5 with Disabilities Act or (ii) an entity, including a business,  
6 a nonprofit, or a worker-owned cooperative registered with  
7 other state, regional, or local programs intended to certify  
8 minority-owned entities.

9 (4) Contracting Equity Action (20 points): awarded based on  
10 the percentage of the company's or entity's subcontractors or  
11 vendors are entities defined as a minority-owned business or a  
12 women-owned business under Section 2 of the Business Enterprise  
13 for Minorities, Women, and Persons with Disabilities Act or on  
14 the percentage of the subcontracted workers associated with the  
15 project, including from all subcontractors and vendors, are  
16 BIPOC persons (members of a racial or ethnic minority group)  
17 paid at or above the prevailing wage; 5 points shall be awarded  
18 for each 10% of either subcontractors or subcontractors'  
19 workers who are BIPOC persons, whichever is greater, up to a  
20 maximum of 20 points. If a company or entity does not use  
21 subcontractors or vendors, points awarded for the Contracting  
22 Equity Action shall be equivalent to the point value awarded  
23 for the Hiring Equity Action under paragraph(1).

24 (5) Expanding Clean Energy Entrepreneurship Action (20  
25 points): awarded to entities who are current or former  
26 disadvantaged participant contractors in the Expanding Clean

1 Energy Entrepreneurship and Contractor Incubators Network  
2 Program or current or former participants in the Illinois Clean  
3 Energy Black, Indigenous, and People of Color Primes Contractor  
4 Accelerator Program.

5 (6) Community Benefits Action (15 points): (i) for projects  
6 100 kW in size or larger, project has an executed Community  
7 Benefits Agreement that could include, but is not limited to a  
8 commitment to hire local workers, union workers, energy workers  
9 transitioning to clean energy jobs, Clean Jobs Workforce Hubs  
10 Network Program graduates, or current or former disadvantaged  
11 participant contractors in the Expanding Clean Energy  
12 Entrepreneurship and Contractor Incubators Network Program; a  
13 commitment to pay workers at or above the prevailing wage; and  
14 a commitment to give communities ownership opportunities in  
15 electric vehicle projects, where relevant; and (ii) for  
16 projects under 100 kW in size, companies pay their workforces  
17 at or above the prevailing wage.

18 (7) Small Business Action (15 points): the entity's  
19 workforce is composed of 3 or fewer full-time employees  
20 (measured by full-time equivalents as defined by the Government  
21 Accountability Office of the United States Congress).

22 (8) Labor Peace Agreements Action (10 points): (i) for an  
23 installer with 20 or more employees: the installer attests that  
24 the installer has entered into a labor peace agreement, will  
25 abide by the terms of the agreement, and will submit a copy of  
26 the page of the labor peace agreement that contains the

1 signatures of the union representative and the installer, or  
2 (ii) for an installer that is a party to a labor peace  
3 agreement with a bona fide labor organization that currently  
4 represents, or is actively seeking to represent electric  
5 vehicle infrastructure and equipment installers and other  
6 workers in Illinois, or (iii) the installer submits an  
7 attestation affirming that the installer will use best efforts  
8 to use union labor in the installer's projects and in the  
9 construction or retrofit of the facilities associated with the  
10 installer's electric vehicle infrastructure and equipment  
11 operations, where applicable.

12 (9) Price of bid (130 points): as scored by utilities  
13 awarding contracts to electric vehicle installers.

14 Bids scoring fewer than 135 points shall not be awarded  
15 contracts.

16 (220 ILCS 5/16-108)

17 Sec. 16-108. Recovery of costs associated with the  
18 provision of delivery and other services.

19 (a) An electric utility shall file a delivery services  
20 tariff with the Commission at least 210 days prior to the date  
21 that it is required to begin offering such services pursuant to  
22 this Act. An electric utility shall provide the components of  
23 delivery services that are subject to the jurisdiction of the  
24 Federal Energy Regulatory Commission at the same prices, terms  
25 and conditions set forth in its applicable tariff as approved

1 or allowed into effect by that Commission. The Commission shall  
2 otherwise have the authority pursuant to Article IX to review,  
3 approve, and modify the prices, terms and conditions of those  
4 components of delivery services not subject to the jurisdiction  
5 of the Federal Energy Regulatory Commission, including the  
6 authority to determine the extent to which such delivery  
7 services should be offered on an unbundled basis. In making any  
8 such determination the Commission shall consider, at a minimum,  
9 the effect of additional unbundling on (i) the objective of  
10 just and reasonable rates, (ii) electric utility employees, and  
11 (iii) the development of competitive markets for electric  
12 energy services in Illinois.

13 (b) The Commission shall enter an order approving, or  
14 approving as modified, the delivery services tariff no later  
15 than 30 days prior to the date on which the electric utility  
16 must commence offering such services. The Commission may  
17 subsequently modify such tariff pursuant to this Act.

18 (c) The electric utility's tariffs shall define the classes  
19 of its customers for purposes of delivery services charges.  
20 Delivery services shall be priced and made available to all  
21 retail customers electing delivery services in each such class  
22 on a nondiscriminatory basis regardless of whether the retail  
23 customer chooses the electric utility, an affiliate of the  
24 electric utility, or another entity as its supplier of electric  
25 power and energy. Charges for delivery services shall be cost  
26 based, and shall allow the electric utility to recover the

1 costs of providing delivery services through its charges to its  
2 delivery service customers that use the facilities and services  
3 associated with such costs. Such costs shall include the costs  
4 of owning, operating and maintaining transmission and  
5 distribution facilities. The Commission shall also be  
6 authorized to consider whether, and if so to what extent, the  
7 following costs are appropriately included in the electric  
8 utility's delivery services rates: (i) the costs of that  
9 portion of generation facilities used for the production and  
10 absorption of reactive power in order that retail customers  
11 located in the electric utility's service area can receive  
12 electric power and energy from suppliers other than the  
13 electric utility, and (ii) the costs associated with the use  
14 and redispatch of generation facilities to mitigate  
15 constraints on the transmission or distribution system in order  
16 that retail customers located in the electric utility's service  
17 area can receive electric power and energy from suppliers other  
18 than the electric utility. Nothing in this subsection shall be  
19 construed as directing the Commission to allocate any of the  
20 costs described in (i) or (ii) that are found to be  
21 appropriately included in the electric utility's delivery  
22 services rates to any particular customer group or geographic  
23 area in setting delivery services rates.

24 (d) The Commission shall establish charges, terms and  
25 conditions for delivery services that are just and reasonable  
26 and shall take into account customer impacts when establishing



1 such charges. In establishing charges, terms and conditions for  
2 delivery services, the Commission shall take into account  
3 voltage level differences. A retail customer shall have the  
4 option to request to purchase electric service at any delivery  
5 service voltage reasonably and technically feasible from the  
6 electric facilities serving that customer's premises provided  
7 that there are no significant adverse impacts upon system  
8 reliability or system efficiency. A retail customer shall also  
9 have the option to request to purchase electric service at any  
10 point of delivery that is reasonably and technically feasible  
11 provided that there are no significant adverse impacts on  
12 system reliability or efficiency. Such requests shall not be  
13 unreasonably denied.

14 (e) Electric utilities shall recover the costs of  
15 installing, operating or maintaining facilities for the  
16 particular benefit of one or more delivery services customers,  
17 including without limitation any costs incurred in complying  
18 with a customer's request to be served at a different voltage  
19 level, directly from the retail customer or customers for whose  
20 benefit the costs were incurred, to the extent such costs are  
21 not recovered through the charges referred to in subsections  
22 (c) and (d) of this Section.

23 (f) An electric utility shall be entitled but not required  
24 to implement transition charges in conjunction with the  
25 offering of delivery services pursuant to Section 16-104. If an  
26 electric utility implements transition charges, it shall

1 implement such charges for all delivery services customers and  
2 for all customers described in subsection (h), but shall not  
3 implement transition charges for power and energy that a retail  
4 customer takes from cogeneration or self-generation facilities  
5 located on that retail customer's premises, if such facilities  
6 meet the following criteria:

7 (i) the cogeneration or self-generation facilities  
8 serve a single retail customer and are located on that  
9 retail customer's premises (for purposes of this  
10 subparagraph and subparagraph (ii), an industrial or  
11 manufacturing retail customer and a third party contractor  
12 that is served by such industrial or manufacturing customer  
13 through such retail customer's own electrical distribution  
14 facilities under the circumstances described in subsection  
15 (vi) of the definition of "alternative retail electric  
16 supplier" set forth in Section 16-102, shall be considered  
17 a single retail customer);

18 (ii) the cogeneration or self-generation facilities  
19 either (A) are sized pursuant to generally accepted  
20 engineering standards for the retail customer's electrical  
21 load at that premises (taking into account standby or other  
22 reliability considerations related to that retail  
23 customer's operations at that site) or (B) if the facility  
24 is a cogeneration facility located on the retail customer's  
25 premises, the retail customer is the thermal host for that  
26 facility and the facility has been designed to meet that

1 retail customer's thermal energy requirements resulting in  
2 electrical output beyond that retail customer's electrical  
3 demand at that premises, comply with the operating and  
4 efficiency standards applicable to "qualifying facilities"  
5 specified in title 18 Code of Federal Regulations Section  
6 292.205 as in effect on the effective date of this  
7 amendatory Act of 1999;

8 (iii) the retail customer on whose premises the  
9 facilities are located either has an exclusive right to  
10 receive, and corresponding obligation to pay for, all of  
11 the electrical capacity of the facility, or in the case of  
12 a cogeneration facility that has been designed to meet the  
13 retail customer's thermal energy requirements at that  
14 premises, an identified amount of the electrical capacity  
15 of the facility, over a minimum 5-year period; and

16 (iv) if the cogeneration facility is sized for the  
17 retail customer's thermal load at that premises but exceeds  
18 the electrical load, any sales of excess power or energy  
19 are made only at wholesale, are subject to the jurisdiction  
20 of the Federal Energy Regulatory Commission, and are not  
21 for the purpose of circumventing the provisions of this  
22 subsection (f).

23 If a generation facility located at a retail customer's  
24 premises does not meet the above criteria, an electric utility  
25 implementing transition charges shall implement a transition  
26 charge until December 31, 2006 for any power and energy taken

1 by such retail customer from such facility as if such power and  
2 energy had been delivered by the electric utility. Provided,  
3 however, that an industrial retail customer that is taking  
4 power from a generation facility that does not meet the above  
5 criteria but that is located on such customer's premises will  
6 not be subject to a transition charge for the power and energy  
7 taken by such retail customer from such generation facility if  
8 the facility does not serve any other retail customer and  
9 either was installed on behalf of the customer and for its own  
10 use prior to January 1, 1997, or is both predominantly fueled  
11 by byproducts of such customer's manufacturing process at such  
12 premises and sells or offers an average of 300 megawatts or  
13 more of electricity produced from such generation facility into  
14 the wholesale market. Such charges shall be calculated as  
15 provided in Section 16-102, and shall be collected on each  
16 kilowatt-hour delivered under a delivery services tariff to a  
17 retail customer from the date the customer first takes delivery  
18 services until December 31, 2006 except as provided in  
19 subsection (h) of this Section. Provided, however, that an  
20 electric utility, other than an electric utility providing  
21 service to at least 1,000,000 customers in this State on  
22 January 1, 1999, shall be entitled to petition for entry of an  
23 order by the Commission authorizing the electric utility to  
24 implement transition charges for an additional period ending no  
25 later than December 31, 2008. The electric utility shall file  
26 its petition with supporting evidence no earlier than 16

1 months, and no later than 12 months, prior to December 31,  
2 2006. The Commission shall hold a hearing on the electric  
3 utility's petition and shall enter its order no later than 8  
4 months after the petition is filed. The Commission shall  
5 determine whether and to what extent the electric utility shall  
6 be authorized to implement transition charges for an additional  
7 period. The Commission may authorize the electric utility to  
8 implement transition charges for some or all of the additional  
9 period, and shall determine the mitigation factors to be used  
10 in implementing such transition charges; provided, that the  
11 Commission shall not authorize mitigation factors less than  
12 110% of those in effect during the 12 months ended December 31,  
13 2006. In making its determination, the Commission shall  
14 consider the following factors: the necessity to implement  
15 transition charges for an additional period in order to  
16 maintain the financial integrity of the electric utility; the  
17 prudence of the electric utility's actions in reducing its  
18 costs since the effective date of this amendatory Act of 1997;  
19 the ability of the electric utility to provide safe, adequate  
20 and reliable service to retail customers in its service area;  
21 and the impact on competition of allowing the electric utility  
22 to implement transition charges for the additional period.

23 (g) The electric utility shall file tariffs that establish  
24 the transition charges to be paid by each class of customers to  
25 the electric utility in conjunction with the provision of  
26 delivery services. The electric utility's tariffs shall define

1 the classes of its customers for purposes of calculating  
2 transition charges. The electric utility's tariffs shall  
3 provide for the calculation of transition charges on a  
4 customer-specific basis for any retail customer whose average  
5 monthly maximum electrical demand on the electric utility's  
6 system during the 6 months with the customer's highest monthly  
7 maximum electrical demands equals or exceeds 3.0 megawatts for  
8 electric utilities having more than 1,000,000 customers, and  
9 for other electric utilities for any customer that has an  
10 average monthly maximum electrical demand on the electric  
11 utility's system of one megawatt or more, and (A) for which  
12 there exists data on the customer's usage during the 3 years  
13 preceding the date that the customer became eligible to take  
14 delivery services, or (B) for which there does not exist data  
15 on the customer's usage during the 3 years preceding the date  
16 that the customer became eligible to take delivery services, if  
17 in the electric utility's reasonable judgment there exists  
18 comparable usage information or a sufficient basis to develop  
19 such information, and further provided that the electric  
20 utility can require customers for which an individual  
21 calculation is made to sign contracts that set forth the  
22 transition charges to be paid by the customer to the electric  
23 utility pursuant to the tariff.

24 (h) An electric utility shall also be entitled to file  
25 tariffs that allow it to collect transition charges from retail  
26 customers in the electric utility's service area that do not

1 take delivery services but that take electric power or energy  
2 from an alternative retail electric supplier or from an  
3 electric utility other than the electric utility in whose  
4 service area the customer is located. Such charges shall be  
5 calculated, in accordance with the definition of transition  
6 charges in Section 16-102, for the period of time that the  
7 customer would be obligated to pay transition charges if it  
8 were taking delivery services, except that no deduction for  
9 delivery services revenues shall be made in such calculation,  
10 and usage data from the customer's class shall be used where  
11 historical usage data is not available for the individual  
12 customer. The customer shall be obligated to pay such charges  
13 on a lump sum basis on or before the date on which the customer  
14 commences to take service from the alternative retail electric  
15 supplier or other electric utility, provided, that the electric  
16 utility in whose service area the customer is located shall  
17 offer the customer the option of signing a contract pursuant to  
18 which the customer pays such charges ratably over the period in  
19 which the charges would otherwise have applied.

20 (i) An electric utility shall be entitled to add to the  
21 bills of delivery services customers charges pursuant to  
22 Sections 9-221, 9-222 (except as provided in Section 9-222.1),  
23 and Section 16-114 of this Act, Section 5-5 of the Electricity  
24 Infrastructure Maintenance Fee Law, Section 6-5 of the  
25 Renewable Energy, Energy Efficiency, and Coal Resources  
26 Development Law of 1997, and Section 13 of the Energy

1 Assistance Act.

2 (j) If a retail customer that obtains electric power and  
3 energy from cogeneration or self-generation facilities  
4 installed for its own use on or before January 1, 1997,  
5 subsequently takes service from an alternative retail electric  
6 supplier or an electric utility other than the electric utility  
7 in whose service area the customer is located for any portion  
8 of the customer's electric power and energy requirements  
9 formerly obtained from those facilities (including that amount  
10 purchased from the utility in lieu of such generation and not  
11 as standby power purchases, under a cogeneration displacement  
12 tariff in effect as of the effective date of this amendatory  
13 Act of 1997), the transition charges otherwise applicable  
14 pursuant to subsections (f), (g), or (h) of this Section shall  
15 not be applicable in any year to that portion of the customer's  
16 electric power and energy requirements formerly obtained from  
17 those facilities, provided, that for purposes of this  
18 subsection (j), such portion shall not exceed the average  
19 number of kilowatt-hours per year obtained from the  
20 cogeneration or self-generation facilities during the 3 years  
21 prior to the date on which the customer became eligible for  
22 delivery services, except as provided in subsection (f) of  
23 Section 16-110.

24 (k) The electric utility shall be entitled to recover  
25 through tariffed charges all of the costs associated with the  
26 purchase of zero emission credits from zero emission facilities



1 to meet the requirements of subsection (d-5) of Section 1-75 of  
2 the Illinois Power Agency Act. Such costs shall include the  
3 costs of procuring the zero emission credits, as well as the  
4 reasonable costs that the utility incurs as part of the  
5 procurement processes and to implement and comply with plans  
6 and processes approved by the Commission under such subsection  
7 (d-5). The costs shall be allocated across all retail customers  
8 through a single, uniform cents per kilowatt-hour charge  
9 applicable to all retail customers, which shall appear as a  
10 separate line item on each customer's bill. Beginning June 1,  
11 2017, the electric utility shall be entitled to recover through  
12 tariffed charges all of the costs associated with the purchase  
13 of renewable energy resources to meet the long-term goals and  
14 targets of the renewable energy resource standards of  
15 subsection (c) of Section 1-75 of the Illinois Power Agency  
16 Act, under procurement plans as approved in accordance with  
17 that Section and Section 16-111.5 of this Act. Such costs shall  
18 include the costs of procuring the renewable energy resources,  
19 as well as the reasonable costs that the utility incurs as part  
20 of the procurement processes and to implement and comply with  
21 plans and processes approved by the Commission under such  
22 Sections. The costs associated with the purchase of renewable  
23 energy resources shall be allocated across all retail customers  
24 in proportion to the amount of renewable energy resources the  
25 utility procures for such customers through a single, uniform  
26 cents per kilowatt-hour charge applicable to such retail

1 customers, which shall appear as a separate line item on each  
2 such customer's bill.

3 Notwithstanding whether the Commission has approved the  
4 initial long-term renewable resources procurement plan as of  
5 June 1, 2017, an electric utility shall place new tariffed  
6 charges into effect beginning with the June 2017 monthly  
7 billing period, to the extent practicable, to begin recovering  
8 the costs of procuring renewable energy resources, as those  
9 charges are calculated under the limitations described in  
10 subparagraph (E) of paragraph (1) of subsection (c) of Section  
11 1-75 of the Illinois Power Agency Act. Notwithstanding the date  
12 on which the utility places such new tariffed charges into  
13 effect, the utility shall be permitted to collect the charges  
14 under such tariff as if the tariff had been in effect beginning  
15 with the first day of the June 2017 monthly billing period.

16 Money collected from customers for the procurement of renewable  
17 energy resources in a given delivery may be spent by the  
18 utility for the procurement of renewable resources over any of  
19 the following 5 delivery years, after which money shall be  
20 credited back to retail customers, provided that up to  
21 \$170,000,000 of funds collected, but not used, in a given  
22 delivery year are first made available to the Illinois Solar  
23 for All Program established under subsection (b) of Section  
24 1-56 of the Illinois Power Agency Act to cover budget  
25 shortfalls due to unexpected fluctuations in the amount of  
26 money available to that Program from the Illinois Power Agency

1 Renewable Energy Resources Fund. The electric utility shall  
2 spend all money collected in earlier delivery years that has  
3 not yet been returned to customers, first, before spending  
4 money collected in later delivery years. The ~~For the delivery~~  
5 ~~years commencing June 1, 2017, June 1, 2018, and June 1, 2019,~~  
6 ~~the~~ electric utility shall deposit into a separate interest  
7 bearing account of a financial institution the monies collected  
8 under the tariffed charges. Any interest earned shall be  
9 credited back to retail customers under the reconciliation  
10 proceeding provided for in this subsection (k), provided that  
11 the electric utility shall first be reimbursed from the  
12 interest for the administrative costs that it incurs to  
13 administer and manage the account. Any taxes due on the funds  
14 in the account, or interest earned on it, will be paid from the  
15 account or, if insufficient monies are available in the  
16 account, from the monies collected under the tariffed charges  
17 to recover the costs of procuring renewable energy resources.  
18 Monies deposited in the account shall be subject to the review,  
19 reconciliation, and true-up process described in this  
20 subsection (k) that is applicable to the funds collected and  
21 costs incurred for the procurement of renewable energy  
22 resources.

23 The electric utility shall be entitled to recover all of  
24 the costs identified in this subsection (k) through automatic  
25 adjustment clause tariffs applicable to all of the utility's  
26 retail customers that allow the electric utility to adjust its

1     tariffed charges consistent with this subsection (k). The  
2     determination as to whether any excess funds were collected  
3     during a given delivery year for the purchase of renewable  
4     energy resources, and the crediting of any excess funds back to  
5     retail customers, shall not be made until after the close of  
6     the delivery year, which will ensure that the maximum amount of  
7     funds is available to implement the approved long-term  
8     renewable resources procurement plan during a given delivery  
9     year. The electric utility's collections under such automatic  
10    adjustment clause tariffs to recover the costs of renewable  
11    energy resources and zero emission credits from zero emission  
12    facilities shall be subject to separate annual review,  
13    reconciliation, and true-up against actual costs by the  
14    Commission under a procedure that shall be specified in the  
15    electric utility's automatic adjustment clause tariffs and  
16    that shall be approved by the Commission in connection with its  
17    approval of such tariffs. The procedure shall provide that any  
18    difference between the electric utility's collections for zero  
19    emission credits under the automatic adjustment charges for an  
20    annual period and the electric utility's actual costs of  
21    ~~renewable energy resources and~~ zero emission credits from zero  
22    emission facilities for that same annual period shall be  
23    refunded to or collected from, as applicable, the electric  
24    utility's retail customers in subsequent periods.

25         Nothing in this subsection (k) is intended to affect,  
26     limit, or change the right of the electric utility to recover

1 the costs associated with the procurement of renewable energy  
2 resources for periods commencing before, on, or after June 1,  
3 2017, as otherwise provided in the Illinois Power Agency Act.

4 ~~Notwithstanding anything to the contrary, the Commission~~  
5 ~~shall not conduct an annual review, reconciliation, and true up~~  
6 ~~associated with renewable energy resources' collections and~~  
7 ~~costs for the delivery years commencing June 1, 2017, June 1,~~  
8 ~~2018, June 1, 2019, and June 1, 2020, and shall instead conduct~~  
9 ~~a single review, reconciliation, and true up associated with~~  
10 ~~renewable energy resources' collections and costs for the~~  
11 ~~4 year period beginning June 1, 2017 and ending May 31, 2021,~~  
12 ~~provided that the review, reconciliation, and true up shall not~~  
13 ~~be initiated until after August 31, 2021. During the 4 year~~  
14 ~~period, the utility shall be permitted to collect and retain~~  
15 ~~funds under this subsection (k) and to purchase renewable~~  
16 ~~energy resources under an approved long term renewable~~  
17 ~~resources procurement plan using those funds regardless of the~~  
18 ~~delivery year in which the funds were collected during the~~  
19 ~~4 year period.~~

20 ~~If the amount of funds collected during the delivery year~~  
21 ~~commencing June 1, 2017, exceeds the costs incurred during that~~  
22 ~~delivery year, then up to half of this excess amount, as~~  
23 ~~calculated on June 1, 2018, may be used to fund the programs~~  
24 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
25 ~~Agency Act in the same proportion the programs are funded under~~  
26 ~~that subsection (b). However, any amount identified under this~~

1 ~~subsection (k) to fund programs under subsection (b) of Section~~  
2 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
3 ~~exceeds the funding shortfall. For purposes of this Section,~~  
4 ~~"funding shortfall" means the difference between \$200,000,000~~  
5 ~~and the amount appropriated by the General Assembly to the~~  
6 ~~Illinois Power Agency Renewable Energy Resources Fund during~~  
7 ~~the period that commences on the effective date of this~~  
8 ~~amendatory act of the 99th General Assembly and ends on August~~  
9 ~~1, 2018.~~

10 ~~If the amount of funds collected during the delivery year~~  
11 ~~commencing June 1, 2018, exceeds the costs incurred during that~~  
12 ~~delivery year, then up to half of this excess amount, as~~  
13 ~~calculated on June 1, 2019, may be used to fund the programs~~  
14 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
15 ~~Agency Act in the same proportion the programs are funded under~~  
16 ~~that subsection (b). However, any amount identified under this~~  
17 ~~subsection (k) to fund programs under subsection (b) of Section~~  
18 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
19 ~~exceeds the funding shortfall.~~

20 ~~If the amount of funds collected during the delivery year~~  
21 ~~commencing June 1, 2019, exceeds the costs incurred during that~~  
22 ~~delivery year, then up to half of this excess amount, as~~  
23 ~~calculated on June 1, 2020, may be used to fund the programs~~  
24 ~~under subsection (b) of Section 1-56 of the Illinois Power~~  
25 ~~Agency Act in the same proportion the programs are funded under~~  
26 ~~that subsection (b). However, any amount identified under this~~

1 ~~subsection (k) to fund programs under subsection (b) of Section~~  
2 ~~1-56 of the Illinois Power Agency Act shall be reduced if it~~  
3 ~~exceeds the funding shortfall.~~

4       The funding available under this subsection (k), if any,  
5 for the programs described under subsection (b) of Section 1-56  
6 of the Illinois Power Agency Act shall not reduce the amount of  
7 funding for the programs described in subparagraph (O) of  
8 paragraph (1) of subsection (c) of Section 1-75 of the Illinois  
9 Power Agency Act. If funding is available under this subsection  
10 (k) for programs described under subsection (b) of Section 1-56  
11 of the Illinois Power Agency Act, then the long-term renewable  
12 resources plan shall provide for the Agency to procure  
13 contracts in an amount that does not exceed the funding, and  
14 the contracts approved by the Commission shall be executed by  
15 the applicable utility or utilities.

16       (1) A utility that has terminated any contract executed  
17 under subsection (d-5) of Section 1-75 of the Illinois Power  
18 Agency Act shall be entitled to recover any remaining balance  
19 associated with the purchase of zero emission credits prior to  
20 such termination, and such utility shall also apply a credit to  
21 its retail customer bills in the event of any over-collection.

22       (m) (1) An electric utility that recovers its costs of  
23 procuring zero emission credits from zero emission  
24 facilities through a cents-per-kilowatthour charge under  
25 to subsection (k) of this Section shall be subject to the  
26 requirements of this subsection (m). Notwithstanding

1 anything to the contrary, such electric utility shall,  
2 beginning on April 30, 2018, and each April 30 thereafter  
3 until April 30, 2026, calculate whether any reduction must  
4 be applied to such cents-per-kilowatthour charge that is  
5 paid by retail customers of the electric utility that are  
6 exempt from subsections (a) through (j) of Section 8-103B  
7 of this Act under subsection (l) of Section 8-103B. Such  
8 charge shall be reduced for such customers for the next  
9 delivery year commencing on June 1 based on the amount  
10 necessary, if any, to limit the annual estimated average  
11 net increase for the prior calendar year due to the future  
12 energy investment costs to no more than 1.3% of 5.98 cents  
13 per kilowatt-hour, which is the average amount paid per  
14 kilowatthour for electric service during the year ending  
15 December 31, 2015 by Illinois industrial retail customers,  
16 as reported to the Edison Electric Institute.

17 The calculations required by this subsection (m) shall  
18 be made only once for each year, and no subsequent rate  
19 impact determinations shall be made.

20 (2) For purposes of this Section, "future energy  
21 investment costs" shall be calculated by subtracting the  
22 cents-per-kilowatthour charge identified in subparagraph  
23 (A) of this paragraph (2) from the sum of the  
24 cents-per-kilowatthour charges identified in subparagraph  
25 (B) of this paragraph (2):

26 (A) The cents-per-kilowatthour charge identified



1 in the electric utility's tariff placed into effect  
2 under Section 8-103 of the Public Utilities Act that,  
3 on December 1, 2016, was applicable to those retail  
4 customers that are exempt from subsections (a) through  
5 (j) of Section 8-103B of this Act under subsection (l)  
6 of Section 8-103B.

7 (B) The sum of the following  
8 cents-per-kilowatthour charges applicable to those  
9 retail customers that are exempt from subsections (a)  
10 through (j) of Section 8-103B of this Act under  
11 subsection (l) of Section 8-103B, provided that if one  
12 or more of the following charges has been in effect and  
13 applied to such customers for more than one calendar  
14 year, then each charge shall be equal to the average of  
15 the charges applied over a period that commences with  
16 the calendar year ending December 31, 2017 and ends  
17 with the most recently completed calendar year prior to  
18 the calculation required by this subsection (m):

19 (i) the cents-per-kilowatthour charge to  
20 recover the costs incurred by the utility under  
21 subsection (d-5) of Section 1-75 of the Illinois  
22 Power Agency Act, adjusted for any reductions  
23 required under this subsection (m); and

24 (ii) the cents-per-kilowatthour charge to  
25 recover the costs incurred by the utility under  
26 Section 16-107.6 of the Public Utilities Act.

1           If no charge was applied for a given calendar year  
2           under item (i) or (ii) of this subparagraph (B), then  
3           the value of the charge for that year shall be zero.

4           (3) If a reduction is required by the calculation  
5           performed under this subsection (m), then the amount of the  
6           reduction shall be multiplied by the number of years  
7           reflected in the averages calculated under subparagraph  
8           (B) of paragraph (2) of this subsection (m). Such reduction  
9           shall be applied to the cents-per-kilowatthour charge that  
10          is applicable to those retail customers that are exempt  
11          from subsections (a) through (j) of Section 8-103B of this  
12          Act under subsection (l) of Section 8-103B beginning with  
13          the next delivery year commencing after the date of the  
14          calculation required by this subsection (m).

15          (4) The electric utility shall file a notice with the  
16          Commission on May 1 of 2018 and each May 1 thereafter until  
17          May 1, 2026 containing the reduction, if any, which must be  
18          applied for the delivery year which begins in the year of  
19          the filing. The notice shall contain the calculations made  
20          pursuant to this Section. By October 1 of each year  
21          beginning in 2018, each electric utility shall notify the  
22          Commission if it appears, based on an estimate of the  
23          calculation required in this subsection (m), that a  
24          reduction will be required in the next year.

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

1 (220 ILCS 5/16-108.5)

2 Sec. 16-108.5. Infrastructure investment and  
3 modernization; regulatory reform.

4 (a) (Blank).

5 (b) For purposes of this Section, "participating utility"  
6 means an electric utility or a combination utility serving more  
7 than 1,000,000 customers in Illinois that voluntarily elects  
8 and commits to undertake (i) the infrastructure investment  
9 program consisting of the commitments and obligations  
10 described in this subsection (b) and (ii) the customer  
11 assistance program consisting of the commitments and  
12 obligations described in subsection (b-10) of this Section,  
13 notwithstanding any other provisions of this Act and without  
14 obtaining any approvals from the Commission or any other agency  
15 other than as set forth in this Section, regardless of whether  
16 any such approval would otherwise be required. "Combination  
17 utility" means a utility that, as of January 1, 2011, provided  
18 electric service to at least one million retail customers in  
19 Illinois and gas service to at least 500,000 retail customers  
20 in Illinois. A participating utility shall recover the  
21 expenditures made under the infrastructure investment program  
22 through the ratemaking process, including, but not limited to,  
23 the performance-based formula rate and process set forth in  
24 this Section.

25 During the infrastructure investment program's peak  
26 program year, a participating utility other than a combination

1 utility shall create 2,000 full-time equivalent jobs in  
2 Illinois, and a participating utility that is a combination  
3 utility shall create 450 full-time equivalent jobs in Illinois  
4 related to the provision of electric service. These jobs shall  
5 include direct jobs, contractor positions, and induced jobs,  
6 but shall not include any portion of a job commitment, not  
7 specifically contingent on an amendatory Act of the 97th  
8 General Assembly becoming law, between a participating utility  
9 and a labor union that existed on December 30, 2011 (the  
10 effective date of Public Act 97-646) and that has not yet been  
11 fulfilled. A portion of the full-time equivalent jobs created  
12 by each participating utility shall include incremental  
13 personnel hired subsequent to December 30, 2011 (the effective  
14 date of Public Act 97-646). For purposes of this Section, "peak  
15 program year" means the consecutive 12-month period with the  
16 highest number of full-time equivalent jobs that occurs between  
17 the beginning of investment year 2 and the end of investment  
18 year 4.

19 A participating utility shall meet one of the following  
20 commitments, as applicable:

21 (1) Beginning no later than 180 days after a  
22 participating utility other than a combination utility  
23 files a performance-based formula rate tariff pursuant to  
24 subsection (c) of this Section, or, beginning no later than  
25 January 1, 2012 if such utility files such  
26 performance-based formula rate tariff within 14 days of

1       October 26, 2011 (the effective date of Public Act 97-616),  
2       the participating utility shall, except as provided in  
3       subsection (b-5):

4               (A) over a 5-year period, invest an estimated  
5       \$1,300,000,000 in electric system upgrades,  
6       modernization projects, and training facilities,  
7       including, but not limited to:

8               (i) distribution infrastructure improvements  
9       totaling an estimated \$1,000,000,000, including  
10      underground residential distribution cable  
11      injection and replacement and mainline cable  
12      system refurbishment and replacement projects;

13              (ii) training facility construction or upgrade  
14      projects totaling an estimated \$10,000,000,  
15      provided that, at a minimum, one such facility  
16      shall be located in a municipality having a  
17      population of more than 2 million residents and one  
18      such facility shall be located in a municipality  
19      having a population of more than 150,000 residents  
20      but fewer than 170,000 residents; any such new  
21      facility located in a municipality having a  
22      population of more than 2 million residents must be  
23      designed for the purpose of obtaining, and the  
24      owner of the facility shall apply for,  
25      certification under the United States Green  
26      Building Council's Leadership in Energy Efficiency

Design Green Building Rating System;

(iii) wood pole inspection, treatment, and replacement programs;

(iv) an estimated \$200,000,000 for reducing the susceptibility of certain circuits to storm-related damage, including, but not limited to, high winds, thunderstorms, and ice storms; improvements may include, but are not limited to, overhead to underground conversion and other engineered outcomes for circuits; the participating utility shall prioritize the selection of circuits based on each circuit's historical susceptibility to storm-related damage and the ability to provide the greatest customer benefit upon completion of the improvements; to be eligible for improvement, the participating utility's ability to maintain proper tree clearances surrounding the overhead circuit must not have been impeded by third parties; and

(B) over a 10-year period, invest an estimated \$1,300,000,000 to upgrade and modernize its transmission and distribution infrastructure and in Smart Grid electric system upgrades, including, but not limited to:

(i) additional smart meters;

(ii) distribution automation;

1 (iii) associated cyber secure data  
2 communication network; and

3 (iv) substation micro-processor relay  
4 upgrades.

5 (2) Beginning no later than 180 days after a  
6 participating utility that is a combination utility files a  
7 performance-based formula rate tariff pursuant to  
8 subsection (c) of this Section, or, beginning no later than  
9 January 1, 2012 if such utility files such  
10 performance-based formula rate tariff within 14 days of  
11 October 26, 2011 (the effective date of Public Act 97-616),  
12 the participating utility shall, except as provided in  
13 subsection (b-5):

14 (A) over a 10-year period, invest an estimated  
15 \$265,000,000 in electric system upgrades,  
16 modernization projects, and training facilities,  
17 including, but not limited to:

18 (i) distribution infrastructure improvements  
19 totaling an estimated \$245,000,000, which may  
20 include bulk supply substations, transformers,  
21 reconductoring, and rebuilding overhead  
22 distribution and sub-transmission lines,  
23 underground residential distribution cable  
24 injection and replacement and mainline cable  
25 system refurbishment and replacement projects;

26 (ii) training facility construction or upgrade

1 projects totaling an estimated \$1,000,000; any  
2 such new facility must be designed for the purpose  
3 of obtaining, and the owner of the facility shall  
4 apply for, certification under the United States  
5 Green Building Council's Leadership in Energy  
6 Efficiency Design Green Building Rating System;  
7 and

8 (iii) wood pole inspection, treatment, and  
9 replacement programs; and

10 (B) over a 10-year period, invest an estimated  
11 \$360,000,000 to upgrade and modernize its transmission  
12 and distribution infrastructure and in Smart Grid  
13 electric system upgrades, including, but not limited  
14 to:

15 (i) additional smart meters;

16 (ii) distribution automation;

17 (iii) associated cyber secure data  
18 communication network; and

19 (iv) substation micro-processor relay  
20 upgrades.

21 For purposes of this Section, "Smart Grid electric system  
22 upgrades" shall have the meaning set forth in subsection (a) of  
23 Section 16-108.6 of this Act.

24 The investments in the infrastructure investment program  
25 described in this subsection (b) shall be incremental to the  
26 participating utility's annual capital investment program, as



1 defined by, for purposes of this subsection (b), the  
2 participating utility's average capital spend for calendar  
3 years 2008, 2009, and 2010 as reported in the applicable  
4 Federal Energy Regulatory Commission (FERC) Form 1; provided  
5 that where one or more utilities have merged, the average  
6 capital spend shall be determined using the aggregate of the  
7 merged utilities' capital spend reported in FERC Form 1 for the  
8 years 2008, 2009, and 2010. A participating utility may add  
9 reasonable construction ramp-up and ramp-down time to the  
10 investment periods specified in this subsection (b). For each  
11 such investment period, the ramp-up and ramp-down time shall  
12 not exceed a total of 6 months.

13 Within 60 days after filing a tariff under subsection (c)  
14 of this Section, a participating utility shall submit to the  
15 Commission its plan, including scope, schedule, and staffing,  
16 for satisfying its infrastructure investment program  
17 commitments pursuant to this subsection (b). The submitted plan  
18 shall include a schedule and staffing plan for the next  
19 calendar year. The plan shall also include a plan for the  
20 creation, operation, and administration of a Smart Grid test  
21 bed as described in subsection (c) of Section 16-108.8. The  
22 plan need not allocate the work equally over the respective  
23 periods, but should allocate material increments throughout  
24 such periods commensurate with the work to be undertaken. No  
25 later than April 1 of each subsequent year, the utility shall  
26 submit to the Commission a report that includes any updates to

1 the plan, a schedule for the next calendar year, the  
2 expenditures made for the prior calendar year and cumulatively,  
3 and the number of full-time equivalent jobs created for the  
4 prior calendar year and cumulatively. If the utility is  
5 materially deficient in satisfying a schedule or staffing plan,  
6 then the report must also include a corrective action plan to  
7 address the deficiency. The fact that the plan, implementation  
8 of the plan, or a schedule changes shall not imply the  
9 imprudence or unreasonableness of the infrastructure  
10 investment program, plan, or schedule. Further, no later than  
11 45 days following the last day of the first, second, and third  
12 quarters of each year of the plan, a participating utility  
13 shall submit to the Commission a verified quarterly report for  
14 the prior quarter that includes (i) the total number of  
15 full-time equivalent jobs created during the prior quarter,  
16 (ii) the total number of employees as of the last day of the  
17 prior quarter, (iii) the total number of full-time equivalent  
18 hours in each job classification or job title, (iv) the total  
19 number of incremental employees and contractors in support of  
20 the investments undertaken pursuant to this subsection (b) for  
21 the prior quarter, and (v) any other information that the  
22 Commission may require by rule.

23 With respect to the participating utility's peak job  
24 commitment, if, after considering the utility's corrective  
25 action plan and compliance thereunder, the Commission enters an  
26 order finding, after notice and hearing, that a participating

1 utility did not satisfy its peak job commitment described in  
2 this subsection (b) for reasons that are reasonably within its  
3 control, then the Commission shall also determine, after  
4 consideration of the evidence, including, but not limited to,  
5 evidence submitted by the Department of Commerce and Economic  
6 Opportunity and the utility, the deficiency in the number of  
7 full-time equivalent jobs during the peak program year due to  
8 such failure. The Commission shall notify the Department of any  
9 proceeding that is initiated pursuant to this paragraph. For  
10 each full-time equivalent job deficiency during the peak  
11 program year that the Commission finds as set forth in this  
12 paragraph, the participating utility shall, within 30 days  
13 after the entry of the Commission's order, pay \$6,000 to a fund  
14 for training grants administered under Section 605-800 of the  
15 Department of Commerce and Economic Opportunity Law, which  
16 shall not be a recoverable expense.

17 With respect to the participating utility's investment  
18 amount commitments, if, after considering the utility's  
19 corrective action plan and compliance thereunder, the  
20 Commission enters an order finding, after notice and hearing,  
21 that a participating utility is not satisfying its investment  
22 amount commitments described in this subsection (b), then the  
23 utility shall no longer be eligible to annually update the  
24 performance-based formula rate tariff pursuant to subsection  
25 (d) of this Section. In such event, the then current rates  
26 shall remain in effect until such time as new rates are set

1 pursuant to Article IX of this Act, subject to retroactive  
2 adjustment, with interest, to reconcile rates charged with  
3 actual costs.

4 If the Commission finds that a participating utility is no  
5 longer eligible to update the performance-based formula rate  
6 tariff pursuant to subsection (d) of this Section, or the  
7 performance-based formula rate is otherwise terminated, then  
8 the participating utility's voluntary commitments and  
9 obligations under this subsection (b) shall immediately  
10 terminate, except for the utility's obligation to pay an amount  
11 already owed to the fund for training grants pursuant to a  
12 Commission order.

13 In meeting the obligations of this subsection (b), to the  
14 extent feasible and consistent with State and federal law, the  
15 investments under the infrastructure investment program should  
16 provide employment opportunities for all segments of the  
17 population and workforce, including black, indigenous, and  
18 people of color-owned and women-owned ~~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 black, indigenous, and people of  
19 color-owned and women-owned ~~minority owned and~~  
20 ~~female-owned~~ business enterprises: design a performance  
21 metric regarding the creation of opportunities for black,  
22 indigenous, and people of color-owned and women-owned  
23 ~~minority-owned and female-owned~~ business enterprises  
24 consistent with State and federal law using a base  
25 performance value of the percentage of the participating  
26 utility's capital expenditures that were paid to black,

1       indigenous, and people of color-owned and women-owned  
2       ~~minority-owned and female-owned~~ business enterprises in  
3       2010.

4       The definitions set forth in 83 Ill. Admin. Code Part  
5       411.20 as of May 1, 2011 shall be used for purposes of  
6       calculating performance under paragraphs (1) through (3.5) of  
7       this subsection (f), provided, however, that the participating  
8       utility may exclude up to 9 extreme weather event days from  
9       such calculation for each year, and provided further that the  
10      participating utility shall exclude 9 extreme weather event  
11      days when calculating each year of the baseline period to the  
12      extent that there are 9 such days in a given year of the  
13      baseline period. For purposes of this Section, an extreme  
14      weather event day is a 24-hour calendar day (beginning at 12:00  
15      a.m. and ending at 11:59 p.m.) during which any weather event  
16      (e.g., storm, tornado) caused interruptions for 10,000 or more  
17      of the participating utility's customers for 3 hours or more.  
18      If there are more than 9 extreme weather event days in a year,  
19      then the utility may choose no more than 9 extreme weather  
20      event days to exclude, provided that the same extreme weather  
21      event days are excluded from each of the calculations performed  
22      under paragraphs (1) through (3.5) of this subsection (f).

23      The metrics shall include incremental performance goals  
24      for each year of the 10-year period, which shall be designed to  
25      demonstrate that the utility is on track to achieve the  
26      performance goal in each category at the end of the 10-year

1 period. The utility shall elect when the 10-year period shall  
2 commence for the metrics set forth in subparagraphs (1) through  
3 (4) and (9) of this subsection (f), provided that it begins no  
4 later than 14 months following the date on which the utility  
5 begins investing pursuant to subsection (b) of this Section,  
6 and when the 10-year period shall commence for the metrics set  
7 forth in subparagraphs (5) through (8) of this subsection (f),  
8 provided that it begins no later than 14 months following the  
9 date on which the Commission enters its order approving the  
10 utility's Advanced Metering Infrastructure Deployment Plan  
11 pursuant to subsection (c) of Section 16-108.6 of this Act.

12 The metrics and performance goals set forth in  
13 subparagraphs (5) through (8) of this subsection (f) are based  
14 on the assumptions that the participating utility may fully  
15 implement the technology described in subsection (b) of this  
16 Section, including utilizing the full functionality of such  
17 technology and that there is no requirement for personal  
18 on-site notification. If the utility is unable to meet the  
19 metrics and performance goals set forth in subparagraphs (5)  
20 through (8) of this subsection (f) for such reasons, and the  
21 Commission so finds after notice and hearing, then the utility  
22 shall be excused from compliance, but only to the limited  
23 extent achievement of the affected metrics and performance  
24 goals was hindered by the less than full implementation.

25 (f-5) The financial penalties applicable to the metrics  
26 described in subparagraphs (1) through (8) of subsection (f) of

1 this Section, as applicable, shall be applied through an  
2 adjustment to the participating utility's return on equity of  
3 no more than a total of 30 basis points in each of the first 3  
4 years, of no more than a total of 34 basis points in each of the  
5 3 years thereafter, and of no more than a total of 38 basis  
6 points in each of the 4 years thereafter, as follows:

7 (1) With respect to each of the incremental annual  
8 performance goals established pursuant to paragraph (1) of  
9 subsection (f) of this Section,

10 (A) for each year that a participating utility  
11 other than a combination utility does not achieve the  
12 annual goal, the participating utility's return on  
13 equity shall be reduced as follows: during years 1  
14 through 3, by 5 basis points; during years 4 through 6,  
15 by 6 basis points; and during years 7 through 10, by 7  
16 basis points; and

17 (B) for each year that a participating utility that  
18 is a combination utility does not achieve the annual  
19 goal, the participating utility's return on equity  
20 shall be reduced as follows: during years 1 through 3,  
21 by 10 basis points; during years 4 through 6, by 12  
22 basis points; and during years 7 through 10, by 14  
23 basis points.

24 (2) With respect to each of the incremental annual  
25 performance goals established pursuant to paragraph (2) of  
26 subsection (f) of this Section, for each year that the

1 participating utility does not achieve each such goal, the  
2 participating utility's return on equity shall be reduced  
3 as follows: during years 1 through 3, by 5 basis points;  
4 during years 4 through 6, by 6 basis points; and during  
5 years 7 through 10, by 7 basis points.

6 (3) With respect to each of the incremental annual  
7 performance goals established pursuant to paragraphs (3)  
8 and (3.5) of subsection (f) of this Section, for each year  
9 that a participating utility other than a combination  
10 utility does not achieve both such goals, the participating  
11 utility's return on equity shall be reduced as follows:  
12 during years 1 through 3, by 5 basis points; during years 4  
13 through 6, by 6 basis points; and during years 7 through  
14 10, by 7 basis points.

15 (4) With respect to each of the incremental annual  
16 performance goals established pursuant to paragraph (4) of  
17 subsection (f) of this Section, for each year that the  
18 participating utility does not achieve each such goal, the  
19 participating utility's return on equity shall be reduced  
20 as follows: during years 1 through 3, by 5 basis points;  
21 during years 4 through 6, by 6 basis points; and during  
22 years 7 through 10, by 7 basis points.

23 (5) With respect to each of the incremental annual  
24 performance goals established pursuant to subparagraph (5)  
25 of subsection (f) of this Section, for each year that the  
26 participating utility does not achieve at least 95% of each

1       such goal, the participating utility's return on equity  
2       shall be reduced by 5 basis points for each such unachieved  
3       goal.

4       (6) With respect to each of the incremental annual  
5       performance goals established pursuant to paragraphs (6),  
6       (7), and (8) of subsection (f) of this Section, as  
7       applicable, which together measure non-operational  
8       customer savings and benefits relating to the  
9       implementation of the Advanced Metering Infrastructure  
10      Deployment Plan, as defined in Section 16-108.6 of this  
11      Act, the performance under each such goal shall be  
12      calculated in terms of the percentage of the goal achieved.  
13      The percentage of goal achieved for each of the goals shall  
14      be aggregated, and an average percentage value calculated,  
15      for each year of the 10-year period. If the utility does  
16      not achieve an average percentage value in a given year of  
17      at least 95%, the participating utility's return on equity  
18      shall be reduced by 5 basis points.

19      The financial penalties shall be applied as described in  
20      this subsection (f-5) for the 12-month period in which the  
21      deficiency occurred through a separate tariff mechanism, which  
22      shall be filed by the utility together with its metrics. In the  
23      event the formula rate tariff established pursuant to  
24      subsection (c) of this Section terminates, the utility's  
25      obligations under subsection (f) of this Section and this  
26      subsection (f-5) shall also terminate, provided, however, that



1 the tariff mechanism established pursuant to subsection (f) of  
2 this Section and this subsection (f-5) shall remain in effect  
3 until any penalties due and owing at the time of such  
4 termination are applied.

5 The Commission shall, after notice and hearing, enter an  
6 order within 120 days after the metrics are filed approving, or  
7 approving with modification, a participating utility's tariff  
8 or mechanism to satisfy the metrics set forth in subsection (f)  
9 of this Section. On June 1 of each subsequent year, each  
10 participating utility shall file a report with the Commission  
11 that includes, among other things, a description of how the  
12 participating utility performed under each metric and an  
13 identification of any extraordinary events that adversely  
14 impacted the utility's performance. Whenever a participating  
15 utility does not satisfy the metrics required pursuant to  
16 subsection (f) of this Section, the Commission shall, after  
17 notice and hearing, enter an order approving financial  
18 penalties in accordance with this subsection (f-5). The  
19 Commission-approved financial penalties shall be applied  
20 beginning with the next rate year. Nothing in this Section  
21 shall authorize the Commission to reduce or otherwise obviate  
22 the imposition of financial penalties for failing to achieve  
23 one or more of the metrics established pursuant to subparagraph  
24 (1) through (4) of subsection (f) of this Section.

25 (g) On or before July 31, 2014, each participating utility  
26 shall file a report with the Commission that sets forth the

1 average annual increase in the average amount paid per  
2 kilowatthour for residential eligible retail customers,  
3 exclusive of the effects of energy efficiency programs,  
4 comparing the 12-month period ending May 31, 2012; the 12-month  
5 period ending May 31, 2013; and the 12-month period ending May  
6 31, 2014. For a participating utility that is a combination  
7 utility with more than one rate zone, the weighted average  
8 aggregate increase shall be provided. The report shall be filed  
9 together with a statement from an independent auditor attesting  
10 to the accuracy of the report. The cost of the independent  
11 auditor shall be borne by the participating utility and shall  
12 not be a recoverable expense. "The average amount paid per  
13 kilowatthour" shall be based on the participating utility's  
14 tariffed rates actually in effect and shall not be calculated  
15 using any hypothetical rate or adjustments to actual charges  
16 (other than as specified for energy efficiency) as an input.

17 In the event that the average annual increase exceeds 2.5%  
18 as calculated pursuant to this subsection (g), then Sections  
19 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act, other  
20 than this subsection, shall be inoperative as they relate to  
21 the utility and its service area as of the date of the report  
22 due to be submitted pursuant to this subsection and the utility  
23 shall no longer be eligible to annually update the  
24 performance-based formula rate tariff pursuant to subsection  
25 (d) of this Section. In such event, the then current rates  
26 shall remain in effect until such time as new rates are set

1 pursuant to Article IX of this Act, subject to retroactive  
2 adjustment, with interest, to reconcile rates charged with  
3 actual costs, and the participating utility's voluntary  
4 commitments and obligations under subsection (b) of this  
5 Section shall immediately terminate, except for the utility's  
6 obligation to pay an amount already owed to the fund for  
7 training grants pursuant to a Commission order issued under  
8 subsection (b) of this Section.

9 In the event that the average annual increase is 2.5% or  
10 less as calculated pursuant to this subsection (g), then the  
11 performance-based formula rate shall remain in effect as set  
12 forth in this Section.

13 For purposes of this Section, the amount per kilowatthour  
14 means the total amount paid for electric service expressed on a  
15 per kilowatthour basis, and the total amount paid for electric  
16 service includes without limitation amounts paid for supply,  
17 transmission, distribution, surcharges, and add-on taxes  
18 exclusive of any increases in taxes or new taxes imposed after  
19 October 26, 2011 (the effective date of Public Act 97-616). For  
20 purposes of this Section, "eligible retail customers" shall  
21 have the meaning set forth in Section 16-111.5 of this Act.

22 The fact that this Section becomes inoperative as set forth  
23 in this subsection shall not be construed to mean that the  
24 Commission may reexamine or otherwise reopen prudence or  
25 reasonableness determinations already made.

26 (h) By December 31, 2017, the Commission shall prepare and

1 file with the General Assembly a report on the infrastructure  
2 program and the performance-based formula rate. The report  
3 shall include the change in the average amount per kilowatthour  
4 paid by residential customers between June 1, 2011 and May 31,  
5 2017. If the change in the total average rate paid exceeds 2.5%  
6 compounded annually, the Commission shall include in the report  
7 an analysis that shows the portion of the change due to the  
8 delivery services component and the portion of the change due  
9 to the supply component of the rate. The report shall include  
10 separate sections for each participating utility.

11 Sections 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of  
12 this Act, other than this subsection (h), are inoperative after  
13 December 31, 2020 ~~2022~~ for every participating utility, after  
14 which time a participating utility shall no longer be eligible  
15 to annually update the performance-based formula rate tariff  
16 pursuant to subsection (d) of this Section. At such time, the  
17 then current rates shall remain in effect until such time as  
18 new rates are set pursuant to Article IX of this Act, subject  
19 to retroactive adjustment, with interest, to reconcile rates  
20 charged with actual costs.

21 The fact that this Section becomes inoperative as set forth  
22 in this subsection shall not be construed to mean that the  
23 Commission may reexamine or otherwise reopen prudence or  
24 reasonableness determinations already made.

25 (i) While a participating utility may use, develop, and  
26 maintain broadband systems and the delivery of broadband

1 services, voice-over-internet-protocol services,  
2 telecommunications services, and cable and video programming  
3 services for use in providing delivery services and Smart Grid  
4 functionality or application to its retail customers,  
5 including, but not limited to, the installation,  
6 implementation and maintenance of Smart Grid electric system  
7 upgrades as defined in Section 16-108.6 of this Act, a  
8 participating utility is prohibited from offering to its retail  
9 customers broadband services or the delivery of broadband  
10 services, voice-over-internet-protocol services,  
11 telecommunications services, or cable or video programming  
12 services, unless they are part of a service directly related to  
13 delivery services or Smart Grid functionality or applications  
14 as defined in Section 16-108.6 of this Act, and from recovering  
15 the costs of such offerings from retail customers.

16 (j) Nothing in this Section is intended to legislatively  
17 overturn the opinion issued in Commonwealth Edison Co. v. Ill.  
18 Commerce Comm'n, Nos. 2-08-0959, 2-08-1037, 2-08-1137,  
19 1-08-3008, 1-08-3030, 1-08-3054, 1-08-3313 cons. (Ill. App.  
20 Ct. 2d Dist. Sept. 30, 2010). Public Act 97-616 shall not be  
21 construed as creating a contract between the General Assembly  
22 and the participating utility, and shall not establish a  
23 property right in the participating utility.

24 (k) The changes made in subsections (c) and (d) of this  
25 Section by Public Act 98-15 are intended to be a restatement  
26 and clarification of existing law, and intended to give binding

1 effect to the provisions of House Resolution 1157 adopted by  
2 the House of Representatives of the 97th General Assembly and  
3 Senate Resolution 821 adopted by the Senate of the 97th General  
4 Assembly that are reflected in paragraph (3) of this  
5 subsection. In addition, Public Act 98-15 preempts and  
6 supersedes any final Commission orders entered in Docket Nos.  
7 11-0721, 12-0001, 12-0293, and 12-0321 to the extent  
8 inconsistent with the amendatory language added to subsections  
9 (c) and (d).

10 (1) No earlier than 5 business days after May 22, 2013  
11 (the effective date of Public Act 98-15), each  
12 participating utility shall file any tariff changes  
13 necessary to implement the amendatory language set forth in  
14 subsections (c) and (d) of this Section by Public Act 98-15  
15 and a revised revenue requirement under the participating  
16 utility's performance-based formula rate. The Commission  
17 shall enter a final order approving such tariff changes and  
18 revised revenue requirement within 21 days after the  
19 participating utility's filing.

20 (2) Notwithstanding anything that may be to the  
21 contrary, a participating utility may file a tariff to  
22 retroactively recover its previously unrecovered actual  
23 costs of delivery service that are no longer subject to  
24 recovery through a reconciliation adjustment under  
25 subsection (d) of this Section. This retroactive recovery  
26 shall include any derivative adjustments resulting from

1 the changes to subsections (c) and (d) of this Section by  
2 Public Act 98-15. Such tariff shall allow the utility to  
3 assess, on current customer bills over a period of 12  
4 monthly billing periods, a charge or credit related to  
5 those unrecovered costs with interest at the utility's  
6 weighted average cost of capital during the period in which  
7 those costs were unrecovered. A participating utility may  
8 file a tariff that implements a retroactive charge or  
9 credit as described in this paragraph for amounts not  
10 otherwise included in the tariff filing provided for in  
11 paragraph (1) of this subsection (k). The Commission shall  
12 enter a final order approving such tariff within 21 days  
13 after the participating utility's filing.

14 (3) The tariff changes described in paragraphs (1) and  
15 (2) of this subsection (k) shall relate only to, and be  
16 consistent with, the following provisions of Public Act  
17 98-15: paragraph (2) of subsection (c) regarding year-end  
18 capital structure, subparagraph (D) of paragraph (4) of  
19 subsection (c) regarding pension assets, and subsection  
20 (d) regarding the reconciliation components related to  
21 year-end rate base and interest calculated at a rate equal  
22 to the utility's weighted average cost of capital.

23 (4) Nothing in this subsection is intended to effect a  
24 dismissal of or otherwise affect an appeal from any final  
25 Commission orders entered in Docket Nos. 11-0721, 12-0001,  
26 12-0293, and 12-0321 other than to the extent of the

1       amendatory language contained in subsections (c) and (d) of  
2       this Section of Public Act 98-15.

3       (1) Each participating utility shall be deemed to have been  
4       in full compliance with all requirements of subsection (b) of  
5       this Section, subsection (c) of this Section, Section 16-108.6  
6       of this Act, and all Commission orders entered pursuant to  
7       Sections 16-108.5 and 16-108.6 of this Act, up to and including  
8       May 22, 2013 (the effective date of Public Act 98-15). The  
9       Commission shall not undertake any investigation of such  
10      compliance and no penalty shall be assessed or adverse action  
11      taken against a participating utility for noncompliance with  
12      Commission orders associated with subsection (b) of this  
13      Section, subsection (c) of this Section, and Section 16-108.6  
14      of this Act prior to such date. Each participating utility  
15      other than a combination utility shall be permitted, without  
16      penalty, a period of 12 months after such effective date to  
17      take actions required to ensure its infrastructure investment  
18      program is in compliance with subsection (b) of this Section  
19      and with Section 16-108.6 of this Act. Provided further, the  
20      following subparagraphs shall apply to a participating utility  
21      other than a combination utility:

22           (A) if the Commission has initiated a proceeding  
23           pursuant to subsection (e) of Section 16-108.6 of this Act  
24           that is pending as of May 22, 2013 (the effective date of  
25           Public Act 98-15), then the order entered in such  
26           proceeding shall, after notice and hearing, accelerate the



1 commencement of the meter deployment schedule approved in  
2 the final Commission order on rehearing entered in Docket  
3 No. 12-0298;

4 (B) if the Commission has entered an order pursuant to  
5 subsection (e) of Section 16-108.6 of this Act prior to May  
6 22, 2013 (the effective date of Public Act 98-15) that does  
7 not accelerate the commencement of the meter deployment  
8 schedule approved in the final Commission order on  
9 rehearing entered in Docket No. 12-0298, then the utility  
10 shall file with the Commission, within 45 days after such  
11 effective date, a plan for accelerating the commencement of  
12 the utility's meter deployment schedule approved in the  
13 final Commission order on rehearing entered in Docket No.  
14 12-0298; the Commission shall reopen the proceeding in  
15 which it entered its order pursuant to subsection (e) of  
16 Section 16-108.6 of this Act and shall, after notice and  
17 hearing, enter an amendatory order that approves or  
18 approves as modified such accelerated plan within 90 days  
19 after the utility's filing; or

20 (C) if the Commission has not initiated a proceeding  
21 pursuant to subsection (e) of Section 16-108.6 of this Act  
22 prior to May 22, 2013 (the effective date of Public Act  
23 98-15), then the utility shall file with the Commission,  
24 within 45 days after such effective date, a plan for  
25 accelerating the commencement of the utility's meter  
26 deployment schedule approved in the final Commission order

1 on rehearing entered in Docket No. 12-0298 and the  
2 Commission shall, after notice and hearing, approve or  
3 approve as modified such plan within 90 days after the  
4 utility's filing.

5 Any schedule for meter deployment approved by the  
6 Commission pursuant to this subsection (l) shall take into  
7 consideration procurement times for meters and other equipment  
8 and operational issues. Nothing in Public Act 98-15 shall  
9 shorten or extend the end dates for the 5-year or 10-year  
10 periods set forth in subsection (b) of this Section or Section  
11 16-108.6 of this Act. Nothing in this subsection is intended to  
12 address whether a participating utility has, or has not,  
13 satisfied any or all of the metrics and performance goals  
14 established pursuant to subsection (f) of this Section.

15 (m) The provisions of Public Act 98-15 are severable under  
16 Section 1.31 of the Statute on Statutes.

17 (Source: P.A. 99-143, eff. 7-27-15; 99-642, eff. 7-28-16;  
18 99-906, eff. 6-1-17; 100-840, eff. 8-13-18.)

19 (220 ILCS 5/16-108.9 new)

20 Sec. 16-108.9. Clean Energy Empowerment Zone pilot  
21 projects.

22 (a) The General Assembly finds that it is important to  
23 support the rapid transition in the energy sector to put  
24 Illinois on a path to 100% renewable energy. This will require  
25 leveraging new technologies and solutions to support grid

1 reliability to address issues such as the shift from large,  
2 centralized, fossil generation to wind, solar, and distributed  
3 energy resources. To that end, the General Assembly sees the  
4 need for developing pilot projects in Clean Energy Empowerment  
5 Zones that enhance reliability while facilitating the  
6 transition toward clean energy.

7 (b) An electric utility serving more than 100,000 retail  
8 customers may propose one or more Clean Energy Empowerment Zone  
9 pilot projects to the Illinois Commerce Commission to conduct a  
10 competitive procurement for independently owned energy storage  
11 systems to be located in Clean Energy Empowerment Zones. The  
12 Commission shall evaluate the projects based on their ability  
13 to address present and future reliability needs identified by  
14 the Midcontinent Independent System Operator, PJM  
15 Interconnection, electric utilities, or independent analysts.  
16 In addition to supporting reliability, a qualifying project  
17 must support the transition toward or development of clean  
18 energy.

19 (c) The Clean Energy Empowerment Zones described in this  
20 Section shall be the same as defined by the Department of  
21 Commerce and Economic Opportunity in the Energy Community  
22 Reinvestment Act.

23 (d) The Clean Energy Empowerment Zone pilot projects shall  
24 closely coordinate with actual and expected development of new  
25 wind projects and new solar projects as described in Section  
26 1-75 of the Illinois Power Agency Act, electric vehicle

1 adoption, and Community Energy, Climate, and Jobs Plans as  
2 defined in the Community Energy, Climate, and Jobs Planning  
3 Act.

4 (e) Upon approval of a Clean Energy Empowerment Zone pilot  
5 project by the Illinois Commerce Commission, an electric  
6 utility is authorized to enter into a distribution services  
7 contract with new energy storage system projects in accordance  
8 with the approved project. Nothing in this Section or in the  
9 distribution services contract shall preclude the energy  
10 storage project from providing additional wholesale market  
11 services.

12 (f) An electric utility that elects to undertake the  
13 investment described in subsection (b) of this Section may, at  
14 its election, recover the costs of such investment through an  
15 automatic adjustment clause tariff or through a delivery  
16 services charge regardless of how the costs are classified on  
17 the utility's books and records of account.

18 (g) To the extent feasible and consistent with State and  
19 federal law, the investments made pursuant to this Section  
20 shall provide employment opportunities for former workers in  
21 fossil fuel industries and participants in the Clean Jobs  
22 Workforce Hubs as defined in the Clean Jobs, Workforce and  
23 Contractor Equity Act.

24 (h) Nothing in this Section is intended to limit the  
25 ability of any other entity to develop, construct, or install  
26 an energy storage system. In addition, nothing in this Section

1 is intended to limit or alter otherwise applicable  
2 interconnection requirements.

3 (220 ILCS 5/16-108.18 new)

4 Sec. 16-108.18. Performance-based ratemaking.

5 (a) Findings and Purpose. The General Assembly finds that  
6 improving the alignment of utility customer and company  
7 interests is critical to ensuring that Illinois residents and  
8 businesses have the opportunity to optimize existing utility  
9 infrastructure and do not suffer economic and environmental  
10 harm from the State's energy systems. This realignment is  
11 critical to ensure the ongoing viability of Illinois electric  
12 utilities, as they face an increasing need to rapidly adopt  
13 business models and strategies that enable new innovations and  
14 customer choices. Furthermore, the General Assembly finds that  
15 this realignment has entered a period of extraordinary urgency,  
16 given the expected rapid growth of distributed energy  
17 resources, electric vehicles, and other new technologies that  
18 substantially change the makeup of the grid. Moreover, urgency  
19 of action to address increasing threats from climate change and  
20 to assist communities that have borne a disproportionate impact  
21 from air pollution, greenhouse gas emissions, and energy  
22 burdens requires immediate and significant change to the  
23 business model under which utilities in Illinois have  
24 functioned. Providing incentive for necessary changes through  
25 a new holistic, performance-based structure for ratemaking

1 will enable alignment of utility, customer, community and  
2 environmental goals. In particular, the General Assembly finds  
3 that:

4 (1) The traditional regulatory model rewards utilities  
5 for increasing capital expenditures by basing allowed  
6 revenues on the value of the rate base, irrespective of  
7 utility performance. This compact does not align the  
8 interests of customers and utilities because it may result  
9 in a bias toward expending utility capital in ways that may  
10 displace more efficient or cost-effective options, such as  
11 distributed energy resources owned by customers or  
12 projects implemented by independent third parties that can  
13 meet grid needs.

14 (2) Traditional regulation also rewards utilities for  
15 selling higher volumes of electricity through the  
16 throughput incentive. This model unnecessarily increases  
17 customer costs and pollution and is therefore in neither  
18 ratepayers' nor the State's interest.

19 (3) Though Illinois has taken some measures to move  
20 utilities to performance-based ratemaking through the  
21 establishment of performance incentives and a  
22 performance-based formula rate under the Energy  
23 Infrastructure Modernization Act, these measures have not  
24 been transformative in urgently moving electric utilities  
25 toward the State's ambitious energy policy goals:  
26 protecting a healthy environment and climate, improving

1 public health, and creating quality jobs and economic  
2 opportunities including wealth building, especially in  
3 economically disadvantaged communities and BIPOC  
4 communities. Rather, they have resulted in excess utility  
5 profits without meaningful improvements in customer  
6 experience, rates, or equity.

7 (4) The General Assembly therefore directs the  
8 Illinois Commerce Commission to complete a transition to a  
9 comprehensive performance-based regulation framework for  
10 electric utilities with more than 500,000 customers. The  
11 breadth of this framework should remake existing utility  
12 regulations to position Illinois electric utilities to  
13 effectively and efficiently achieve current and  
14 anticipated future energy needs of this State.

15 (5) It is the intent of the General Assembly that over  
16 time the comprehensive performance-based regulation  
17 framework will progressively reduce the direct link  
18 between utility revenues and traditional investment levels  
19 and increasingly tie revenues to performance.

20 (b) Definitions.

21 As used in this Section:

22 "Commission" means the Illinois Commerce Commission.

23 "Demand response" means measures that decrease peak  
24 electricity demand or shift demand from peak to off-peak  
25 periods.

26 "Distributed energy resources" or "DER" means a wide range

1 of 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,  
4 distributed generation, energy storage, electric vehicles, and  
5 demand response technologies.

6 "Economically disadvantaged communities" means areas of  
7 one or more census tracts where average household income does  
8 not exceed 80% of area median income.

9 "Environmental justice communities" means the definition  
10 of that term based on existing methodologies and findings, used  
11 and as may be updated by the Illinois Power Agency and its  
12 Program Administrator in the Illinois Solar for All Program.

13 "Performance-based regulation or ratemaking" or "PBR"  
14 means a regulatory approach that aligns utility interests with  
15 customer and societal interests through regulatory mechanisms  
16 that motivate utilities to improve operations, increase  
17 program effectiveness, better manage business expenses, and  
18 align system performance with identified societal or policy  
19 goals.

20 (c) Objectives. The comprehensive PBR framework should be  
21 designed to accomplish the following objectives:

22 (1) incentivize utilities to pursue cost-effective  
23 solutions to meet customer needs;

24 (2) decarbonize utility systems at a pace that meets or  
25 exceeds state climate goals;

26 (3) remove utility incentives to grow energy sales,



1 except where sales growth is determined to be aligned with  
2 state policy goals;

3 (4) reduce the link between utility expenditures and  
4 collected revenue and eliminate embedded utility  
5 preferences for one type of expenditure over another for  
6 the same service;

7 (5) incentivize utilities to undertake the most  
8 effective expenditures for assets or services, whether  
9 self-supplied by the utility or through third-party  
10 contracting, to deliver high-quality service to customers  
11 at least cost;

12 (6) maintain the affordability, safety, and  
13 reliability of electric power supply; and

14 (7) incentivize utilities to pursue equitable access  
15 to high-quality customer service, affordable rates, DER  
16 interconnection, and the benefits of grid modernization  
17 and clean energy for ratepayers in environmental justice  
18 and economically disadvantaged communities. Additionally,  
19 motivate utilities to sustain a diverse workforce,  
20 supplier procurement base and, for relevant programs,  
21 approved vendor pools.

22 (d) The comprehensive PBR framework should comprise a set  
23 of PBR mechanisms that collectively accomplish the objectives  
24 set forth in subsection (c). Those mechanisms may include, but  
25 are not limited to:

26 (1) multiyear rate plans and associated features, as

1 set forth in subsection (e) of this Section;

2 (2) revenue decoupling, as set forth in paragraph (11)  
3 of subsection (e) of this Section;

4 (3) shared savings mechanisms;

5 (4) performance incentive mechanisms, as set forth in  
6 subsection (f) of this Section;

7 (5) changes to the accounting treatment of capital and  
8 operating expenditures; and

9 (6) changes to rate design, as set forth in Section  
10 paragraph 10 of subsection (e) of this Section.

11 (e) Multi-year Rate Plan.

12 (1) If an electric utility has a performance-based  
13 formula rate in effect under Section 16-108.5 as of  
14 December 31, 2020, then the utility shall file a petition  
15 proposing tariffs implementing a four-year Multi-year Rate  
16 Plan as provided in this Section no later than July 1, 2022  
17 for delivery service rates to be effective from June 1,  
18 2023 through May 31, 2027. The Commission shall issue an  
19 order approving, approving as modified, or rejecting the  
20 utility's plan no later than June 1, 2023. If the  
21 Commission rejects the utility's plan, the deadline to  
22 approve the plan or approve it as modified shall be  
23 extended to 4 months from the date of the rejection. The  
24 term "Multi-year Rate Plan" refers to a plan establishing  
25 the rates the utility may charge for each delivery year of  
26 the four-year period to be covered by the plan. The net

1 revenue requirement reflected in rates in effect on  
2 December 31, 2021 for the electric utility shall remain in  
3 effect until new rates are approved under the Multi-year  
4 Rate Plan, and no additional annual reconciliation under  
5 Section 16-108.5 shall be made.

6 (2) A utility proposing a Multi-year Rate Plan shall  
7 provide a description of the utility's major planned  
8 investments, which shall include at a minimum all  
9 investments of \$1 million or greater over the plan period.  
10 Planned investments must conform to the goals established  
11 in the Multi-year Integrated Grid Plan described in section  
12 16-105.17 of this Act.

13 (3) The Multi-year Rate Plan shall be implemented  
14 through a tariff filed with the Commission consistent with  
15 the provisions of this paragraph (3) that shall apply to  
16 all delivery service customers. The Commission shall  
17 initiate and conduct an investigation of the tariff in a  
18 manner consistent with the provisions of this paragraph (3)  
19 and the provisions of Article IX of this Act to the extent  
20 they do not conflict with this paragraph (3). The  
21 Multi-year Rate Plan approved by the Commission shall do  
22 the following:

23 (A) Provide for the recovery of the utility's  
24 forecasted rate base, based on a budget forecast or a  
25 fixed escalation rate, individually or in combination.  
26 The forecasted rate base must include the utility's

1 planned capital investments and investment-related  
2 costs, including income tax impacts, depreciation, and  
3 property taxes prudently incurred and reasonable in  
4 amount consistent with Commission practice and law.  
5 The budgeting process must be iterative, be rigorous,  
6 and lead to forecasts that reasonably represent the  
7 utility's investments during the forecasted period.

8 (B) For the first Multi-year Rate Plan, reflect  
9 year-end capital structure that includes a common  
10 equity ratio, excluding goodwill, of no more than 50%  
11 of the total capital structure shall be deemed  
12 reasonable and prudent and used to set rates.

13 (C) For the first Multi-year Rate Plan, include a  
14 cost of equity, which shall be calculated as the sum of  
15 the following:

16 (i) the average for the applicable calendar  
17 year of the monthly average yields of 30-year U.S.  
18 Treasury bonds published by the Board of Governors  
19 of the Federal Reserve System in its weekly H.15  
20 Statistical Release or successor publication; and

21 (ii) 530 basis points.

22 At such time as the Board of Governors of the  
23 Federal Reserve System ceases to include the monthly  
24 average yields of 30-year U.S. Treasury bonds in its  
25 weekly H.15 Statistical Release or successor  
26 publication, the monthly average yields of the U.S.

1 Treasury bonds then having the longest duration  
2 published by the Board of Governors in its weekly H.15  
3 Statistical Release or successor publication shall  
4 instead be used for purposes of this subparagraph (C).

5 (D) For subsequent Multi-year Rate Plans, the cost  
6 of equity and capital structure shall be established by  
7 the Commission and shall be set to reflect a  
8 risk-adjusted return compared to the prevailing cost  
9 of capital and comparable investments in the economy,  
10 including U.S. Treasury rates, upon which additional  
11 earning opportunities and penalties can be provided to  
12 reflect utility performance against identified  
13 outcomes.

14 (E) Recovery of operations and maintenance  
15 expenses, based on projected costs, an  
16 electricity-related price index or other formula.

17 (F) Amortize the amount of unprotected  
18 property-related excess accumulated deferred income  
19 taxes in rates as of December 31, 2022 over a period of  
20 5 years.

21 (G) Disallow recovery of charitable contributions.

22 (H) Allow recovery of pension and other  
23 post-employment benefits expense only if such costs  
24 are demonstrated to be funded by ratepayers.

25 (I) Allow recovery of incentive compensation  
26 expense that is based on the achievement of operational

1 metrics, including metrics related to budget controls,  
2 outage duration and frequency, safety, customer  
3 service, efficiency and productivity, environmental  
4 compliance and attainment of environmental goals, and  
5 other goals and metrics approved by the Commission.  
6 Incentive compensation expense that is based on net  
7 income or an affiliate's earnings per share shall not  
8 be recoverable;

9 (4) Rates charged under the Multi-Year Rate Plan must  
10 be based only upon the utility's reasonable and prudent  
11 costs of service over the term of the plan, as determined  
12 by the Commission, provided that the costs are not being  
13 recovered elsewhere in rates. Rate adjustments authorized  
14 by the Commission may continue outside of a plan authorized  
15 under this Section to the extent such costs are not  
16 recovered elsewhere in rates. The burden of proof shall be  
17 on the electric utility to establish the prudence of  
18 investments and expenditures and to establish that such  
19 investments are reasonably necessary to meet the  
20 requirements of the most recently approved Multi-Year  
21 Integrated Grid Plan described in Section 16-105.17 of this  
22 Act. The sole fact that a cost differs from that incurred  
23 in a prior period or that an investment is different from  
24 that described the Multi-year Integrated Grid Plan shall  
25 not imply the imprudence or unreasonableness of that cost  
26 or investment. The sole fact that an investment is the same

1 or similar to that described in the Multi-Year Integrated  
2 Grid Plan shall not imply prudence and reasonableness.

3 (5) To facilitate public transparency, all materials,  
4 data, testimony, schedules, etc. shall be provided to the  
5 Commission in an editable, machine-readable electronic  
6 format including .doc, .docx, .xls, .xlsx, and similar, but  
7 not including .pdf or .exif. Should utilities designate any  
8 materials "confidential," they shall have an affirmative  
9 duty to explain why the particular information is marked  
10 confidential. In determining prudence and reasonableness  
11 of rates, the Commission shall also consider each public  
12 comment filed in the docket.

13 (6) The Commission may, by order, establish terms,  
14 conditions, and procedures for a Multi-year Rate Plan  
15 necessary to implement this Section and ensure that rates  
16 remain just and reasonable during the course of the plan,  
17 including terms and procedures for rate adjustment. At any  
18 time prior to conclusion of a Multi-year Rate Plan, the  
19 Commission, upon its own motion or upon petition of any  
20 party, may initiate a proceeding to examine the  
21 reasonableness of the utility's rates under the plan, and  
22 adjust rates as necessary.

23 (7) Capital True-up. The utility shall propose an  
24 annual capital true-up mechanism that provides a refund to  
25 customers if the utility's actual capital-related revenue  
26 requirement is less in total in any of the Multi-Year Rate

1 Plan delivery years than the Commission authorizes for that  
2 year. Conversely, if the Company's actual capital-related  
3 revenue requirement is more in total in the Multi-year Rate  
4 Plan delivery year than the Commission authorizes for that  
5 year, the Company cannot surcharge customers to collect any  
6 under recovery.

7 (8) A participating utility that files a tariff  
8 pursuant to paragraph (3) of this subsection (e) must  
9 submit a one-time \$200,000 filing fee at the time the Chief  
10 Clerk of the Commission accepts the filing, which shall be  
11 a recoverable expense.

12 (9) Subsequent Multi-Year Rate Plans. An electric  
13 utility operating under the Multi-Year Rate Plan shall file  
14 a new Multi-Year Rate Plan at least 210 days prior to the  
15 end of the initial Multi-Year Rate Plan, and every 4 years  
16 thereafter, with a rate-effective date of the proposed  
17 tariffs such that, after the Commission suspension period,  
18 the rates would take effect immediately at the close of the  
19 final year of the initial Multi-Year Rate Plan. In  
20 subsequent Multi-Year Rate Plans, as in the initial plans,  
21 utilities and stakeholders may propose additional metrics  
22 that achieve the outcomes described in paragraph (2) of  
23 subsection (f) of this Section.

24 (10) Rate Design. The Commission shall approve tariffs  
25 as part of each Multi-Year Rate Plan establishing rate  
26 design for all delivery service customers. These shall



1 expand the rate options available to customers, including,  
2 but not limited to, an affordability rate for low-income  
3 residential customers, a time-of-use rate, an electric  
4 vehicle rate, and a peak time savings rate.

5 (11) Decoupling. The Commission may, by order, approve  
6 a tariff filed by an electric utility that provides for  
7 decoupling of sales and revenues to mitigate the impact on  
8 public utilities of the energy-savings goals and to reduce  
9 a utility's disincentive to promote energy efficiency  
10 under Section 16-111.5B of this Act without adversely  
11 affecting utility ratepayers. In its consideration of a  
12 proposed decoupling tariff, the Commission shall consider  
13 a mechanism that triggers the periodic adjustment to rates  
14 when the changes in revenue would result in a change within  
15 a certain percentage, an earnings band to share revenues  
16 that exceed the authorized return, or other mechanisms that  
17 reduce the size and frequency of rate adjustments.

18 (f) Performance Incentive Mechanisms.

19 (1) The Commission shall establish performance  
20 incentive mechanisms in order to better tie utility  
21 revenues to performance and customer benefits, accelerate  
22 progress on Illinois energy and other goals, and hold  
23 utilities publicly accountable. The Commission shall  
24 develop metrics, which are observable and measurable  
25 indicators of system or utility performance, in order to  
26 create performance incentive mechanisms. Specifically, the

1 Commission shall establish:

2 (A) Tracking metrics, which will be used for  
3 measuring and reporting utility performance.

4 (B) Performance metrics, which will be used for  
5 financially incentivizing improved utility  
6 performance.

7 (2) Outcomes of Metrics. The Commission shall approve  
8 tracking and performance metrics that encourage  
9 cost-effective, equitable utility achievement of the  
10 following outcomes:

11 (A) Affordability. Achieve affordable customer  
12 energy costs and utility bills, with particular  
13 emphasis on keeping lower-income households' bills  
14 within a manageable portion of their income.

15 (B) Pollution Reduction. Minimize emissions of  
16 greenhouse gases and pollutants that harm human  
17 health, particularly in environmental justice and  
18 economically disadvantaged communities, through both  
19 (A) minimizing emissions per kilowatt-hour of  
20 electricity consumed; and (B) minimizing total  
21 emissions, including by accelerating electrification  
22 of transportation, buildings and industries where such  
23 electrification results in net reductions, across all  
24 fuels and over the life of electrification measures, of  
25 greenhouse gases and other pollutants.

26 (C) Flexibility. Enhance the grid's flexibility to

1 adapt to increased deployment of nondispatchable  
2 resources; improve the ability and performance of the  
3 grid on load balancing; and address uncertainty around  
4 future customer needs, future environmental concerns,  
5 emerging technology, changes in costs of technology  
6 and service, and other factors.

7 (D) Reliability. Meet high standards of overall  
8 and locational reliability.

9 (E) Customer Experience. Deliver customer service  
10 quality, customer engagement, and customer access to  
11 utility system information.

12 (F) Equity. Maximize and prioritize the allocation  
13 of grid planning benefits to environmental justice and  
14 economically disadvantaged customers and communities.  
15 Sustain a diverse workforce, supplier procurement base  
16 and, for relevant programs, approved vendor pools.

17 (G) Cost-effectiveness. Ensure rates reflect cost  
18 savings attributable to grid modernization and  
19 integration of distributed energy resources that allow  
20 the utility to defer or forgo traditional grid  
21 investments that would otherwise be required.

22 It is the intent of the General Assembly that these  
23 outcomes shall guide the development of metrics even as the  
24 grid, along with its associated technologies and policies,  
25 evolves. It is also the intent of the General Assembly that  
26 the limitation of total costs to customers and the

1 promotion of ethical and transparent practices by  
2 utilities, as well as the role that flexible load and  
3 distributed energy resources can play in advancing the  
4 outcomes, be considered in the establishment of metrics.

5 (3) Metrics Requirements.

6 (A) Tracking Metrics. Tracking metrics shall  
7 entail a description of the metric, a calculation  
8 method, and a data collection method. The Commission  
9 shall approve tracking metrics that measure  
10 achievement of at least one of the outcomes set forth  
11 in paragraph (2) and are supported by sufficient  
12 stakeholder input. Tracking metrics should measure  
13 outcomes and actual results and projections where  
14 possible.

15 (B) Performance Metrics. Performance metrics shall  
16 entail a description of the metric, a calculation  
17 method, a data collection method, annual binding  
18 performance targets, and monetary incentives (rewards  
19 or penalties or both, depending on the metric) for  
20 utilities' achievement of or failure to achieve their  
21 performance targets. The Commission shall approve  
22 performance metrics that (i) measure achievement of  
23 the outcomes set forth in paragraph (2); (ii) are  
24 supported by sufficient stakeholder input; (iii) have  
25 one year of tracking data collected in a consistent  
26 manner and verifiable by an independent evaluator in

1 order to establish a baseline; and (iv) require an  
2 incentive (reward or penalty or both) to create  
3 improved utility performance. While a single  
4 performance metric may measure achievement of more  
5 than one of the outcomes set forth in paragraph (2),  
6 and such metrics should be valued, the Commission shall  
7 not approve multiple performance metrics that measure  
8 achievement identical or near-identical results.  
9 Performance metrics should measure outcomes and  
10 actual, rather than projected, results where possible.

11 (C) Performance targets. For metrics where  
12 progressive improvement is desirable, performance  
13 targets shall increase annually and shall require  
14 utilities to perform beyond "business as usual," as  
15 determined by baseline tracking data and  
16 high-confidence projections. Increases to a target  
17 shall be considered in light of other metrics,  
18 cost-effectiveness, and other factors the Commission  
19 deems appropriate.

20 (D) Performance incentives. The Commission shall  
21 determine whether and to what extent each performance  
22 metric shall offer a reward, penalty, or both to a  
23 utility. For metrics where a reward is offered, and  
24 that reward is a cash payment, the reward shall be  
25 calculated as a percentage of net benefits from the  
26 outcome, net of costs to customers. The Commission

1       shall develop a methodology to calculate net benefits  
2       that includes societal costs and benefits.

3           In determining the appropriate level of a reward or  
4       penalty, the Commission shall consider: the extent to  
5       which the amount is likely to encourage the utility to  
6       achieve the performance target in the least cost  
7       manner; the value of benefits to customers, the grid,  
8       and the environment from achievement of the  
9       performance target, including in particular benefits  
10       to environmental justice and economically  
11       disadvantaged communities; customer bill  
12       affordability; the utility's revenue requirement; and  
13       other such factors that the Commission deems  
14       appropriate. The consideration of these factors shall  
15       result in an incentive level that ensures benefits  
16       exceed costs for customers.

17           The rewards or penalties shall be calculated based  
18       on the electric utility achieving performance targets.  
19       In determining the specific rewards or penalties, the  
20       Commission shall give proportionate weight to the  
21       following set of metrics: affordability,  
22       cost-effectiveness, pollution reduction, flexibility,  
23       customer experience, reliability, and equity.

24           It is the intent of the General Assembly that over  
25       time the utility's cost of equity shall be  
26       progressively reduced while the opportunity to grow

1 earnings as a result of achieving performance targets  
2 shall be progressively increased as the Commission  
3 establishes new performance metrics.

4 (g) Initial Metrics. The Commission shall initiate a  
5 4-month workshop process no later than March 1, 2022 for the  
6 purpose of informing the enactment of metrics. The workshop  
7 shall be facilitated by Staff of the Illinois Commerce  
8 Commission, and shall be organized and facilitated in a manner  
9 that encourages representation from diverse stakeholders,  
10 ensuring equitable opportunities for participation, without  
11 requiring formal intervention or representation by an  
12 attorney. Following the workshop, the Commission shall  
13 establish initial tracking and performance metrics in a  
14 docketed proceeding that shall be filed by the electric utility  
15 by July 2, 2022. The initial tracking and performance metrics  
16 shall be in place for the period of the first Multi-Year Rate  
17 Plan. The proceeding shall conclude, and the commission shall  
18 issue an order in the matter, no later than April 1, 2023.

19 Unless the tracking metrics in subparagraph (3) of  
20 paragraph (A) and performance metrics in subparagraph (3) of  
21 paragraph (B) of subsection (f) of this Section are found by  
22 the Commission during initial metric-setting proceeding to not  
23 meet the requirements set forth in this Section, the Commission  
24 shall approve these metrics, and it shall establish  
25 calculations and goals for the tracking metrics set forth in  
26 subparagraph (3) of paragraph (A) of subsection (f) of this

1 Section and calculations, targets, and incentives for the  
2 tracking metrics set forth in subparagraph (3) of paragraph (B)  
3 of subsection (f) of this Section. If the Commission finds that  
4 the metrics set forth in subparagraph (3) of paragraph (A) and  
5 subparagraph (3) of paragraph (B) of subsection (f) of this  
6 Section do not meet the requirements set forth in this Section,  
7 then the Commission shall approve substitute metrics. The  
8 Commission may also approve additional tracking and  
9 performance metrics as appropriate if they meet the  
10 requirements set forth in this Section.

11 Initial Performance Metrics shall include at a minimum, but  
12 not limited to, the following:

- 13 (1) system Average Interruption Frequency Index;  
14 (2) customer Average Interruption Duration Index; and  
15 (3) peak load reductions enabled by demand response  
16 programs.

17 (h) Future Metrics. The Commission shall establish new  
18 tracking and performance metrics in future Annual Performance  
19 Evaluation proceedings to further measure achievement of the  
20 outcomes set forth in paragraph (2) of subsection (f) of this  
21 Section and the other goals and requirements of this Section.

22 The Commission shall also evaluate metrics that were  
23 established in prior Annual Performance Evaluation proceedings  
24 under the procedures set forth in subsection (i) to determine  
25 if adjustments are required to improve the likelihood of the  
26 outcomes described in paragraph (2) of subsection (f). For



1 metrics that were established in prior Annual Performance  
2 Evaluation proceedings and that the Commission elects to  
3 continue, the design of these metrics, including the goals of  
4 tracking metrics and the targets and incentive levels and  
5 structures of performance metrics, may be adjusted pursuant to  
6 the requirements in this Section. The Commission may also phase  
7 out tracking and performance metrics that were established in  
8 prior Annual Performance Evaluation proceedings if these  
9 metrics no longer meet the requirements of this Section or if  
10 they are rendered obsolete by the changing needs and technology  
11 of an evolving grid. Additionally, performance metrics that no  
12 longer require an incentive to create improved utility  
13 performance may become tracking metrics.

14 In service of the outcomes set forth in paragraph (2) of  
15 subsection (f), it is the intent of the General Assembly that  
16 the Commission in future Annual Performance Evaluation  
17 proceedings establish the tracking metrics and performance  
18 metrics set forth in subparagraph (A) and subparagraph (B) of  
19 paragraph (3) of subsection (f) of this Section when these  
20 metrics would be compliant with the requirements set forth in  
21 this Section.

22 (i) Annual Performance Evaluation. On June 1 of each year,  
23 following the approval of the first Multi-Year Rate Plan and  
24 its initial delivery year, the Commission shall open an Annual  
25 Performance Evaluation proceeding to evaluate the utilities'  
26 performance on their metric targets during the delivery year

1 just completed and accordingly determine rewards or penalties  
2 or both to be reflected in rates in the following calendar  
3 year.

4 (1) Utility Reporting. On April 1 of each year, prior  
5 to the Annual Performance Evaluation proceeding, each  
6 participating utility shall file a Performance Evaluation  
7 Report with the Commission that includes a description of  
8 and all data supporting how the participating utility  
9 performed under each tracking and performance metric and an  
10 identification of any extraordinary events that adversely  
11 impacted the utility's performance. The Performance  
12 Evaluation Report shall be verified by an independent  
13 evaluator as set out in paragraph (3) of this subsection  
14 (i) and shall include both a report made to the Commission  
15 and a short, public-facing scorecard that makes this  
16 information publicly accessible and easily understandable.  
17 The Commission shall post each scorecard upon receipt on  
18 the Commission's web page in an easily-accessible  
19 location. The format of the report and the scorecard shall  
20 be consistent across utilities and shall include:

21 (A) a list of metrics to which the utility is  
22 subject;

23 (B) the previous delivery year's calculation  
24 methods and performance on metrics if applicable;

25 (C) the current delivery year's calculation  
26 methods and a detailed description of the effect of any

1 differences;

2 (D) the current-year goals for tracking metrics  
3 and current-year targets for performance metrics;

4 (E) the current year's performance on metrics  
5 targets;

6 (F) a summary of the investments and programs  
7 undertaken in order to achieve those metrics targets;  
8 and (G) the annual goals and targets for the remaining  
9 years of the current Multi-year Rate Plan period.

10 Within 30 days of the Commission's Order in the  
11 utility's Annual Performance Evaluation and Adjustment  
12 filing, the utility shall update the public scorecard with  
13 any changes required by the Commission and the revised  
14 scorecard shall be posted on the Commission's website.

15 (2) Public Workshops. Preceding each Annual  
16 Performance Evaluation, no later than April 1 each year,  
17 the Commission shall initiate a two-month workshop  
18 process. The workshops shall be facilitated by Staff of the  
19 Illinois Commerce Commission, and shall be organized and  
20 facilitated in a manner that encourages representation  
21 from diverse stakeholders, ensuring equitable  
22 opportunities for participation, without requiring formal  
23 intervention or representation by an attorney. During  
24 these workshops, each electric utility shall publicly  
25 present its performance on tracking and performance  
26 metrics following the requirements set forth in paragraph

1       (1) of this subsection (i). The electric utility shall also  
2       explain how it has holistically considered the plans,  
3       programs, tariffs and policies and its Multi-Year  
4       Integrated Grid Plan in order to achieve its metric  
5       targets. Members of the public shall have opportunity for  
6       comment and feedback. A summary of that feedback shall be  
7       provided in an exhibit submitted by Staff of the Illinois  
8       Commerce Commission in the Annual Performance Evaluation.

9       (3) Independent Evaluation. The electric utility shall  
10       provide for an annual independent evaluation of its  
11       performance on metrics. The independent evaluator shall  
12       review the utility's assumptions, baselines, targets,  
13       calculation methodologies, and other relevant information,  
14       especially ensuring that the utility's data for  
15       establishing baselines matches actual performance, and  
16       shall provide a Report to the Commission in each Annual  
17       Performance Evaluation describing the results. The  
18       independent evaluator shall present this Report as  
19       evidence as a nonparty participant. The independent  
20       evaluator shall be hired through a competitive bidding  
21       process.

22       The Commission shall consider the Report of the  
23       independent evaluator in determining the utility's  
24       achievement of performance targets. Discrepancies between  
25       the utility's assumptions, baselines, targets, or  
26       calculations and those of the independent evaluator shall

1 be closely scrutinized by the Commission. If the Commission  
2 finds that the utility's reported data for any metric or  
3 metrics significantly deviates from the data reported by  
4 the independent evaluator, then the Commission shall order  
5 the utility to revise its data collection and calculation  
6 process within 60 days, with specifications where  
7 appropriate.

8 (4) Performance Adjustment. The Commission shall,  
9 after notice and hearing in the Annual Performance  
10 Evaluation proceeding, enter an order approving the  
11 utility's performance adjustment based on its achievement  
12 of or failure to achieve its performance targets no later  
13 than December 31 each year. The Commission-approved  
14 penalties or rewards shall be applied beginning with the  
15 next calendar year. Nothing in this Section shall authorize  
16 the Commission to reduce or otherwise obviate the  
17 imposition of financial rewards or penalties for achieving  
18 or failing to achieve one or more of the utility's  
19 performance targets.

20 (5) Revisions to Metrics. While tracking and  
21 performance metrics, along with their associated goals,  
22 targets, and incentives, shall not be changed outside of  
23 the Annual Performance Evaluation, the Commission may open  
24 an investigation into the methodology, including  
25 assumptions and calculations, used to measure or quantify  
26 progress toward goals and targets in the Annual Performance

1       Evaluation at the request of an intervening party.

2           (220 ILCS 5/16-111.5)

3           Sec. 16-111.5. Provisions relating to procurement.

4           (a) An electric utility that on December 31, 2005 served at  
5       least 100,000 customers in Illinois shall procure power and  
6       energy for its eligible retail customers in accordance with the  
7       applicable provisions set forth in Section 1-75 of the Illinois  
8       Power Agency Act and this Section. Beginning with the delivery  
9       year commencing on June 1, 2017, such electric utility shall  
10      also procure zero emission credits from zero emission  
11      facilities in accordance with the applicable provisions set  
12      forth in Section 1-75 of the Illinois Power Agency Act, and,  
13      for years beginning on or after June 1, 2017, the utility shall  
14      procure renewable energy resources in accordance with the  
15      applicable provisions set forth in Section 1-75 of the Illinois  
16      Power Agency Act and this Section. Beginning with the delivery  
17      year commencing June 1, 2023, an electric utility that, on  
18      December 31, 2005, served at least 3,000,000 customers in  
19      Illinois shall procure capacity for its retail customers in  
20      accordance with the applicable provisions set forth in Section  
21      1-75 of the Illinois Power Agency Act and this Section. A small  
22      multi-jurisdictional electric utility that on December 31,  
23      2005 served less than 100,000 customers in Illinois may elect  
24      to procure power and energy for all or a portion of its  
25      eligible Illinois retail customers in accordance with the

1 applicable provisions set forth in this Section and Section  
2 1-75 of the Illinois Power Agency Act. This Section shall not  
3 apply to a small multi-jurisdictional utility until such time  
4 as a small multi-jurisdictional utility requests the Illinois  
5 Power Agency to prepare a procurement plan for its eligible  
6 retail customers. "Eligible retail customers" for the purposes  
7 of this Section means those retail customers that purchase  
8 power and energy from the electric utility under fixed-price  
9 bundled service tariffs, other than those retail customers  
10 whose service is declared or deemed competitive under Section  
11 16-113 and those other customer groups specified in this  
12 Section, including self-generating customers, customers  
13 electing hourly pricing, or those customers who are otherwise  
14 ineligible for fixed-price bundled tariff service. For those  
15 customers that are excluded from the procurement plan's  
16 electric supply service requirements, and the utility shall  
17 procure any supply requirements, including capacity, ancillary  
18 services, and hourly priced energy, in the applicable markets  
19 as needed to serve those customers, provided that the utility  
20 may include in its procurement plan load requirements for the  
21 load that is associated with those retail customers whose  
22 service has been declared or deemed competitive pursuant to  
23 Section 16-113 of this Act to the extent that those customers  
24 are purchasing power and energy during one of the transition  
25 periods identified in subsection (b) of Section 16-113 of this  
26 Act.

1 (b) A procurement plan shall be prepared for each electric  
2 utility consistent with the applicable requirements of the  
3 Illinois Power Agency Act and this Section. For purposes of  
4 this Section, Illinois electric utilities that are affiliated  
5 by virtue of a common parent company are considered to be a  
6 single electric utility. Small multi-jurisdictional utilities  
7 may request a procurement plan for a portion of or all of its  
8 Illinois load. Each procurement plan shall analyze the  
9 projected balance of supply and demand for those retail  
10 customers to be included in the plan's electric supply service  
11 requirements over a 5-year period, with the first planning year  
12 beginning on June 1 of the year following the year in which the  
13 plan is filed. The plan shall specifically identify the  
14 carbon-free capacity to be procured, as described in Section  
15 1-75 of the Illinois Power Agency Act, and the wholesale  
16 products to be procured following plan approval<sup>7</sup> and shall  
17 follow all the requirements set forth in the Public Utilities  
18 Act and all applicable State and federal laws, statutes, rules,  
19 or regulations, as well as Commission orders. Nothing in this  
20 Section precludes consideration of contracts longer than 5  
21 years and related forecast data. Unless specified otherwise in  
22 this Section, in the procurement plan or in the implementing  
23 tariff, any procurement occurring in accordance with this plan  
24 shall be competitively bid through a request for proposals  
25 process. Approval and implementation of the procurement plan  
26 shall be subject to review and approval by the Commission



1 according to the provisions set forth in this Section. A  
2 procurement plan shall include each of the following  
3 components:

4 (1) Hourly load analysis. This analysis shall include:

5 (i) multi-year historical analysis of hourly  
6 loads;

7 (ii) switching trends and competitive retail  
8 market analysis;

9 (iii) known or projected changes to future loads;  
10 and

11 (iv) growth forecasts by customer class.

12 (2) Analysis of the impact of any demand side and  
13 renewable energy initiatives. This analysis shall include:

14 (i) the impact of demand response programs and  
15 energy efficiency programs, both current and  
16 projected; for small multi-jurisdictional utilities,  
17 the impact of demand response and energy efficiency  
18 programs approved pursuant to Section 8-408 of this  
19 Act, both current and projected; and

20 (ii) supply side needs that are projected to be  
21 offset by purchases of renewable energy resources, if  
22 any.

23 (3) A plan for meeting the expected load requirements  
24 that will not be met through preexisting contracts. This  
25 plan shall include:

26 (i) definitions of the different Illinois retail

1 customer classes for which supply is being purchased;

2 (ii) the proposed mix of demand-response products  
3 for which contracts will be executed during the next  
4 year. For small multi-jurisdictional electric  
5 utilities that on December 31, 2005 served fewer than  
6 100,000 customers in Illinois, these shall be defined  
7 as demand-response products offered in an energy  
8 efficiency plan approved pursuant to Section 8-408 of  
9 this Act. The cost-effective demand-response measures  
10 shall be procured whenever the cost is lower than  
11 procuring comparable capacity products, provided that  
12 such products shall:

13 (A) be procured by a demand-response provider  
14 from those retail customers included in the plan's  
15 electric supply service requirements;

16 (B) at least satisfy the demand-response  
17 requirements of the regional transmission  
18 organization market in which the utility's service  
19 territory is located, including, but not limited  
20 to, any applicable capacity or dispatch  
21 requirements;

22 (C) provide for customers' participation in  
23 the stream of benefits produced by the  
24 demand-response products;

25 (D) provide for reimbursement by the  
26 demand-response provider of the utility for any

1 costs incurred as a result of the failure of the  
2 supplier of such products to perform its  
3 obligations thereunder; and

4 (E) meet the same credit requirements as apply  
5 to suppliers of capacity, in the applicable  
6 regional transmission organization market;

7 (iii) monthly forecasted system supply  
8 requirements, including expected minimum, maximum, and  
9 average values for the planning period;

10 (iv) the proposed mix and selection of standard  
11 wholesale products for which contracts will be  
12 executed during the next year, separately or in  
13 combination, to meet that portion of its load  
14 requirements not met through pre-existing contracts,  
15 including, but not limited to, monthly 5 x 16 peak  
16 period block energy, monthly off-peak wrap energy,  
17 monthly 7 x 24 energy, annual 5 x 16 energy, annual  
18 off-peak wrap energy, annual 7 x 24 energy, monthly  
19 capacity, annual capacity, peak load capacity  
20 obligations, capacity purchase plan, and ancillary  
21 services;

22 (v) proposed term structures for each wholesale  
23 product type included in the proposed procurement plan  
24 portfolio of products; ~~and~~

25 (vi) an assessment of the price risk, load  
26 uncertainty, and other factors that are associated

1 with the proposed procurement plan; this assessment,  
2 to the extent possible, shall include an analysis of  
3 the following factors: contract terms, time frames for  
4 securing products or services, fuel costs, weather  
5 patterns, transmission costs, market conditions, and  
6 the governmental regulatory environment; the proposed  
7 procurement plan shall also identify alternatives for  
8 those portfolio measures that are identified as having  
9 significant price risk; and -

10 (vii) the amount of capacity procured for each year  
11 through the procurements in subsection (k) of Section  
12 1-75 of the Illinois Power Agency Act and this Section,  
13 and the amount of capacity to be procured from each  
14 procurement during the next year.

15 (4) Proposed procedures for balancing loads. The  
16 procurement plan shall include, for load requirements  
17 included in the procurement plan, the process for (i)  
18 hourly balancing of supply and demand and (ii) the criteria  
19 for portfolio re-balancing in the event of significant  
20 shifts in load.

21 (5) Long-Term Renewable Resources Procurement Plan.  
22 The Agency shall prepare a long-term renewable resources  
23 procurement plan for the procurement of renewable energy  
24 credits under Sections 1-56 and 1-75 of the Illinois Power  
25 Agency Act for delivery beginning in the 2017 delivery  
26 year.

1           (i) The initial long-term renewable resources  
2 procurement plan and all subsequent revisions shall be  
3 subject to review and approval by the Commission. For  
4 the purposes of this Section, "delivery year" has the  
5 same meaning as in Section 1-10 of the Illinois Power  
6 Agency Act. For purposes of this Section, "Agency"  
7 shall mean the Illinois Power Agency.

8           (ii) The long-term renewable resources planning  
9 process shall be conducted as follows:

10               (A) Electric utilities shall provide a range  
11 of load forecasts to the Illinois Power Agency  
12 within 45 days of the Agency's request for  
13 forecasts, which request shall specify the length  
14 and conditions for the forecasts including, but  
15 not limited to, the quantity of distributed  
16 generation expected to be interconnected for each  
17 year.

18               (B) The Agency shall publish for comment the  
19 initial long-term renewable resources procurement  
20 plan no later than 120 days after the effective  
21 date of this amendatory Act of the 99th General  
22 Assembly and shall review, and may revise, the plan  
23 at least every 2 years thereafter. To the extent  
24 practicable, the Agency shall review and propose  
25 any revisions to the long-term renewable energy  
26 resources procurement plan in conjunction with the

1           Agency's other planning and approval processes  
2           conducted under this Section. The initial  
3           long-term renewable resources procurement plan  
4           shall:

5                   (aa) Identify the procurement programs and  
6                   competitive procurement events consistent with  
7                   the applicable requirements of the Illinois  
8                   Power Agency Act and shall be designed to  
9                   achieve the goals set forth in subsection (c)  
10                  of Section 1-75 of that Act.

11                  (bb) Include a schedule for procurements  
12                  for renewable energy credits from  
13                  utility-scale wind projects, utility-scale  
14                  solar projects, and brownfield site  
15                  photovoltaic projects consistent with  
16                  subparagraph (G) of paragraph (1) of  
17                  subsection (c) of Section 1-75 of the Illinois  
18                  Power Agency Act.

19                  (cc) Identify the process whereby the  
20                  Agency will submit to the Commission for review  
21                  and approval the proposed contracts to  
22                  implement the programs required by such plan.

23           Copies of the initial long-term renewable  
24           resources procurement plan and all subsequent  
25           revisions shall be posted and made publicly  
26           available on the Agency's and Commission's

1 websites, and copies shall also be provided to each  
2 affected electric utility. An affected utility and  
3 other interested parties shall have 45 days  
4 following the date of posting to provide comment to  
5 the Agency on the initial long-term renewable  
6 resources procurement plan and all subsequent  
7 revisions. All comments submitted to the Agency  
8 shall be specific, supported by data or other  
9 detailed analyses, and, if objecting to all or a  
10 portion of the procurement plan, accompanied by  
11 specific alternative wording or proposals. All  
12 comments shall be posted on the Agency's and  
13 Commission's websites. During this 45-day comment  
14 period, the Agency shall hold at least one public  
15 hearing within each utility's service area that is  
16 subject to the requirements of this paragraph (5)  
17 for the purpose of receiving public comment.  
18 Within 21 days following the end of the 45-day  
19 review period, the Agency may revise the long-term  
20 renewable resources procurement plan based on the  
21 comments received and shall file the plan with the  
22 Commission for review and approval.

23 (C) Within 14 days after the filing of the  
24 initial long-term renewable resources procurement  
25 plan or any subsequent revisions, any person  
26 objecting to the plan may file an objection with

1           the Commission. Within 21 days after the filing of  
2           the plan, the Commission shall determine whether a  
3           hearing is necessary. The Commission shall enter  
4           its order confirming or modifying the initial  
5           long-term renewable resources procurement plan or  
6           any subsequent revisions within 120 days after the  
7           filing of the plan by the Illinois Power Agency.

8           (D) The Commission shall approve the initial  
9           long-term renewable resources procurement plan and  
10          any subsequent revisions, including expressly the  
11          forecast used in the plan and taking into account  
12          that funding will be limited to the amount of  
13          revenues actually collected by the utilities, if  
14          the Commission determines that the plan will  
15          reasonably and prudently accomplish the  
16          requirements of Section 1-56 and subsection (c) of  
17          Section 1-75 of the Illinois Power Agency Act. The  
18          Commission shall also approve the process for the  
19          submission, review, and approval of the proposed  
20          contracts to procure renewable energy credits or  
21          implement the programs authorized by the  
22          Commission pursuant to a long-term renewable  
23          resources procurement plan approved under this  
24          Section.

25          (iii) The Agency or third parties contracted by the  
26          Agency shall implement all programs authorized by the



1 Commission in an approved long-term renewable  
2 resources procurement plan without further review and  
3 approval by the Commission. Third parties shall not  
4 begin implementing any programs or receive any payment  
5 under this Section until the Commission has approved  
6 the contract or contracts under the process authorized  
7 by the Commission in item (D) of subparagraph (ii) of  
8 paragraph (5) of this subsection (b) and the third  
9 party and the Agency or utility, as applicable, have  
10 executed the contract. For those renewable energy  
11 credits subject to procurement through a competitive  
12 bid process under the plan or under the initial forward  
13 procurements for wind and solar resources described in  
14 subparagraph (G) of paragraph (1) of subsection (c) of  
15 Section 1-75 of the Illinois Power Agency Act, the  
16 Agency shall follow the procurement process specified  
17 in the provisions relating to electricity procurement  
18 in subsections (e) through (i) of this Section.

19 (iv) An electric utility shall recover its costs  
20 associated with the procurement of renewable energy  
21 credits under this Section through an automatic  
22 adjustment clause tariff under subsection (k) of  
23 Section 16-108 of this Act. A utility shall not be  
24 required to advance any payment or pay any amounts  
25 under this Section that exceed the actual amount of  
26 revenues collected by the utility under paragraph (6)

1 of subsection (c) of Section 1-75 of the Illinois Power  
2 Agency Act and subsection (k) of Section 16-108 of this  
3 Act, and contracts executed under this Section shall  
4 expressly incorporate this limitation.

5 (v) For the public interest, safety, and welfare,  
6 the Agency and the Commission may adopt rules to carry  
7 out the provisions of this Section on an emergency  
8 basis immediately following the effective date of this  
9 amendatory Act of the 99th General Assembly.

10 (vi) On or before July 1 of each year, the  
11 Commission shall hold an informal hearing for the  
12 purpose of receiving comments on the prior year's  
13 procurement process and any recommendations for  
14 change.

15 (6) Capacity Procurement Plan.

16 (i) No later than 90 days after notice by a public  
17 utility of election of the Fixed Resource Requirement  
18 Alternative and Illinois Commerce Commission approval  
19 of same, the Illinois Power Agency shall publish for  
20 public comment a draft Capacity Procurement Plan  
21 pursuant to subsection (k) of Section 1-75 of the  
22 Illinois Power Agency Act. The Agency shall conduct at  
23 least one public workshop to elicit input regarding  
24 development of the Plan. The Agency shall provide 60  
25 days for public comment on the draft Plan, and within  
26 30 days of the deadline for comment shall submit the

1           Plan to the Illinois Commerce Commission.

2           (ii) After providing appropriate opportunities for  
3           objection and hearing, the Commission shall enter its  
4           order approving or modifying the Plan within 60 days  
5           after the filing of the plan by the Illinois Power  
6           Agency. The Commission shall approve the Plan if it  
7           meets the objectives set forth in subsection (k) of  
8           Section 1-75 of the Illinois Power Agency Act. If the  
9           Plan does not meet those objectives, the Commission  
10          shall modify the Plan or shall provide specific  
11          direction to the Agency to modify and resubmit the Plan  
12          within 30 days.

13          (c) The procurement process set forth in Section 1-75 of  
14          the Illinois Power Agency Act and subsection (e) of this  
15          Section shall be administered by a procurement administrator  
16          and monitored by a procurement monitor.

17               (1) The procurement administrator shall:

18               (i) design the final procurement process in  
19               accordance with Section 1-75 of the Illinois Power  
20               Agency Act and subsection (e) of this Section following  
21               Commission approval of the procurement plan;

22               (ii) develop benchmarks in accordance with  
23               subsection (e)(3) to be used to evaluate bids; these  
24               benchmarks shall be submitted to the Commission for  
25               review and approval on a confidential basis prior to  
26               the procurement event;

1           (iii) serve as the interface between the electric  
2 utility and suppliers;

3           (iv) manage the bidder pre-qualification and  
4 registration process;

5           (v) obtain the electric utilities' agreement to  
6 the final form of all supply contracts and credit  
7 collateral agreements;

8           (vi) administer the request for proposals process;

9           (vii) have the discretion to negotiate to  
10 determine whether bidders are willing to lower the  
11 price of bids that meet the benchmarks approved by the  
12 Commission; any post-bid negotiations with bidders  
13 shall be limited to price only and shall be completed  
14 within 24 hours after opening the sealed bids and shall  
15 be conducted in a fair and unbiased manner; in  
16 conducting the negotiations, there shall be no  
17 disclosure of any information derived from proposals  
18 submitted by competing bidders; if information is  
19 disclosed to any bidder, it shall be provided to all  
20 competing bidders;

21           (viii) maintain confidentiality of supplier and  
22 bidding information in a manner consistent with all  
23 applicable laws, rules, regulations, and tariffs;

24           (ix) submit a confidential report to the  
25 Commission recommending acceptance or rejection of  
26 bids;

1           (x) notify the utility of contract counterparties  
2           and contract specifics; and

3           (xi) administer related contingency procurement  
4           events.

5           (2) The procurement monitor, who shall be retained by  
6           the Commission, shall:

7           (i) monitor interactions among the procurement  
8           administrator, suppliers, and utility;

9           (ii) monitor and report to the Commission on the  
10          progress of the procurement process;

11          (iii) provide an independent confidential report  
12          to the Commission regarding the results of the  
13          procurement event;

14          (iv) assess compliance with the procurement plans  
15          approved by the Commission for each utility that on  
16          December 31, 2005 provided electric service to at least  
17          100,000 customers in Illinois and for each small  
18          multi-jurisdictional utility that on December 31, 2005  
19          served less than 100,000 customers in Illinois;

20          (v) preserve the confidentiality of supplier and  
21          bidding information in a manner consistent with all  
22          applicable laws, rules, regulations, and tariffs;

23          (vi) provide expert advice to the Commission and  
24          consult with the procurement administrator regarding  
25          issues related to procurement process design, rules,  
26          protocols, and policy-related matters; and

1           (vii) consult with the procurement administrator  
2           regarding the development and use of benchmark  
3           criteria, standard form contracts, credit policies,  
4           and bid documents.

5           (d) Except as provided in subsection (j), the planning  
6           process shall be conducted as follows:

7           (1) Beginning in 2008, each Illinois utility procuring  
8           power pursuant to this Section shall annually provide a  
9           range of load forecasts to the Illinois Power Agency by  
10          July 15 of each year, or such other date as may be required  
11          by the Commission or Agency. The load forecasts shall cover  
12          the 5-year procurement planning period for the next  
13          procurement plan and shall include hourly data  
14          representing a high-load, low-load, and expected-load  
15          scenario for the load of those retail customers included in  
16          the plan's electric supply service requirements. The  
17          utility shall provide supporting data and assumptions for  
18          each of the scenarios.

19          (2) Beginning in 2008, the Illinois Power Agency shall  
20          prepare a procurement plan by August 15th of each year, or  
21          such other date as may be required by the Commission. The  
22          procurement plan shall identify the portfolio of  
23          demand-response and power and energy products to be  
24          procured. Cost-effective demand-response measures shall be  
25          procured as set forth in item (iii) of subsection (b) of  
26          this Section. Copies of the procurement plan shall be

1 posted and made publicly available on the Agency's and  
2 Commission's websites, and copies shall also be provided to  
3 each affected electric utility. An affected utility shall  
4 have 30 days following the date of posting to provide  
5 comment to the Agency on the procurement plan. Other  
6 interested entities also may comment on the procurement  
7 plan. All comments submitted to the Agency shall be  
8 specific, supported by data or other detailed analyses,  
9 and, if objecting to all or a portion of the procurement  
10 plan, accompanied by specific alternative wording or  
11 proposals. All comments shall be posted on the Agency's and  
12 Commission's websites. During this 30-day comment period,  
13 the Agency shall hold at least one public hearing within  
14 each utility's service area for the purpose of receiving  
15 public comment on the procurement plan. Within 14 days  
16 following the end of the 30-day review period, the Agency  
17 shall revise the procurement plan as necessary based on the  
18 comments received and file the procurement plan with the  
19 Commission and post the procurement plan on the websites.

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

1 Power Agency.

2 (4) The Commission shall approve the procurement plan,  
3 including expressly the forecast used in the procurement  
4 plan, if the Commission determines that it will ensure  
5 adequate, reliable, affordable, efficient, and  
6 environmentally sustainable electric service at the lowest  
7 total cost over time, taking into account any benefits of  
8 price stability.

9 (e) The procurement process shall include each of the  
10 following components:

11 (1) Solicitation, pre-qualification, and registration  
12 of bidders. The procurement administrator shall  
13 disseminate information to potential bidders to promote a  
14 procurement event, notify potential bidders that the  
15 procurement administrator may enter into a post-bid price  
16 negotiation with bidders that meet the applicable  
17 benchmarks, provide supply requirements, and otherwise  
18 explain the competitive procurement process. In addition  
19 to such other publication as the procurement administrator  
20 determines is appropriate, this information shall be  
21 posted on the Illinois Power Agency's and the Commission's  
22 websites. The procurement administrator shall also  
23 administer the prequalification process, including  
24 evaluation of credit worthiness, compliance with  
25 procurement rules, and agreement to the standard form  
26 contract developed pursuant to paragraph (2) of this



1 subsection (e). The procurement administrator shall then  
2 identify and register bidders to participate in the  
3 procurement event.

4 (2) Standard contract forms and credit terms and  
5 instruments. The procurement administrator, in  
6 consultation with the utilities, the Commission, and other  
7 interested parties and subject to Commission oversight,  
8 shall develop and provide standard contract forms for the  
9 supplier contracts that meet generally accepted industry  
10 practices. Standard credit terms and instruments that meet  
11 generally accepted industry practices shall be similarly  
12 developed. The procurement administrator shall make  
13 available to the Commission all written comments it  
14 receives on the contract forms, credit terms, or  
15 instruments. If the procurement administrator cannot reach  
16 agreement with the applicable electric utility as to the  
17 contract terms and conditions, the procurement  
18 administrator must notify the Commission of any disputed  
19 terms and the Commission shall resolve the dispute. The  
20 terms of the contracts shall not be subject to negotiation  
21 by winning bidders, and the bidders must agree to the terms  
22 of the contract in advance so that winning bids are  
23 selected solely on the basis of price.

24 (3) Establishment of a market-based price benchmark.  
25 As part of the development of the procurement process, the  
26 procurement administrator, in consultation with the

1 Commission staff, Agency staff, and the procurement  
2 monitor, shall establish benchmarks for evaluating the  
3 final prices in the contracts for each of the products that  
4 will be procured through the procurement process. The  
5 benchmarks shall be based on price data for similar  
6 products for the same delivery period and same delivery  
7 hub, or other delivery hubs after adjusting for that  
8 difference. The price benchmarks may also be adjusted to  
9 take into account differences between the information  
10 reflected in the underlying data sources and the specific  
11 products and procurement process being used to procure  
12 power for the Illinois utilities. The benchmarks shall be  
13 confidential but shall be provided to, and will be subject  
14 to Commission review and approval, prior to a procurement  
15 event.

16 (4) Request for proposals competitive procurement  
17 process. The procurement administrator shall design and  
18 issue a request for proposals to supply electricity in  
19 accordance with each utility's procurement plan, as  
20 approved by the Commission. The request for proposals shall  
21 set forth a procedure for sealed, binding commitment  
22 bidding with pay-as-bid settlement, and provision for  
23 selection of bids on the basis of price.

24 (5) A plan for implementing contingencies in the event  
25 of supplier default or failure of the procurement process  
26 to fully meet the expected load requirement due to

1       insufficient supplier participation, Commission rejection  
2       of results, or any other cause.

3               (i) Event of supplier default: In the event of  
4       supplier default, the utility shall review the  
5       contract of the defaulting supplier to determine if the  
6       amount of supply is 200 megawatts or greater, and if  
7       there are more than 60 days remaining of the contract  
8       term. If both of these conditions are met, and the  
9       default results in termination of the contract, the  
10      utility shall immediately notify the Illinois Power  
11      Agency that a request for proposals must be issued to  
12      procure replacement power, and the procurement  
13      administrator shall run an additional procurement  
14      event. If the contracted supply of the defaulting  
15      supplier is less than 200 megawatts or there are less  
16      than 60 days remaining of the contract term, the  
17      utility shall procure power and energy from the  
18      applicable regional transmission organization market,  
19      including ancillary services, capacity, and day-ahead  
20      or real time energy, or both, for the duration of the  
21      contract term to replace the contracted supply;  
22      provided, however, that if a needed product is not  
23      available through the regional transmission  
24      organization market it shall be purchased from the  
25      wholesale market.

26              (ii) Failure of the procurement process to fully

1 meet the expected load requirement: If the procurement  
2 process fails to fully meet the expected load  
3 requirement due to insufficient supplier participation  
4 or due to a Commission rejection of the procurement  
5 results, the procurement administrator, the  
6 procurement monitor, and the Commission staff shall  
7 meet within 10 days to analyze potential causes of low  
8 supplier interest or causes for the Commission  
9 decision. If changes are identified that would likely  
10 result in increased supplier participation, or that  
11 would address concerns causing the Commission to  
12 reject the results of the prior procurement event, the  
13 procurement administrator may implement those changes  
14 and rerun the request for proposals process according  
15 to a schedule determined by those parties and  
16 consistent with Section 1-75 of the Illinois Power  
17 Agency Act and this subsection. In any event, a new  
18 request for proposals process shall be implemented by  
19 the procurement administrator within 90 days after the  
20 determination that the procurement process has failed  
21 to fully meet the expected load requirement.

22 (iii) In all cases where there is insufficient  
23 supply provided under contracts awarded through the  
24 procurement process to fully meet the electric  
25 utility's load requirement, the utility shall meet the  
26 load requirement by procuring power and energy from the

1 applicable regional transmission organization market,  
2 including ancillary services, capacity, and day-ahead  
3 or real time energy, or both; provided, however, that  
4 if a needed product is not available through the  
5 regional transmission organization market it shall be  
6 purchased from the wholesale market.

7 (6) The procurement process described in this  
8 subsection is exempt from the requirements of the Illinois  
9 Procurement Code, pursuant to Section 20-10 of that Code.

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

1           (g) Within 3 business days after the Commission decision  
2     approving the results of a procurement event, the utility shall  
3     enter into binding contractual arrangements with the winning  
4     suppliers using the standard form contracts; except that the  
5     utility shall not be required either directly or indirectly to  
6     execute the contracts if a tariff that is consistent with  
7     subsection (1) of this Section has not been approved and placed  
8     into effect for that utility.

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

26          (i) Within 2 business days after a Commission decision

1 approving the results of a procurement event or such other date  
2 as may be required by the Commission from time to time, the  
3 utility shall file for informational purposes with the  
4 Commission its actual or estimated retail supply charges, as  
5 applicable, by customer supply group reflecting the costs  
6 associated with the procurement and computed in accordance with  
7 the tariffs filed pursuant to subsection (l) of this Section  
8 and approved by the Commission.

9 (j) Within 60 days following August 28, 2007 (the effective  
10 date of Public Act 95-481), each electric utility that on  
11 December 31, 2005 provided electric service to at least 100,000  
12 customers in Illinois shall prepare and file with the  
13 Commission an initial procurement plan, which shall conform in  
14 all material respects to the requirements of the procurement  
15 plan set forth in subsection (b); provided, however, that the  
16 Illinois Power Agency Act shall not apply to the initial  
17 procurement plan prepared pursuant to this subsection. The  
18 initial procurement plan shall identify the portfolio of power  
19 and energy products to be procured and delivered for the period  
20 June 2008 through May 2009, and shall identify the proposed  
21 procurement administrator, who shall have the same experience  
22 and expertise as is required of a procurement administrator  
23 hired pursuant to Section 1-75 of the Illinois Power Agency  
24 Act. Copies of the procurement plan shall be posted and made  
25 publicly available on the Commission's website. The initial  
26 procurement plan may include contracts for renewable resources

1 that extend beyond May 2009.

2 (i) Within 14 days following filing of the initial  
3 procurement plan, any person may file a detailed objection  
4 with the Commission contesting the procurement plan  
5 submitted by the electric utility. All objections to the  
6 electric utility's plan shall be specific, supported by  
7 data or other detailed analyses. The electric utility may  
8 file a response to any objections to its procurement plan  
9 within 7 days after the date objections are due to be  
10 filed. Within 7 days after the date the utility's response  
11 is due, the Commission shall determine whether a hearing is  
12 necessary. If it determines that a hearing is necessary, it  
13 shall require the hearing to be completed and issue an  
14 order on the procurement plan within 60 days after the  
15 filing of the procurement plan by the electric utility.

16 (ii) The order shall approve or modify the procurement  
17 plan, approve an independent procurement administrator,  
18 and approve or modify the electric utility's tariffs that  
19 are proposed with the initial procurement plan. The  
20 Commission shall approve the procurement plan if the  
21 Commission determines that it will ensure adequate,  
22 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.

25 (k) (Blank).

26 (k-5) (Blank).



1       (1) An electric utility shall recover its costs incurred  
2 under this Section, including, but not limited to, the costs of  
3 procuring power and energy demand-response resources under  
4 this Section. The utility shall file with the initial  
5 procurement plan its proposed tariffs through which its costs  
6 of procuring power that are incurred pursuant to a  
7 Commission-approved procurement plan and those other costs  
8 identified in this subsection (1), will be recovered. The  
9 tariffs shall include a formula rate or charge designed to pass  
10 through both the costs incurred by the utility in procuring a  
11 supply of electric power and energy for the applicable customer  
12 classes with no mark-up or return on the price paid by the  
13 utility for that supply, plus any just and reasonable costs  
14 that the utility incurs in arranging and providing for the  
15 supply of electric power and energy. The formula rate or charge  
16 shall also contain provisions that ensure that its application  
17 does not result in over or under recovery due to changes in  
18 customer usage and demand patterns, and that provide for the  
19 correction, on at least an annual basis, of any accounting  
20 errors that may occur. A utility shall recover through the  
21 tariff all reasonable costs incurred to implement or comply  
22 with any procurement plan that is developed and put into effect  
23 pursuant to Section 1-75 of the Illinois Power Agency Act and  
24 this Section, including any fees assessed by the Illinois Power  
25 Agency, costs associated with load balancing, and contingency  
26 plan costs. The electric utility shall also recover its full

1 costs of procuring electric supply for which it contracted  
2 before the effective date of this Section in conjunction with  
3 the provision of full requirements service under fixed-price  
4 bundled service tariffs subsequent to December 31, 2006. All  
5 such costs shall be deemed to have been prudently incurred. The  
6 pass-through tariffs that are filed and approved pursuant to  
7 this Section shall not be subject to review under, or in any  
8 way limited by, Section 16-111(i) of this Act. All of the costs  
9 incurred by the electric utility associated with the purchase  
10 of zero emission credits in accordance with subsection (d-5) of  
11 Section 1-75 of the Illinois Power Agency Act and, beginning  
12 June 1, 2017, all of the costs incurred by the electric utility  
13 associated with the purchase of renewable energy resources in  
14 accordance with Sections 1-56 and 1-75 of the Illinois Power  
15 Agency Act, shall be recovered through the electric utility's  
16 tariffed charges applicable to all of its retail customers, as  
17 specified in subsection (k) of Section 16-108 of this Act, and  
18 shall not be recovered through the electric utility's tariffed  
19 charges for electric power and energy supply to its eligible  
20 retail customers.

21 (m) The Commission has the authority to adopt rules to  
22 carry out the provisions of this Section. For the public  
23 interest, safety, and welfare, the Commission also has  
24 authority to adopt rules to carry out the provisions of this  
25 Section on an emergency basis immediately following August 28,  
26 2007 (the effective date of Public Act 95-481).

1           (n) Notwithstanding any other provision of this Act, any  
2 affiliated electric utilities that submit a single procurement  
3 plan covering their combined needs may procure for those  
4 combined needs in conjunction with that plan, and may enter  
5 jointly into power supply contracts, purchases, and other  
6 procurement arrangements, and allocate capacity and energy and  
7 cost responsibility therefor among themselves in proportion to  
8 their requirements.

9           (o) On or before June 1 of each year, the Commission shall  
10 hold an informal hearing for the purpose of receiving comments  
11 on the prior year's procurement process and any recommendations  
12 for change.

13           (p) An electric utility subject to this Section may propose  
14 to invest, lease, own, or operate an electric generation  
15 facility as part of its procurement plan, provided the utility  
16 demonstrates that such facility is the least-cost option to  
17 provide electric service to those retail customers included in  
18 the plan's electric supply service requirements. If the  
19 facility is shown to be the least-cost option and is included  
20 in a procurement plan prepared in accordance with Section 1-75  
21 of the Illinois Power Agency Act and this Section, then the  
22 electric utility shall make a filing pursuant to Section 8-406  
23 of this Act, and may request of the Commission any statutory  
24 relief required thereunder. If the Commission grants all of the  
25 necessary approvals for the proposed facility, such supply  
26 shall thereafter be considered as a pre-existing contract under

1 subsection (b) of this Section. The Commission shall in any  
2 order approving a proposal under this subsection specify how  
3 the utility will recover the prudently incurred costs of  
4 investing in, leasing, owning, or operating such generation  
5 facility through just and reasonable rates charged to those  
6 retail customers included in the plan's electric supply service  
7 requirements. Cost recovery for facilities included in the  
8 utility's procurement plan pursuant to this subsection shall  
9 not be subject to review under or in any way limited by the  
10 provisions of Section 16-111(i) of this Act. Nothing in this  
11 Section is intended to prohibit a utility from filing for a  
12 fuel adjustment clause as is otherwise permitted under Section  
13 9-220 of this Act.

14 (q) If the Illinois Power Agency filed with the Commission,  
15 under Section 16-111.5 of this Act, its proposed procurement  
16 plan for the period commencing June 1, 2017, and the Commission  
17 has not yet entered its final order approving the plan on or  
18 before the effective date of this amendatory Act of the 99th  
19 General Assembly, then the Illinois Power Agency shall file a  
20 notice of withdrawal with the Commission, after the effective  
21 date of this amendatory Act of the 99th General Assembly, to  
22 withdraw the proposed procurement of renewable energy  
23 resources to be approved under the plan, other than the  
24 procurement of renewable energy credits from distributed  
25 renewable energy generation devices using funds previously  
26 collected from electric utilities' retail customers that take

1 service pursuant to electric utilities' hourly pricing tariff  
2 or tariffs and, for an electric utility that serves less than  
3 100,000 retail customers in the State, other than the  
4 procurement of renewable energy credits from distributed  
5 renewable energy generation devices. Upon receipt of the  
6 notice, the Commission shall enter an order that approves the  
7 withdrawal of the proposed procurement of renewable energy  
8 resources from the plan. The initially proposed procurement of  
9 renewable energy resources shall not be approved or be the  
10 subject of any further hearing, investigation, proceeding, or  
11 order of any kind.

12 This amendatory Act of the 99th General Assembly preempts  
13 and supersedes any order entered by the Commission that  
14 approved the Illinois Power Agency's procurement plan for the  
15 period commencing June 1, 2017, to the extent it is  
16 inconsistent with the provisions of this amendatory Act of the  
17 99th General Assembly. To the extent any previously entered  
18 order approved the procurement of renewable energy resources,  
19 the portion of that order approving the procurement shall be  
20 void, other than the procurement of renewable energy credits  
21 from distributed renewable energy generation devices using  
22 funds previously collected from electric utilities' retail  
23 customers that take service under electric utilities' hourly  
24 pricing tariff or tariffs and, for an electric utility that  
25 serves less than 100,000 retail customers in the State, other  
26 than the procurement of renewable energy credits for

distributed renewable energy generation devices.

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

(220 ILCS 5/16-111.10 new)

Sec. 16-111.10. Equitable Energy Financing Program.

(a) The General Assembly finds and declares that Illinois homes and businesses can contribute to the creation of a clean energy economy, conservation of natural resources, and reliability of the electricity grid through the installation of cost-effective renewable energy generation, energy efficiency, and energy storage systems. Further, a large portion of Illinois residents and businesses that would benefit from the installation of energy efficiency, storage, and renewable energy generation systems are unable to purchase systems due to capital or credit barriers. This State should pursue options to enable many more Illinoisans to access the health, environmental, and financial benefits of new clean energy technology.

(b) As used in this Section:

"Commission" means the Illinois Commerce Commission.

"Energy project" means renewable energy generation systems, including solar projects, energy efficiency upgrades, energy storage systems, or any combination thereof.

"The Fund" means the Clean Energy Jobs and Justice Fund established in the Illinois Clean Energy Jobs and Justice Fund Act.

1       "Program" means the Equitable Energy Financing Program  
2 established under subsection (c).

3       "Utility" means electric utilities providing services  
4 under this Act.

5       (c) The Illinois Commerce Commission shall open an  
6 investigation into and direct all electric utilities in this  
7 State to adopt an Equitable Energy Financing Program managed by  
8 the Clean Energy Jobs and Justice Fund that permits customers  
9 to finance the construction of energy projects through an  
10 optional tariff payable directly through their utility bill,  
11 modeled after the PAYS, or pay-as-you-save system, developed by  
12 the Energy Efficiency Institute. The Program model shall offer  
13 to make investments in energy projects to customer properties  
14 with low-cost capital and use an opt-in tariff to recover the  
15 costs. The Program shall be designed to provide customers with  
16 financial savings if they choose to participate. The Program  
17 shall allow residential electric utility customers that own the  
18 property, or renters that have permission of the property  
19 owner, for which they subscribe to utility service to purchase  
20 an energy project. The Program shall ensure:

21       (1) eligible projects do not require upfront payments;  
22 however, customers may pay down the costs for projects with  
23 a payment to the installing contractor in order to qualify  
24 projects that would otherwise require upfront payments;

25       (2) eligible projects have an estimated life cycle  
26 savings that exceeds the cost of the project, subject to

1       PAYS program requirements;

2           (3) participants shall finance the projects by paying  
3       for the project through an optional tariff directly through  
4       the participant's electricity bill, allowing participants  
5       to invest in energy projects without traditional loans;

6           (4) accessibility by lower-income residents and  
7       environmental justice community residents; and

8           (5) administration is in coordination with the energy  
9       efficiency on-bill financing program established under  
10       Section 16-111.7 to maximize access and financial savings  
11       by residents.

12  
13       (d) Program rollout. The Commission shall establish  
14       Program guidelines based on the implementation guidelines  
15       created by the Clean Energy Jobs and Justice Fund in  
16       coordination with community stakeholders and utilities with  
17       the anticipated schedule of Program availability as follows:

18           (1) Following program launch, each utility is required  
19       to allow for customers to make investments in energy  
20       projects up to the sum of capital made available by the  
21       Fund. Utilities shall make available any additional  
22       capital they raise for customers to make investments in  
23       energy projects, subject to Commission approval consistent  
24       with this Act.

25           (2) Year 1. During the first year of operation, each  
26       utility is required to obtain capital of at least



1 \$20,000,000 annually for investments in energy projects,  
2 including, but not limited to, any capital offered by the  
3 Fund.

4 (3) Year 2. Beginning in the second year, each utility  
5 is required to obtain capital for investments in energy  
6 projects of at least \$40,000,000 annually, including, but  
7 not limited to, any capital offered by the Fund.

8 (4) Year 3. Beginning in the third year of programming,  
9 each utility is required to obtain capital for investments  
10 in as many systems as customers demand, subject to  
11 available capital provided by the Fund, utility, State, or  
12 other lenders.

13 (e) In the design of the Equitable Energy Financing  
14 Program, the Commission shall:

15 (1) Within 270 days after the effective date of this  
16 amendatory Act of the 101st General Assembly, convene a  
17 workshop led by the Clean Energy Jobs and Justice Fund  
18 during which interested participants may discuss issues  
19 and submit comments related to the Program.

20 (2) Establish Program guidelines for implementation of  
21 the Program led by the Clean Energy Jobs and Justice Fund  
22 and modeled after PAYS program guidelines that electric  
23 utilities must abide by when designing their plan to  
24 participate in the Program. Program guidelines established  
25 by the Commission shall include the following elements:

26 (A) Capital funds. The Commission shall establish

1 conditions under which utilities secure capital to  
2 fund the energy projects. The Commission may allow  
3 utilities to raise capital independently, work with  
4 third-party lenders to secure the capital for  
5 participants, or a combination thereof. Any process  
6 the Commission approves must use a market mechanism to  
7 identify the least costly sources of capital funds so  
8 as to pass on maximum savings to participants. The  
9 State of Illinois or the Clean Energy Jobs and Justice  
10 Fund may also choose to provide capital for this  
11 Program.

12 (B) Customer protections. Customer protection  
13 guidelines should be designed based on the principles  
14 established in subsection (i), subject to model PAYS  
15 essential elements and minimum program requirements.

16 (C) Energy project vendors. The Commission shall  
17 establish conditions by which utilities may connect  
18 Program participants to energy project vendors. In  
19 setting conditions for connection, the Commission may  
20 prioritize vendors that have a history of good  
21 relations with the State including vendors that have  
22 hired participants from State-created job training  
23 programs.

24 (D) Guarantee that conservative estimates of  
25 financial savings will immediately and significantly  
26 exceed Program costs for Program participants.

1       (f) Within 120 days after the Commission releases the  
2 Program conditions established under this Section, each  
3 utility subject to the requirements of this Section shall  
4 submit an informational filing to the Commission that describes  
5 its plan for implementing the provisions of this Section. If  
6 the Commission finds that the submission does not properly  
7 comply with the statutory or regulatory requirements of the  
8 Program, the Commission may require that the utility make  
9 modifications to its filing.

10       (g) An independent process evaluation shall be conducted  
11 after one year of the Program's operation. An independent  
12 impact evaluation shall be conducted after 2 years of  
13 operation, excluding one-time startup costs and results from  
14 the first 6 months of the Program. The Commission shall convene  
15 an advisory council of stakeholders, including representation  
16 of low-income and environmental justice community members to  
17 make recommendations in response to the findings of the  
18 independent evaluation.

19       (h) The Equitable Energy Financing Program shall be  
20 designed using PAYS system guidelines to be cost-effective for  
21 customers. Only projects that are deemed to be cost-effective  
22 and can be reasonably expected to ensure customer savings are  
23 eligible for funding through the Program, unless, as specified  
24 in paragraph (1) of subsection (c), customers able to make  
25 upfront copayments to installers buy down the cost of projects  
26 so they can be deemed cost-effective.

1       (i) Eligible customers must be:

2           (1) property renters with permission of the property  
3       owner; or

4           (2) property owners.

5       (j) Calculation of project cost-effectiveness shall be  
6       based upon PAYS system requirements.

7           (1) The calculation of cost-effectiveness must be  
8       conducted by an objective process established by the  
9       Commission and based on rates in effect at the time of  
10       installation.

11          (2) A project shall be considered cost-effective only  
12       if it complies with the PAYS 80% rule, not counting  
13       copayments voluntarily made by customers. The Commission  
14       may establish guidelines by which this required savings is  
15       measured.

16       (k) The Equitable Energy Financing Program should be  
17       modeled after the PAYS, or pay-as-you-save system, by which  
18       Program participants finance energy projects using the savings  
19       that the energy project creates with a tariffed on-bill  
20       financing program. Eligible projects shall not create personal  
21       debt for the customer, result in a lien in the event of  
22       nonpayment, or require customers to pay for defective energy  
23       projects.

24       (l) Any energy project that is defective or damaged due to  
25       no fault of the participant must be either replaced or repaired  
26       with parts that meet industry standards at the cost of the

1 utility or vendor, as specified by the Commission, and charges  
2 shall be suspended until repairs or replacement is completed.  
3 The Commission may establish, increase, or replace the  
4 requirements imposed in this subsection. The Commission may  
5 determine that this responsibility is best handled by  
6 participating project vendors in the form of insurance,  
7 contractual guarantees, or other mechanisms, and issue rules  
8 detailing this requirement.

9 (m) In the event of nonpayment, the remaining balance due  
10 to pay off the system shall remain with the utility meter at an  
11 upgraded location. The Commission shall establish conditions  
12 subject to this constraint in the event of nonpayment that are  
13 in accordance with the PAYS system.

14 (n) If the demand by utility customers exceeds the Program  
15 capital supply in a given year, utilities shall ensure that 50%  
16 of participants are: (1) customers in neighborhoods where a  
17 majority of households make 150% or less of area median income;  
18 or (2) residents of environmental justice communities.

19 (o) Utilities shall endeavor to inform customers about the  
20 availability of the Program, their potential eligibility for  
21 participation in the Program, and whether they are likely to  
22 save money on the basis of an estimate conducted using  
23 variables consistent with the Program that the utility has at  
24 its disposal. The Commission may establish guidelines by which  
25 utilities must abide by this directive and alternatives if the  
26 Commission deems utilities' efforts as inadequate.

1       (p) Subject to Commission specifications established in  
2 subsection (c), each utility shall work with certified project  
3 vendors selected using a request for proposals process to  
4 establish the terms and processes under which a participant can  
5 purchase eligible renewable energy generation and energy  
6 storage systems using the financing obtained from the lender  
7 through a program designed to fit the Equitable Energy  
8 Financing Program model. The certified project vendor shall  
9 explain and offer the approved financing packaging to customers  
10 and shall assist customers in applying for financing through  
11 the Equitable Energy Financing Program. As part of the process,  
12 vendors shall also provide participants with information about  
13 any other relevant incentives that may be available.

14       (q) An electric utility shall recover all of the prudently  
15 incurred costs of offering a program approved by the Commission  
16 under this Section.

17       (r) The Illinois Commerce Commission shall adopt all rules  
18 necessary for the administration of this Section.

19       (220 ILCS 5/16-128B)

20       Sec. 16-128B. Qualified energy efficiency installers.

21       (a) Within 18 months after the effective date of this  
22 amendatory Act of the 99th General Assembly, the Commission  
23 shall adopt rules, including emergency rules, establishing a  
24 process for entities installing energy efficiency measures to  
25 certify compliance with the requirements of this Section.

1       The process shall include an option to complete the  
2       certification electronically by completing forms on-line. An  
3       entity installing energy efficiency measures shall be  
4       permitted to complete the certification after the subject work  
5       has been completed.

6       The Commission shall maintain on its website a list of  
7       entities installing energy efficiency measures that have  
8       successfully completed the certification process.

9       (b) In addition to any authority granted to the Commission  
10      under this Act, the Commission may:

11           (1) determine which entities are subject to  
12      certification under this Section;

13           (2) impose reasonable certification fees and  
14      penalties;

15           (3) adopt disciplinary procedures;

16           (4) investigate any and all activities subject to this  
17      Section, including violations thereof;

18           (5) adopt procedures to issue or renew, or to refuse to  
19      issue or renew, a certification or to revoke, suspend,  
20      place on probation, reprimand, or otherwise discipline a  
21      certified entity under this Act or take other enforcement  
22      action against an entity subject to this Section; and

23           (6) prescribe forms to be issued for the administration  
24      and enforcement of this Section.

25      (c) An electric utility may not provide a retail customer  
26      with a rebate or other energy efficiency incentive for a

1 measure that exceeds a minimal amount determined by the  
2 Commission unless the customer provides the electric utility  
3 with (1) a certification that the person installing the energy  
4 efficiency measure was a self-installer; or (2) evidence that  
5 the energy efficiency measure was installed by an entity  
6 certified under this Section that is also in good standing with  
7 the Commission.

8 (d) The Commission shall:

9 (1) require entities installing energy efficiency  
10 measures to be certified to do business and to be bonded in  
11 this State;

12 (2) ensure that entities installing energy efficiency  
13 measures have the requisite knowledge, skill, training,  
14 experience, and competence to perform functions in a safe  
15 and reliable manner as required under subsection (a) of  
16 Section 16-128 of this Act;

17 (3) ensure that entities installing energy efficiency  
18 measures conform to applicable building and electrical  
19 codes;

20 (4) ensure that all entities installing energy  
21 efficiency measures meet recognized industry standards as  
22 the Commission deems appropriate;

23 (5) include any additional requirements that the  
24 Commission deems reasonable to ensure that entities  
25 installing energy efficiency measures meet adequate  
26 training, financial, and competency requirements;



1           (6) ensure that all entities installing energy  
2           efficiency measures obtain certificates of insurance in  
3           sufficient amounts and coverages that the Commission so  
4           determines; and

5           (7) identify and determine the training or other  
6           programs by which persons or entities may obtain the  
7           requisite training, skill, or experience necessary to  
8           achieve and maintain compliance with the requirements of  
9           this Section.

10          (e) Fees and penalties collected under this Section shall  
11          be deposited into the Public Utility Fund and used to fund the  
12          Commission's compliance with the obligations imposed by this  
13          Section.

14          (f) The rules adopted under this Section shall specify the  
15          initial dates for compliance with the rules.

16          (g) For purposes of this Section, entities installing  
17          energy efficiency measures shall endeavor to support the  
18          diversity goals of this State by attracting, developing,  
19          retaining, and providing opportunities to employees of all  
20          backgrounds and by supporting women-owned ~~female-owned~~, black,  
21          indigenous, and people of color-owned ~~minority-owned~~, and  
22          veteran-owned, ~~and~~ small businesses, and nonprofit  
23          organizations, worker-owned cooperatives, and other entities.

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

1       Sec. 16-131. Right to self-generate electricity.

2       (a) As used in this Section:

3       "Electric Cooperative" has the meaning set forth in Section  
4       3.4 of the Electric Supplier Act.

5       "Municipal utility" means a public utility that is owned  
6       and operated by any political subdivision or municipal  
7       corporation of this State or owned by such an entity and  
8       operated by any lessee or any operating agent thereof.

9       "Public Utility" has the definition set forth in Section  
10       3-105 of this Act.

11       (b) The Commission shall protect the rights of customers to  
12       produce, consume, and store their own energy without  
13       discriminatory repercussions from a public utility, electric  
14       cooperative, or municipal utility, regardless of whether that  
15       energy is produced via a system that is owned outright, leased,  
16       or financed through a behind-the-meter solar power-purchase  
17       agreement or other means. This includes customers' rights to:

18               (1) generate, consume, and export renewable energy and  
19               reduce his or her use of electricity obtained from the  
20               grid;

21               (2) use technology to store energy at his or her  
22               residence;

23               (3) connect his or her electrical system that generates  
24               renewable energy, stores energy, or any combination  
25               thereof, with the electricity meter on the customer's  
26               premises that is provided by a public utility, electric

1       cooperative, or municipal utility:

2               (A) in a timely manner;

3               (B) in accordance with requirements established by  
4       the electric utility to ensure the safety of utility  
5       workers;

6               (C) after providing written notice to the electric  
7       utility providing service in the service territory,  
8       installing a nomenclature plate on the electrical  
9       meter panel and meeting all applicable state and local  
10       safety and electrical code requirements associated  
11       with installing a parallel distributed generation  
12       system; and

13               (D) receive fair credit for energy exported to the  
14       grid.

15       (c) A public utility, electric cooperative, or municipal  
16       utility customer who produces, consumes, and stores his or her  
17       own energy shall not face discriminatory rate design,  
18       treatment, or excessive compliance requirements as provided by  
19       paragraph (3) of subsection (n) of Section 16-107.5.

20       (d) A public utility, electric cooperative, or municipal  
21       utility customer shall have a right to appeal any decision  
22       related to self-generation and storage that violates these  
23       rights to self-generation and non-discrimination pursuant to  
24       the provisions of this Section through a complaint process.

25       (e) The Illinois Commerce Commission shall adopt all rules  
26       necessary for the administration of this Section.

1           Section 90-45. The Environmental Protection Act is amended  
2           by changing Section 9.10 and by adding Section 9.18 as follows:

3           (415 ILCS 5/9.10)

4           Sec. 9.10. Fossil fuel-powered electric generating units  
5 ~~Fossil fuel fired electric generating plants.~~

6           (a) As used in this Section:

7           "Board" means the Illinois Pollution Control Board.

8           "BIPOC" and "black, indigenous, and people of color" are  
9 identical in meaning and have the same definition as used in  
10 the Clean Jobs, Workforce and Contractor Equity Act.

11           "Emissions" means greenhouse gases, particulate matter,  
12 mercury, nitrogen oxides, sulfur dioxide, and any other  
13 pollutant that the Agency deems appropriate for regulation to  
14 protect health or land in the State.

15           "Frontline community" means any community or municipality  
16 within a 3-mile radius of a fossil fuel-powered electric  
17 generating unit.

18           "Meaningful involvement" means: (1) potentially affected  
19 populations have an appropriate opportunity to participate in  
20 decisions about a proposed regulatory action that may affect  
21 their environment or health; (2) the populations'  
22 contributions can influence the EPA's rulemaking decisions;  
23 (3) the concerns of all participants involved shall be  
24 considered in the decision-making process; and (4) the IEPA

1 shall seek out and facilitate the involvement of populations  
2 potentially affected by the IEPA's proposed regulatory action.

3 (a-1) ~~(a)~~ The General Assembly finds and declares that:

4 (1) fossil fuel-powered electric generating units  
5 ~~fossil fuel fired electric generating plants~~ are a  
6 significant source of air emissions in this State and have  
7 become the subject of a number of important new studies of  
8 their effects on the public health;

9 (2) existing state and federal policies, that allow  
10 older plants that meet federal standards to operate without  
11 meeting the more stringent requirements applicable to new  
12 plants, are being questioned on the basis of their  
13 environmental impacts and the economic distortions such  
14 policies cause in a deregulated energy market;

15 (3) fossil fuel-powered electric generating units  
16 ~~fossil fuel fired electric generating plants~~ are, or may  
17 be, affected by a number of regulatory programs, some of  
18 which are under review or development on the state and  
19 national levels, and to a certain extent the international  
20 level, including the federal acid rain program,  
21 tropospheric ozone, mercury and other hazardous pollutant  
22 control requirements, regional haze, and global warming;

23 (4) scientific uncertainty regarding the formation of  
24 certain components of regional haze and the air quality  
25 modeling that predict impacts of control measures requires  
26 careful consideration of the timing of the control of some

1 of the pollutants from these facilities, particularly  
2 sulfur dioxides and nitrogen oxides that each interact with  
3 ammonia and other substances in the atmosphere;

4 (5) the development of energy policies to promote a  
5 safe, sufficient, reliable, and affordable energy supply  
6 on the state and national levels is being affected by the  
7 on-going deregulation of the power generation industry and  
8 the evolving energy markets;

9 (6) the Governor's formation of an Energy Cabinet and  
10 the development of a State energy policy calls for actions  
11 by the Agency and the Board that are in harmony with the  
12 energy needs and policy of the State, while protecting the  
13 public health and the environment;

14 (7) reducing greenhouse gas emissions and other air  
15 pollutants such as particulate matter, sulfur dioxide, and  
16 nitrogen oxide is critical to improving the health and  
17 welfare of Illinois residents by decreasing respiratory  
18 diseases, cardiovascular diseases, and related  
19 mortalities; lowering customers' energy costs; and  
20 responding to the growing impacts of climate change from  
21 fossil fuel generation;

22 (8) through reductions in harmful emissions and  
23 strategic planning for Illinois residents currently  
24 employed by and communities reliant on fossil fuel-powered  
25 electric generating units, eliminating greenhouse gas  
26 emissions from the electricity generation sector is a

1 priority for the State;

2 (9) The House of Representatives of the 100th General  
3 Assembly recognized this problem and, in adopting House  
4 Resolution 490 on June 26, 2017, it supported the Paris  
5 Climate Agreement and urged the State of Illinois to join  
6 the United States Climate Alliance and develop a plan to  
7 achieve 100% clean energy by 2045;

8 ~~(7) Illinois coal is an abundant resource and an~~  
9 ~~important component of Illinois' economy whose use should~~  
10 ~~be encouraged to the greatest extent possible consistent~~  
11 ~~with protecting the public health and the environment;~~

12 ~~(8) renewable forms of energy should be promoted as an~~  
13 ~~important element of the energy and environmental policies~~  
14 ~~of the State and that it is a goal of the State that at~~  
15 ~~least 5% of the State's energy production and use be~~  
16 ~~derived from renewable forms of energy by 2010 and at least~~  
17 ~~15% from renewable forms of energy by 2020;~~

18 (10) ~~(9)~~ efforts on the state and federal levels are  
19 underway to consider the multiple environmental  
20 regulations affecting electric generating plants in order  
21 to improve the ability of government and the affected  
22 industry to engage in effective planning through the use of  
23 multi-pollutant strategies; and

24 (11) ~~(10)~~ these issues, taken together, call for a  
25 comprehensive review of the impact of these facilities on  
26 the public health, considering also the energy supply,

1 reliability, and costs, the role of renewable forms of  
2 energy, and the developments in federal law and regulations  
3 that may affect any state actions, prior to making final  
4 decisions in Illinois.

5 (b) Taking into account the findings and declarations of  
6 the General Assembly contained in subsection (a) of this  
7 Section, the Agency shall, within 180 days after the effective  
8 date of this amendatory Act of the 101st General Assembly,  
9 initiate a rulemaking to amend Title 35 of the Illinois  
10 Administrative Code to establish annual declining greenhouse  
11 gas pollution caps and caps on co-pollutants, including, but  
12 not limited to, particulate matter (including both PM<sub>10</sub> and  
13 PM<sub>2.5</sub>), mercury, nitrogen oxides, and sulfur dioxide, beginning  
14 in 2023 from all fossil fuel-powered electric generating units  
15 (including, but not limited to, coal-fired, coal-derived,  
16 oil-fired, combustion turbine, integrated gasification  
17 combined cycle, and cogeneration facilities with a nameplate  
18 capacity that exceeds 25 MW) so as to progressively eliminate  
19 all emissions of those pollutants from Illinois' electric  
20 sector by the year 2030. No later than one year after receipt  
21 of the Agency's proposal under this Section, the Board shall  
22 adopt rules setting out declining annual emissions caps for  
23 greenhouse gases (CO<sub>2</sub> equivalent) and co-pollutants, including,  
24 but not limited to, particulate matter (including both PM<sub>10</sub> and  
25 PM<sub>2.5</sub>), mercury, nitrogen oxides, and sulfur dioxide, for each  
26 individual fossil fuel-powered electric generating unit in



1 Illinois as well as aggregate annual statewide emissions caps.  
2 The Board may set different declining caps for each plant, but  
3 caps must decline to zero emissions for all plants by 2030. As  
4 part of its rulemaking proposal, the Agency shall:

5 (1) ensure that power plants located near densely  
6 populated and environmental justice communities and those  
7 with sulfur dioxide emission rates above 0.0007 pounds per  
8 million Btu are prioritized for more rapid, mandatory,  
9 plant-specific emissions reductions for both greenhouse  
10 gases and co-pollutants;

11 (2) develop an environmental justice analysis, in  
12 partnership with the Illinois Commission on Environmental  
13 Justice and with frontline community feedback, to inform a  
14 draft rule proposal and identification of power plants of  
15 particular concern requiring priority emissions  
16 reductions. This analysis shall include a cumulative  
17 impacts assessment and use existing methodologies and  
18 findings, used and as may be updated by the Illinois Power  
19 Agency and its Administrator in its Illinois Solar for All  
20 Program, taking into account the following factors:

21 (A) Population density;

22 (B) National-Scale Air Toxics Assessment (NATA)  
23 air toxics cancer risk;

24 (C) NATA respiratory hazard index;

25 (D) NATA diesel PM;

26 (E) particulate matter;

1           (F) ozone;

2           (G) traffic proximity and volume;

3           (H) lead paint indicator;

4           (I) proximity to Risk Management Plan sites;

5           (J) proximity to Hazardous Waste Treatment,  
6           Storage, and Disposal Facilities;

7           (K) proximity to National Priorities List sites;

8           (L) Wastewater Dischargers Indicator;

9           (M) percent low-income;

10           (N) percent black, indigenous, and people of  
11           color;

12           (O) percent less than a high school education;

13           (P) linguistic isolation;

14           (Q) age (individuals under age 5 or over 64);

15           (R) number of asthma-related emergency department  
16           visits; and

17           (S) frequency of low birth weight infants;

18           (3) conduct a robust and inclusive stakeholder process  
19           prior to initiating a rulemaking proceeding before the  
20           Illinois Pollution Control Board that ensures the  
21           meaningful participation of Illinois residents, especially  
22           those most impacted by fossil fuel-powered electric  
23           generating units. To ensure meaningful involvement in its  
24           stakeholder process, the agency shall:

25           (A) include a formal public comment period with at  
26           least 4 public hearings located in communities

1 geographically dispersed, where fossil fuel-powered  
2 electric generating units are located;

3 (B) ensure full and fair access for working  
4 residents by providing opportunity for public comment  
5 outside the workday; and

6 (C) issue a responsiveness summary with a draft  
7 rulemaking briefly describing and responding to, at a  
8 minimum, all frontline community comments raised  
9 during the stakeholder process and public comment  
10 period;

11 (4) participate in strategic planning efforts with the  
12 Department of Commerce and Economic Opportunity to  
13 identify needs and initiatives for communities and workers  
14 economically impacted by the decline in fossil fuel  
15 generation;

16 (5) evaluate individual units using the criteria above  
17 and set appropriate annually declining caps for emission  
18 reductions, which ultimately result in caps of zero  
19 emissions from all fossil fuel-powered electric generating  
20 units by January 1, 2020;

21 (6) include provisions to allow owners or operators of  
22 fossil fuel-powered electric generating units to continue  
23 operating while using their best efforts to resolve any  
24 reliability requirements with regional grid operators and  
25 cease operations as soon as practicable in situations where  
26 achieving the emission reductions required by the Agency's

1 rulemaking proposal necessitates that a particular unit  
2 cease operations and a regional grid operator determines  
3 that operation of that unit is required to continue to  
4 maintain transmission reliability. The Agency's rulemaking  
5 proposal shall include mechanisms designed to limit, to the  
6 extent possible, any such disruption to the State's  
7 emission reduction program, including an evaluation of  
8 when and how advanced notice of intended unit closures  
9 should be given to regional grid operators; and

10 (7) establish emissions caps for (i) individual fossil  
11 fuel-powered electric generating units and (ii) the entire  
12 electric sector. The emissions caps shall include all  
13 emissions, including greenhouse gases and co-pollutants.

14 (A) Annual aggregate electric sector emissions  
15 caps. The aggregate emissions cap shall apply to the  
16 entire Illinois electric sector and include the sum of  
17 emissions from all fossil fuel-powered electric  
18 generating units. The Agency shall establish a  
19 schedule through which the aggregate cap shall decline  
20 annually. A baseline amount shall be calculated by  
21 averaging the emissions from 2017, 2018, and 2019 of  
22 plants operating as of the effective date of this  
23 amendatory Act of the 101st General Assembly. To ensure  
24 consistent progress toward the goal of eliminating all  
25 emissions from Illinois' electric sector by 2030, the  
26 annual aggregate emissions cap shall decrease each

1 year by no less than 7% of the baseline amount.

2 (B) Annual unit-specific emissions caps. Annual  
3 emissions caps shall apply to each fossil fuel-powered  
4 electric generating unit in the State and be consistent  
5 with achieving the aggregate emissions cap. Starting  
6 in 2023, the annual emissions cap for each plant shall  
7 be no greater than the highest emissions amount from  
8 any of the 3 previous years of operation. If a plant  
9 first became operational less than 3 years before being  
10 subject to a unit-specific emissions cap, then the  
11 annual emissions cap for such a plant shall be no  
12 greater than its previous year of operation; or if a  
13 fossil fuel-powered electric generating unit has been  
14 operational less than one year, then the Agency shall  
15 set a cap that is consistent with achieving the  
16 aggregate emissions cap and the goal of eliminating all  
17 emissions from Illinois' electric sector by 2030.

18 (C) Annual report. Each year, the Agency shall  
19 prepare and publish a report on the implementation,  
20 review, and updating of the schedules regulating  
21 annual emissions caps as described in this subsection.

22 This report shall include:

23 (i) an accounting of all greenhouse gas and  
24 co-pollutant caps on, and actual emissions from,  
25 individual plants demonstrating the Agency's  
26 implementation of the requirements in this

1           subsection; and

2                   (ii) an accounting of the aggregate declining  
3           cap schedules demonstrating the adequacy of the  
4           schedules to achieve net-zero emissions in the  
5           electric sector by 2030, and any changes to the  
6           schedules.

7           In addition to the information required under  
8           items (i) and (ii), the 2025 report shall include a  
9           review of the Agency's rules regulating annual  
10          greenhouse gas pollution and co-pollutant caps in  
11          light of projected emissions for the remaining years  
12          until 2030 and demonstrate the adequacy of its rules  
13          and policies to achieve net-zero emissions in the  
14          electric sector by 2030. Should the Agency conclude its  
15          current rules and policies are insufficient to  
16          eliminate emissions from all fossil fuel-powered  
17          electric generating units by January 1, 2030 and comply  
18          with all other requirements in this Section, it shall  
19          initiate a rulemaking no later than 180 days from  
20          reaching this conclusion amending its rules to do so.

21          ~~before September 30, 2004, but not before September 30, 2003,~~  
22          ~~issue to the House and Senate Committees on Environment and~~  
23          ~~Energy findings that address the potential need for the control~~  
24          ~~or reduction of emissions from fossil fuel-fired electric~~  
25          ~~generating plants, including the following provisions:~~

26                  ~~(1) reduction of nitrogen oxide emissions, as~~

1 ~~appropriate, with consideration of maximum annual~~  
2 ~~emissions rate limits or establishment of an emissions~~  
3 ~~trading program and with consideration of the developments~~  
4 ~~in federal law and regulations that may affect any State~~  
5 ~~action, prior to making final decisions in Illinois;~~

6 ~~(2) reduction of sulfur dioxide emissions, as~~  
7 ~~appropriate, with consideration of maximum annual~~  
8 ~~emissions rate limits or establishment of an emissions~~  
9 ~~trading program and with consideration of the developments~~  
10 ~~in federal law and regulations that may affect any State~~  
11 ~~action, prior to making final decisions in Illinois;~~

12 ~~(3) incentives to promote renewable sources of energy~~  
13 ~~consistent with item (8) of subsection (a) of this Section;~~

14 ~~(4) reduction of mercury as appropriate, consideration~~  
15 ~~of the availability of control technology, industry~~  
16 ~~practice requirements, or incentive programs, or some~~  
17 ~~combination of these approaches that are sufficient to~~  
18 ~~prevent unacceptable local impacts from individual~~  
19 ~~facilities and with consideration of the developments in~~  
20 ~~federal law and regulations that may affect any state~~  
21 ~~action, prior to making final decisions in Illinois; and~~

22 ~~(5) establishment of a banking system, consistent with~~  
23 ~~the United States Department of Energy's voluntary~~  
24 ~~reporting system, for certifying credits for voluntary~~  
25 ~~offsets of emissions of greenhouse gases, as identified by~~  
26 ~~the United States Environmental Protection Agency, or~~

1 ~~other voluntary reductions of greenhouse gases. Such~~  
2 ~~reduction efforts may include, but are not limited to,~~  
3 ~~carbon sequestration, technology based control measures,~~  
4 ~~energy efficiency measures, and the use of renewable energy~~  
5 ~~sources.~~

6 The Agency shall consider the impact on the public health,  
7 considering also energy supply, reliability and costs, the role  
8 of renewable forms of energy, and developments in federal law  
9 and regulations that may affect any state actions, prior to  
10 making final decisions in Illinois.

11 (c) Nothing in this Section is intended to or should be  
12 interpreted in a manner to limit or restrict the authority of  
13 the Illinois Environmental Protection Agency to propose, or the  
14 Illinois Pollution Control Board to adopt, any regulations  
15 applicable or that may become applicable to the facilities  
16 covered by this Section that are required by federal law and  
17 other Illinois laws.

18 (d) The Agency may file proposed rules with the Board to  
19 effectuate the goals set forth in subsection (b). ~~its findings~~  
20 ~~provided to the Senate Committee on Environment and Energy and~~  
21 ~~the House Committee on Environment and Energy in accordance~~  
22 ~~with subsection (b) of this Section. Any such proposal shall~~  
23 ~~not be submitted sooner than 90 days after the issuance of the~~  
24 ~~findings provided for in subsection (b) of this Section.~~ The  
25 Board shall take action on any such proposal within one year of  
26 the Agency's filing of the proposed rules.



1       (e) Enforcement.

2           (1) Any person may file with the Board a complaint,  
3           following the procedures contained in subsection (d) of  
4           Section 31 of this Act, against any person, the State of  
5           Illinois, or any government official for failure to perform  
6           any act or nondiscretionary duty under this Section or for  
7           allegedly violating this Section, any rule or regulation  
8           adopted under this Section, any permit or term or condition  
9           of a permit related to this Section, or any Board order  
10          issued pursuant to this Section. Any person shall have  
11          standing in an action under this Section before the Board.  
12          Any person may intervene as a party as a matter of right in  
13          any legal action concerning this Section, whichever the  
14          forum, if he or she is or may be adversely affected by any  
15          failure to perform any act or nondiscretionary duty under  
16          this Section or any alleged violation of this Section, any  
17          rule or regulation adopted under this Section, any permit  
18          or term or condition of a permit, or any Board order, by  
19          any person, the State of Illinois, or any government  
20          official.

21          (2) In an action brought pursuant to this Section, any  
22          person may request, and the Board or court may grant,  
23          injunctive relief, damages (including reasonable attorney  
24          and expert witness fees), and any other remedy available  
25          pursuant to Sections 33 or 42 of this Act. The Board or  
26          court may, if a temporary restraining order or preliminary

1 injunction is sought, require the filing of a bond or  
2 equivalent security in accordance with the Illinois Code of  
3 Civil Procedure.

4 (3) No existing civil or criminal remedy shall be  
5 excluded or impaired by this Section. ~~This Section shall~~  
6 ~~apply only to those electrical generating units that are~~  
7 ~~subject to the provisions of Subpart W of Part 217 of Title~~  
8 ~~35 of the Illinois Administrative Code, as promulgated by~~  
9 ~~the Illinois Pollution Control Board on December 21, 2000.~~

10 (Source: P.A. 92-12, eff. 7-1-01; 92-279, eff. 8-7-01.)

11 (415 ILCS 5/9.18 new)

12 Sec. 9.18. Energy community reinvestment fee.

13 (a) As used in this Section:

14 "Carbon dioxide equivalent" means a unit of measure  
15 denoting the amount of emissions from a greenhouse gas,  
16 expressed as the amount of carbon dioxide by weight that  
17 produces the same global warming impact.

18 "Fossil fuel generating plant" means an electric  
19 generating unit or a co-generating unit that produces  
20 electricity using fossil fuels.

21 "Payment period" means the three-month period of time  
22 during which emissions are measured for the purpose of  
23 quarterly fee calculation.

24 (b) The General Assembly finds and declares that:

25 (1) the negative effects of fossil fuel-powered

1 electric generating units on human health, environmental  
2 quality, and the climate of our planet require Illinois to  
3 swiftly retire all such plants and shift to 100% renewable  
4 energy;

5 (2) communities located near fossil fuel-powered  
6 electric generating units have experienced these health  
7 and environmental impacts most acutely;

8 (3) communities located near fossil fuel-powered  
9 electric generating units will also experience economic  
10 challenges as these plants retire;

11 (4) the assessment of a fee on the emissions of fossil  
12 fuel generating plants will lower the exposure of  
13 surrounding communities to harmful air pollutants by  
14 providing incentive for fossil fuel generating plants to  
15 reduce emissions;

16 (5) it is in the public interest that communities  
17 located near fossil fuel-fired electric generating plants  
18 should receive support in the form of economic  
19 reinvestment, as recompense for the negative impacts of the  
20 operation of fossil fuel-fired electric generating plants,  
21 to invest in clean energy developments that reduce the  
22 cumulative impacts of air pollution thus protecting the  
23 public health, and as a means for creating new economic  
24 growth and opportunity which is needed when the plants  
25 retire; and

26 (6) this support should be paid for by the owners and

1 operators of fossil fuel-fired electric generating plants,  
2 the operation of which caused harm to the surrounding  
3 communities.

4 (c) Calculation of the Energy Community Reinvestment Fee.  
5 The Agency shall establish procedures for the collection of  
6 energy community reinvestment fees. Energy community  
7 reinvestment fees shall be paid at least quarterly (once every  
8 3 months) by owners of all fossil fuel generating plants in  
9 Illinois, based on the share of each plant's contribution to  
10 the total amount of air pollution emitted by all fossil fuel  
11 generating plants in that payment period, as determined by the  
12 Agency and described in this subsection (c).

13 (1) Pollution Calculation. The energy community  
14 reinvestment fee shall be calculated to reflect the  
15 pollution burden from fossil fuel generating plants, based  
16 on the total emissions of greenhouse gases. The fee shall  
17 be calculated based solely on emissions of carbon dioxide,  
18 methane, and nitrous oxide measured in carbon dioxide  
19 equivalent tons. The exclusive use of carbon dioxide,  
20 methane, and nitrous oxide in the calculation of the fee is  
21 designed to reflect the overall pollution impact from each  
22 fossil fuel generating plant by using these pollutants as a  
23 proximate measurement of overall emissions.

24 (2) Fee Calculation. The Agency shall calculate the fee  
25 owed by each fossil fuel generating plant owner for each  
26 payment period by dividing (A) the total emissions of

1 carbon dioxide equivalents in tons by each plant as  
2 described under paragraph (1) of this subsection (c) by (B)  
3 the total emissions of carbon dioxide equivalents in tons  
4 of all fossil fuel generating plants subject to the energy  
5 community reinvestment fee, and multiplying that figure by  
6 (C) the portion of the annual revenue requirements,  
7 established in subsection (d) of Section 20-70 of the  
8 Energy Community Reinvestment Act, for that payment  
9 period.

10 (3) Right to Fee Reduction. The owner of each plant  
11 liable to pay the energy community reinvestment fee shall  
12 have the right to reduce its liability based on electricity  
13 production as described in this paragraph (3). If  
14 requested, the total amount owed each payment period for  
15 any plant shall be no greater than the total amount of  
16 kilowatt hours of electricity produced by the plant during  
17 the payment period multiplied by one cent per kilowatt  
18 hour, adjusted for inflation from the year this Act takes  
19 effect. Upon request by a plant owner the Agency shall  
20 adjust the total amount owed for each payment period by the  
21 amount necessary to reflect a maximum cost calculated based  
22 on electricity production.

23 (4) Notification by the Agency. The first payment  
24 period shall begin January 1, 2021. No later than April 1,  
25 2021, and every 3 months thereafter on the first of the  
26 month, the Agency shall notify each fossil fuel generating

1 plant owner of the fee calculated pursuant to paragraph (2)  
2 of this subsection (c) for the quarterly period just  
3 concluded.

4 (5) Fee Collection. Plant owners shall remit payment of  
5 their fee to the Agency within 30 days after the close of  
6 each payment period, as established by the Agency. Funds  
7 collected from the energy community reinvestment fee shall  
8 be deposited into the Energy Community Reinvestment Fund.

9 (d) Clean Energy Empowerment Zone Task Force involvement.  
10 If the Agency receives notification from the Department of  
11 Commerce and Economic Opportunity that a plant owner has failed  
12 to engage productively in stakeholder meetings and with Clean  
13 Energy Empowerment Zone Task Forces, as described in the Energy  
14 Community Reinvestment Act, an enforcement action may be  
15 brought under Section 31 of this Act. In addition to any other  
16 relief that may be obtained as part of the enforcement action,  
17 the Agency may seek to recover the avoided engagement fees. The  
18 avoided engagement fees shall be calculated as double the  
19 amount that is owed by the plant owner under subsection (c) for  
20 the current payment period, and subsequent payment periods,  
21 until the Department of Commerce and Economic Opportunity sends  
22 notification to the Agency that the plant owner is in  
23 compliance with the stakeholder engagement requirements of the  
24 Energy Community Reinvestment Act. Avoided engagement fees  
25 (which, for clarity, are in addition to fees collected under  
26 subsection (c)) shall be deposited into the Energy Community

1 Reinvestment Fund to be directed solely to support the local  
2 community's own planning efforts and investments, and the  
3 Agency shall transmit a notification to the Department of  
4 Commerce and Economic Opportunity of the amount collected, and  
5 the plant owner responsible.

6 (e) If a plant owner subject to a fee under this Section  
7 fails to pay the fee within 90 days after its due date, or  
8 makes the fee payment from an account with insufficient funds  
9 to cover the amount of the fee payment, the Agency shall notify  
10 the plant owner of the failure to pay the fee. If the plant  
11 owner fails to pay the fee within 60 days after such  
12 notification, the Agency may, by written notice, immediately  
13 revoke the air pollution operating permit. Failure of the  
14 Agency to notify the plant owner of failure to pay a fee due  
15 under this Section, or the payment of the fee from an account  
16 with insufficient funds to cover the amount of the fee payment,  
17 does not excuse or alter the duty of the plant owner to comply  
18 with the provisions of this Section.

19 (f) No later than November 30 of each year, the Agency  
20 shall submit a report to the Department of Commerce and  
21 Economic Opportunity describing the amount of fees collected  
22 from each fossil fuel-powered electric generating unit, the  
23 status of any delinquencies, and the total amount expected to  
24 be collected.

25 (g) Nothing in this Section shall be interpreted to mean  
26 that the sum owed by each fossil fuel generating plant due to

1 the energy community reinvestment fee is equal to or greater  
2 than the financial valuation of the total harm created by air  
3 pollution from each plant.

4 (h) Enforcement.

5 (1) Any person may file with the Board a complaint,  
6 following the procedures contained in subsection (d) of  
7 Section 31 of this Act, against any person, the State of  
8 Illinois, or any government official for failure to perform  
9 any act or nondiscretionary duty under this Section or for  
10 allegedly violating this Section, any rule or regulation  
11 adopted under this Section, any permit or term or condition  
12 of a permit related to this Section, or any Board order  
13 issued pursuant to this Section. Any person shall have  
14 standing in an action under this Section before the Board.  
15 Any person may intervene as a party as a matter of right in  
16 any legal action concerning this Section, whichever the  
17 forum, if he or she is or may be adversely affected by any  
18 failure to perform any act or nondiscretionary duty under  
19 this Section or any alleged violation of this Section, any  
20 rule or regulation adopted under this Section, any permit  
21 or term or condition of a permit, or any Board order, by  
22 any person, the State of Illinois, or any government  
23 official. Any person with standing to commence an action  
24 pursuant to subsection (e) of Section 9.10 shall have  
25 standing to pursue enforcement under this Section.

26 (2) In an action brought pursuant to this Section, any



1 person may request, and the Board or court may grant,  
2 injunctive relief, damages (including reasonable attorney  
3 and expert witness fees), and any other remedy available  
4 pursuant to Sections 33 or 42 of this Act. The Board or  
5 court may, if a temporary restraining order or preliminary  
6 injunction is sought, require the filing of a bond or  
7 equivalent security in accordance with the Illinois Code of  
8 Civil Procedure.

9 (3) No existing civil or criminal remedy shall be  
10 excluded or impaired by this Section.

11 (415 ILCS 5/9.15 rep.)

12 Section 90-50. The Environmental Protection Act is amended  
13 by repealing Section 9.15.

14 Section 90-55. The Illinois Nuclear Facility Safety Act is  
15 amended by adding Section 10 as follows:

16 (420 ILCS 10/10 new)

17 Sec. 10. Local government nuclear impact fees.

18 (a) As used in this Section:

19 "Local taxing body" means any unit of government that  
20 assesses and collects property taxes.

21 "Qualifying Nuclear Facility" means a facility playing or  
22 having played a direct role in the operation of commercial  
23 nuclear power reactors for the generation of electricity;

1 including facilities used to process radioactive materials for  
2 nuclear fuel fabrication, nuclear power reactors, high-level  
3 and low-level radioactive waste treatment sites, and storage  
4 and disposal locations.

5 "Qualifying Nuclear Operator" means any entity that  
6 operates or has in the past 50 years operated a Qualifying  
7 Nuclear Facility.

8 (b) Notwithstanding any other provision of law to the  
9 contrary, any local taxing body may establish and collect an  
10 annual Nuclear Impact Fee from Qualifying Nuclear Facility  
11 within the boundaries of that local taxing body.

12 (c) The Nuclear Impact Fee shall be charged to the  
13 Qualifying Nuclear Operator.

14 (d) The Nuclear Impact Fee may only be applied  
15 prospectively on or after the effective date of this amendatory  
16 Act of the 101st General Assembly, and may not be applied  
17 retroactively to a date before which this amendatory Act is  
18 passed.

19 (e) The Nuclear Impact Fee permission granted to local  
20 taxing bodies under these rules shall expire separately for  
21 each individual local taxing body. That date of expiration of  
22 the Nuclear Impact Fee permission for each local taxing body  
23 shall be either exactly 30 years after the effective date of  
24 this amendatory Act of the 101st General Assembly, or 10 years  
25 following the permanent shutdown of the Qualifying Nuclear  
26 Facility from which the local taxing body collected property

1 taxes, whichever date is later.

2 (f) In any calendar year, a local taxing body may not  
3 impose a Nuclear Impact Fee that exceeds 25% of the average  
4 annual amount of property taxes, or payments in lieu of taxes,  
5 paid to that local taxing body by the Qualifying Nuclear  
6 Facility over the most recent 5-year period that the Qualifying  
7 Nuclear Facility has been operational.

8 (g) Any failure by the Qualifying Nuclear Operator to pay a  
9 Nuclear Impact Fee within 180 days of the fee payment deadline  
10 shall be deemed a failure to comply, and shall automatically  
11 require the Qualifying Nuclear Operator to pay the Local Entity  
12 double the otherwise-allowable property taxes, up to 50% of the  
13 average annual amount of property taxes paid over the most  
14 recent 5-year period that the Qualifying Nuclear Facility was  
15 operational.

16 (h) To establish a Nuclear Impact Fee, the local taxing  
17 body shall adopt a resolution or ordinance describing the  
18 public need for economic transition, the annual amount of the  
19 fee, the Qualifying Nuclear Facility, the Qualifying Nuclear  
20 Operator to be assessed, and a description of projected  
21 expenses for the fee for the period the fee is in effect. The  
22 local taxing body shall conduct a public hearing before  
23 adopting a resolution or ordinance imposing a Nuclear Impact  
24 Fee permitted under this Section. The hearing shall be held  
25 within the boundaries of the local taxing body. Public notice  
26 of the time, place, and purpose of the hearing shall be given

1 at least 10 business days before the date of the hearing.

2 (i) A local taxing body shall include in its resolution or  
3 ordinance the method for collection of payment of a Nuclear  
4 Impact Fee. A county which has adopted a resolution or  
5 ordinance imposing a Nuclear Impact Fee may collect such Fees  
6 in the regular property tax bills of the county. The county  
7 collector of the county in which a local taxing body has  
8 adopted a resolution or ordinance imposing a Nuclear Impact Fee  
9 may bill and collect such Fees with the regular property tax  
10 bills of the county if requested by a local taxing body within  
11 its jurisdiction.

12 (j) The revenue collected through the Nuclear Impact Fee by  
13 a local taxing body shall only be used for the purposes of  
14 supporting the "economic transition" of local communities that  
15 have experienced the closure of a Qualifying Nuclear Facility  
16 or will experience a Qualifying Nuclear Facility in the future.  
17 "Economic transition" uses may include tax base replacement,  
18 workforce development, public school funding, essential public  
19 service, or sustainable infrastructure projects.

20 (k) The revenue collected under this Section shall not be  
21 used either directly or indirectly to aid, subsidize, enact,  
22 support, or otherwise enable investment in any electricity  
23 generation infrastructure that processes or can process fossil  
24 or nuclear fuels.

25 (l) No later than November 30 of each calendar year, each  
26 local taxing body collecting a Nuclear Impact Fee pursuant to

1 this Section shall remit to the Department of Revenue for  
2 deposit in the Energy Community Reinvestment Fund 20% of the  
3 annual revenue collection from any Nuclear Impact Fees in order  
4 to help fund state programs that support economic transition  
5 and workforce development, showing such information as the  
6 Department of Revenue may reasonably require.

7 (m) No later than November 30 of each calendar year, each  
8 local taxing body collecting a Nuclear Impact Fee pursuant to  
9 this Section shall submit to the Department of Commerce and  
10 Economic Opportunity and the Agency a report detailing the  
11 total amount of funds collected from any Nuclear Impact Fees,  
12 the planned expenditure of the funds, the coordination of  
13 expenditure with any Department economic transition activities  
14 and investments, copies of any adoption of or amendments to  
15 resolutions or ordinances impacting the assessment of Nuclear  
16 Impact Fees, and a certification of the remittance of the State  
17 portion of the funds collected to the Department of Revenue.

18 (n) The Department of Commerce and Economic Opportunity may  
19 establish such rules as it deems necessary to implement this  
20 Section.

21 Section 90-60. The Prevailing Wage Act is amended by adding  
22 Section 3.3 as follows:

23 (820 ILCS 130/3.3 new)

24 Sec. 3.3. Job classifications. The Department of Labor

1 must, within 60 days after the effective date of this  
2 amendatory Act of the 101st General Assembly, identify job  
3 categories for laborers, mechanics, and other workers employed  
4 in the provision of programs created or altered by this Act,  
5 for which the Department has not already set a prevailing rate  
6 of wages.

7 The Department of Labor must, within 240 days after the  
8 effective date of this amendatory Act of the 101st General  
9 Assembly, set a prevailing rate of wages for each identified  
10 job category.

11 Article 99. Nonacceleration; Effective Date

12 Section 99-95. No acceleration or delay. Where this Act  
13 makes changes in a statute that is represented in this Act by  
14 text that is not yet or no longer in effect (for example, a  
15 Section represented by multiple versions), the use of that text  
16 does not accelerate or delay the taking effect of (i) the  
17 changes made by this Act or (ii) provisions derived from any  
18 other Public Act.

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