



Rep. Sonya M. Harper

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1 AMENDMENT TO HOUSE BILL 3328

2 AMENDMENT NO. _____. Amend House Bill 3328 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Equitable Energy Financing Act.

6 Section 5. Findings and purpose. The General Assembly finds
7 that Illinois homes and businesses can contribute to the
8 creation of a clean energy economy, conservation of natural
9 resources, and reliability of the electricity grid through the
10 installation of cost-effective renewable energy generation,
11 energy efficiency, and energy storage systems. The General
12 Assembly further finds that a large portion of Illinois
13 residents and businesses that would benefit from the
14 installation of energy efficiency, energy storage systems, and
15 renewable energy generation systems are unable to purchase
16 systems due to capital or credit barriers. The purpose of this

1 Act is to implement much needed modifications to the State's
2 regulation of utilities that the General Assembly believes will
3 enable many more Illinoisans to access the health,
4 environmental, and financial benefits of new clean energy
5 technology.

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

7 "Commission" means to the Illinois Commerce Commission.

8 "Energy project" means a renewable energy generation
9 system, energy efficiency upgrades, energy storage systems, or
10 any combination thereof.

11 "Program" refers to the Equitable Energy Financing Program
12 established under this Act.

13 "Utility" means public utilities providing electric
14 service to customers under the Public Utilities Act, as well as
15 municipal electricity aggregators and electricity
16 cooperatives.

17 Section 15. Equitable Energy Financing Program.

18 (a) The Illinois Commerce Commission shall establish a
19 Program for all electric utilities in this State which permits
20 customers to finance the construction of energy projects
21 through an optional tariff payable directly through their
22 utility bill, modeled after the Pay As You Save (PAYS) program
23 design. The Program model shall make investments in energy
24 projects for customer properties with low-cost capital and use

1 an opt-in tariff to recover the costs. This Program shall be
2 referred to as the Equitable Energy Financing Program. The
3 Program shall be designed to provide customers with financial
4 savings if they choose to participate. The Program will allow
5 residential electric utility customers that own the property,
6 or renters that have a long-term lease on the property, for
7 which they subscribe to utility service to purchase an energy
8 project. The Program will ensure:

9 (1) that eligible projects do not require up-front
10 payments;

11 (2) that eligible projects have an estimated life cycle
12 savings that exceeds the cost of the project;

13 (3) that participants will finance the projects by
14 paying for the project through an optional tariff directly
15 through the participant's electricity bill, allowing
16 participants to invest in energy projects without
17 traditional loans;

18 (4) accessibility for lower income residents and
19 environmental justice community residents; and

20 (5) that administration is in coordination with the
21 energy efficiency on-bill financing program established in
22 the Public Utilities Act to maximize access and financial
23 savings by residents.

24 (b) In the design of the Equitable Energy Financing
25 Program, the Commission shall:

26 (1) Within 60 days after the effective date of this

1 Act, convene a workshop process during which interested
2 participants may discuss issues and submit comments
3 related to the Program.

4 (2) Establish Program guidelines that electric
5 utilities will abide by when designing their plan to
6 participate in the Program. Program guidelines established
7 by the Commission shall include the following elements:

8 (A) The Commission shall establish conditions
9 under which utilities secure capital to fund the energy
10 projects. The Commission may allow utilities to raise
11 capital independently, work with third party lenders
12 to secure the capital for participants, or a
13 combination thereof. Any process the Commission
14 approves must use a market mechanism to identify the
15 least costly sources of capital funds so as to pass on
16 maximum savings to participants. The State of Illinois
17 may also choose to provide capital for this Program.

18 (B) Customer protection guidelines should be
19 designed based on the principles established in
20 Section 20.

21 (C) The Commission shall establish conditions by
22 which utilities may connect Program participants to
23 energy project vendors. In setting conditions for
24 connection, the Commission may prioritize vendors that
25 have a history of good relations with the State,
26 including vendors which have hired participants from

1 State-created job training programs.

2 (D) The guidelines established by the Commission
3 shall include a guarantee of anticipated financial
4 savings by Program participants.

5 (c) Within 60 days after the Commission releases the
6 Program conditions established under this Section, each
7 utility subject to the requirements of this Section shall
8 submit an informational filing to the Commission that describes
9 its plan for implementing the provisions of this Act. If the
10 Commission finds that the submission does not properly comply
11 with the statutory or regulatory requirements of the Program,
12 the Commission may require that the utility make modifications
13 to its filing.

14 (d) An independent evaluation of the Program shall be
15 conducted after the Program has been operating for 2 years. An
16 advisory council of stakeholders, including representatives of
17 low income and environment justice community members assembled
18 by the Commission shall make recommendations in response to the
19 findings of the independent evaluation.

20 Section 20. Customer protections; cost-effectiveness.

21 (a) The Equitable Energy Financing Program shall be
22 designed to be cost-effective for customers to realize
23 guaranteed savings in their utility bills. Only projects that
24 are deemed by the Commission to be cost-effective and can be
25 reasonably expected to ensure customer savings are eligible for

1 funding through the Program. Projects shall only be considered
2 cost-effective if they deliver savings to the customer.
3 Anticipated savings must be expected to be present both (1) on
4 a monthly or bill-cycle basis and (2) over the lifetime of the
5 energy project.

6 (b) Eligible customers must be: (1) retail customers who
7 are renters with long-term leases; or (2) property owners.

8 (c) The calculation of cost-effectiveness must be
9 conducted by an objective process established by the
10 Commission. Factors that may be used to establish whether a
11 project is cost-effective include, but are not limited to, the
12 following:

13 (1) estimated energy produced or conserved by a
14 potential energy project;

15 (2) historical and projected energy prices;

16 (3) participant access to net-metering rebates;

17 (4) a participant's ability to sell energy credits
18 created by the energy project in Illinois or other
19 jurisdictions; and

20 (5) a participant's history of energy use and bill
21 costs.

22 A project shall be considered cost-effective only if the
23 projected customer reduces his or her payment amount by at
24 least 5% over his or her projected costs without the energy
25 project. The Commission may establish guidelines by which this
26 required savings is measured.

1 (d) The Equitable Energy Financing Program shall be modeled
2 after the Pay As You Save (PAYS), system in which Program
3 participants finance energy projects using the savings that the
4 energy project creates with an on-bill financing program.
5 Eligible projects shall not:

6 (1) create personal debt for the customer;

7 (2) result in a lien in the event of nonpayment by
8 customers; or

9 (3) require customers to pay for defective energy
10 projects.

11 (e) Any energy project that is defective or damaged must be
12 either replaced or repaired with parts that meet industry
13 standards. The Commission may establish, increase, or replace
14 the requirements imposed by this subsection (e).

15 (f) The Commission shall establish conditions in the event
16 of nonpayment by customers.

17 Section 25. Utility participation in the Program.

18 (a) All electric utilities in this State shall be required
19 to participate in the Program. Utilities shall not discriminate
20 against customers on the basis of their energy supplier.

21 (b) Utilities shall use reasonable efforts to inform
22 customers about the availability of the Program, their
23 potential eligibility for participation in the Program, as well
24 as to whether they are likely to save money on the basis of an
25 estimate conducted using variables consistent with the Program

1 that the utility has at its disposal. The Commission may
2 establish guidelines by which utilities must abide by in
3 fulfilling these requirements.

4 (c) Subject to Commission specifications established in
5 Section 15, each utility shall work with certified project
6 vendors selected under a request for proposal process to
7 establish the terms and processes under which a participant can
8 purchase eligible renewable energy generation and energy
9 storage systems using the financing obtained from the lender
10 through a program designed to fit the Equitable Energy
11 Financing Program model. The certified project vendor shall
12 explain and offer the approved financing packaging to customers
13 and shall assist customers in applying for financing through
14 the Equitable Energy Financing Program. As part of the process,
15 vendors shall also provide participants with information about
16 any other relevant incentives that may be available.

17 (d) An electric utility shall recover all of the prudently
18 incurred costs of offering a program approved by the Commission
19 under this Section.

20 (e) The Commission shall adopt all rules necessary for the
21 administration of this Act.

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