



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2205

Introduced 2/8/2023, by Rep. Jay Hoffman - Lawrence "Larry" Walsh, Jr. - Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-10
20 ILCS 3855/1-75

Amends the Illinois Power Agency Act. Adds to the definition of "brownfield site photovoltaic project", photovoltaics that meet the criteria that the project is interconnected to an electric utility, a municipal utility, a public utility as defined in the Public Utilities Act, or an electric cooperative as defined in the Public Utilities Act and is located on any part of the site, and within the property boundaries, of a coal-fueled electric generating plant in this State that was retired as of January 1, 2023, or that the generating plant owner commits to retire prior to the commercial operation date of the project. In provisions concerning renewable energy credits from new projects in the long-term renewable resources procurement plan, the Agency shall procure 55% from photovoltaic projects where at least 44% (rather than 47%) are from utility-scale solar projects and at least 3% are from projects that meet specified criteria. Effective immediately.

LRB103 28438 AMQ 54818 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-10 and 1-75 as follows:

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

9 "Agency loan agreement" means any agreement pursuant to
10 which the Illinois Finance Authority agrees to loan the
11 proceeds of revenue bonds issued with respect to a project to
12 the Agency upon terms providing for loan repayment
13 installments at least sufficient to pay when due all principal
14 of, interest and premium, if any, on those revenue bonds, and
15 providing for maintenance, insurance, and other matters in
16 respect of the project.

17 "Authority" means the Illinois Finance Authority.

18 "Brownfield site photovoltaic project" means photovoltaics
19 that meet the criteria specified in paragraph (1), (2), or (3)
20 ~~are either:~~

21 (1) the project is interconnected to an electric
22 utility as defined in this Section, a municipal utility as
23 defined in this Section, a public utility as defined in

1 Section 3-105 of the Public Utilities Act, or an electric
2 cooperative as defined in Section 3-119 of the Public
3 Utilities Act and located at a site that is regulated by
4 any of the following entities under the following
5 programs:

6 (A) the United States Environmental Protection
7 Agency under the federal Comprehensive Environmental
8 Response, Compensation, and Liability Act of 1980, as
9 amended;

10 (B) the United States Environmental Protection
11 Agency under the Corrective Action Program of the
12 federal Resource Conservation and Recovery Act, as
13 amended;

14 (C) the Illinois Environmental Protection Agency
15 under the Illinois Site Remediation Program; or

16 (D) the Illinois Environmental Protection Agency
17 under the Illinois Solid Waste Program; ~~or~~

18 (2) the project is located at the site of a coal mine
19 that has permanently ceased coal production, permanently
20 halted any re-mining operations, and is no longer
21 accepting any coal combustion residues; has both completed
22 all clean-up and remediation obligations under the federal
23 Surface Mining and Reclamation Act of 1977 and all
24 applicable Illinois rules and any other clean-up,
25 remediation, or ongoing monitoring to safeguard the health
26 and well-being of the people of the State of Illinois, as

1 well as demonstrated compliance with all applicable
2 federal and State environmental rules and regulations,
3 including, but not limited, to 35 Ill. Adm. Code Part 845
4 and any rules for historic fill of coal combustion
5 residuals, including any rules finalized in Subdocket A of
6 Illinois Pollution Control Board docket R2020-019; ~~or~~

7 (3) the project is interconnected to an electric
8 utility, a municipal utility, a public utility as defined
9 in Section 3-105 of the Public Utilities Act, or an
10 electric cooperative as defined in Section 3-119 of the
11 Public Utilities Act and is located on any part of the
12 site, and within the property boundaries, of a coal-fueled
13 electric generating plant in this State that was retired
14 as of January 1, 2023, or that the generating plant owner
15 commits to retire prior to the commercial operation date
16 of the project, regardless of whether or not any portion
17 of the site is regulated under one or more of the programs
18 listed in paragraph (2) of this definition. However, this
19 subparagraph shall not include projects selected to enter
20 into renewable energy credit contracts pursuant to
21 subsection (c-5) of Section 1-75.

22 "Clean coal facility" means an electric generating
23 facility that uses primarily coal as a feedstock and that
24 captures and sequesters carbon dioxide emissions at the
25 following levels: at least 50% of the total carbon dioxide
26 emissions that the facility would otherwise emit if, at the

1 time construction commences, the facility is scheduled to
2 commence operation before 2016, at least 70% of the total
3 carbon dioxide emissions that the facility would otherwise
4 emit if, at the time construction commences, the facility is
5 scheduled to commence operation during 2016 or 2017, and at
6 least 90% of the total carbon dioxide emissions that the
7 facility would otherwise emit if, at the time construction
8 commences, the facility is scheduled to commence operation
9 after 2017. The power block of the clean coal facility shall
10 not exceed allowable emission rates for sulfur dioxide,
11 nitrogen oxides, carbon monoxide, particulates and mercury for
12 a natural gas-fired combined-cycle facility the same size as
13 and in the same location as the clean coal facility at the time
14 the clean coal facility obtains an approved air permit. All
15 coal used by a clean coal facility shall have high volatile
16 bituminous rank and greater than 1.7 pounds of sulfur per
17 million Btu ~~btu~~ content, unless the clean coal facility does
18 not use gasification technology and was operating as a
19 conventional coal-fired electric generating facility on June
20 1, 2009 (the effective date of Public Act 95-1027).

21 "Clean coal SNG brownfield facility" means a facility that
22 (1) has commenced construction by July 1, 2015 on an urban
23 brownfield site in a municipality with at least 1,000,000
24 residents; (2) uses a gasification process to produce
25 substitute natural gas; (3) uses coal as at least 50% of the
26 total feedstock over the term of any sourcing agreement with a

1 utility and the remainder of the feedstock may be either
2 petroleum coke or coal, with all such coal having a high
3 bituminous rank and greater than 1.7 pounds of sulfur per
4 million Btu content unless the facility reasonably determines
5 that it is necessary to use additional petroleum coke to
6 deliver additional consumer savings, in which case the
7 facility shall use coal for at least 35% of the total feedstock
8 over the term of any sourcing agreement; and (4) captures and
9 sequesters at least 85% of the total carbon dioxide emissions
10 that the facility would otherwise emit.

11 "Clean coal SNG facility" means a facility that uses a
12 gasification process to produce substitute natural gas, that
13 sequesters at least 90% of the total carbon dioxide emissions
14 that the facility would otherwise emit, that uses at least 90%
15 coal as a feedstock, with all such coal having a high
16 bituminous rank and greater than 1.7 pounds of sulfur per
17 million Btu ~~btu~~ content, and that has a valid and effective
18 permit to construct emission sources and air pollution control
19 equipment and approval with respect to the federal regulations
20 for Prevention of Significant Deterioration of Air Quality
21 (PSD) for the plant pursuant to the federal Clean Air Act;
22 provided, however, a clean coal SNG brownfield facility shall
23 not be a clean coal SNG facility.

24 "Clean energy" means energy generation that is 90% or
25 greater free of carbon dioxide emissions.

26 "Commission" means the Illinois Commerce Commission.

1 "Community renewable generation project" means an electric
2 generating facility that:

3 (1) is powered by wind, solar thermal energy,
4 photovoltaic cells or panels, biodiesel, crops and
5 untreated and unadulterated organic waste biomass, and
6 hydropower that does not involve new construction or
7 significant expansion of hydropower dams;

8 (2) is interconnected at the distribution system level
9 of an electric utility as defined in this Section, a
10 municipal utility as defined in this Section that owns or
11 operates electric distribution facilities, a public
12 utility as defined in Section 3-105 of the Public
13 Utilities Act, or an electric cooperative, as defined in
14 Section 3-119 of the Public Utilities Act;

15 (3) credits the value of electricity generated by the
16 facility to the subscribers of the facility; and

17 (4) is limited in nameplate capacity to less than or
18 equal to 5,000 kilowatts.

19 "Costs incurred in connection with the development and
20 construction of a facility" means:

21 (1) the cost of acquisition of all real property,
22 fixtures, and improvements in connection therewith and
23 equipment, personal property, and other property, rights,
24 and easements acquired that are deemed necessary for the
25 operation and maintenance of the facility;

26 (2) financing costs with respect to bonds, notes, and

1 other evidences of indebtedness of the Agency;

2 (3) all origination, commitment, utilization,
3 facility, placement, underwriting, syndication, credit
4 enhancement, and rating agency fees;

5 (4) engineering, design, procurement, consulting,
6 legal, accounting, title insurance, survey, appraisal,
7 escrow, trustee, collateral agency, interest rate hedging,
8 interest rate swap, capitalized interest, contingency, as
9 required by lenders, and other financing costs, and other
10 expenses for professional services; and

11 (5) the costs of plans, specifications, site study and
12 investigation, installation, surveys, other Agency costs
13 and estimates of costs, and other expenses necessary or
14 incidental to determining the feasibility of any project,
15 together with such other expenses as may be necessary or
16 incidental to the financing, insuring, acquisition, and
17 construction of a specific project and starting up,
18 commissioning, and placing that project in operation.

19 "Delivery services" has the same definition as found in
20 Section 16-102 of the Public Utilities Act.

21 "Delivery year" means the consecutive 12-month period
22 beginning June 1 of a given year and ending May 31 of the
23 following year.

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

26 "Director" means the Director of the Illinois Power

1 Agency.

2 "Demand-response" means measures that decrease peak
3 electricity demand or shift demand from peak to off-peak
4 periods.

5 "Distributed renewable energy generation device" means a
6 device that is:

7 (1) powered by wind, solar thermal energy,
8 photovoltaic cells or panels, biodiesel, crops and
9 untreated and unadulterated organic waste biomass, tree
10 waste, and hydropower that does not involve new
11 construction or significant expansion of hydropower dams,
12 waste heat to power systems, or qualified combined heat
13 and power systems;

14 (2) interconnected at the distribution system level of
15 either an electric utility as defined in this Section, a
16 municipal utility as defined in this Section that owns or
17 operates electric distribution facilities, or a rural
18 electric cooperative as defined in Section 3-119 of the
19 Public Utilities Act;

20 (3) located on the customer side of the customer's
21 electric meter and is primarily used to offset that
22 customer's electricity load; and

23 (4) (blank).

24 "Energy efficiency" means measures that reduce the amount
25 of electricity or natural gas consumed in order to achieve a
26 given end use. "Energy efficiency" includes voltage

1 optimization measures that optimize the voltage at points on
2 the electric distribution voltage system and thereby reduce
3 electricity consumption by electric customers' end use
4 devices. "Energy efficiency" also includes measures that
5 reduce the total Btus of electricity, natural gas, and other
6 fuels needed to meet the end use or uses.

7 "Electric utility" has the same definition as found in
8 Section 16-102 of the Public Utilities Act.

9 "Equity investment eligible community" or "eligible
10 community" are synonymous and mean the geographic areas
11 throughout Illinois which would most benefit from equitable
12 investments by the State designed to combat discrimination.
13 Specifically, the eligible communities shall be defined as the
14 following areas:

15 (1) R3 Areas as established pursuant to Section 10-40
16 of the Cannabis Regulation and Tax Act, where residents
17 have historically been excluded from economic
18 opportunities, including opportunities in the energy
19 sector; and

20 (2) environmental ~~Environmental~~ justice communities,
21 as defined by the Illinois Power Agency pursuant to the
22 Illinois Power Agency Act, where residents have
23 historically been subject to disproportionate burdens of
24 pollution, including pollution from the energy sector.

25 "Equity eligible persons" or "eligible persons" means
26 persons who would most benefit from equitable investments by

1 the State designed to combat discrimination, specifically:

2 (1) persons who graduate from or are current or former
3 participants in the Clean Jobs Workforce Network Program,
4 the Clean Energy Contractor Incubator Program, the
5 Illinois Climate Works Preapprenticeship Program,
6 Returning Residents Clean Jobs Training Program, or the
7 Clean Energy Primes Contractor Accelerator Program, and
8 the solar training pipeline and multi-cultural jobs
9 program created in paragraphs (a) (1) and (a) (3) of Section
10 16-208.12 ~~16-108.21~~ of the Public Utilities Act;

11 (2) persons who are graduates of or currently enrolled
12 in the foster care system;

13 (3) persons who were formerly incarcerated;

14 (4) persons whose primary residence is in an equity
15 investment eligible community.

16 "Equity eligible contractor" means a business that is
17 majority-owned by eligible persons, or a nonprofit or
18 cooperative that is majority-governed by eligible persons, or
19 is a natural person that is an eligible person offering
20 personal services as an independent contractor.

21 "Facility" means an electric generating unit or a
22 co-generating unit that produces electricity along with
23 related equipment necessary to connect the facility to an
24 electric transmission or distribution system.

25 "General contractor ~~Contractor~~" means the entity or
26 organization with main responsibility for the building of a

1 construction project and who is the party signing the prime
2 construction contract for the project.

3 "Governmental aggregator" means one or more units of local
4 government that individually or collectively procure
5 electricity to serve residential retail electrical loads
6 located within its or their jurisdiction.

7 "High voltage direct current converter station" means the
8 collection of equipment that converts direct current energy
9 from a high voltage direct current transmission line into
10 alternating current using Voltage Source Conversion technology
11 and that is interconnected with transmission or distribution
12 assets located in Illinois.

13 "High voltage direct current renewable energy credit"
14 means a renewable energy credit associated with a renewable
15 energy resource where the renewable energy resource has
16 entered into a contract to transmit the energy associated with
17 such renewable energy credit over high voltage direct current
18 transmission facilities.

19 "High voltage direct current transmission facilities"
20 means the collection of installed equipment that converts
21 alternating current energy in one location to direct current
22 and transmits that direct current energy to a high voltage
23 direct current converter station using Voltage Source
24 Conversion technology. "High voltage direct current
25 transmission facilities" includes the high voltage direct
26 current converter station itself and associated high voltage

1 direct current transmission lines. Notwithstanding the
2 preceding, after September 15, 2021 (the effective date of
3 Public Act 102-662) ~~this amendatory Act of the 102nd General~~
4 ~~Assembly~~, an otherwise qualifying collection of equipment does
5 not qualify as high voltage direct current transmission
6 facilities unless its developer entered into a project labor
7 agreement, is capable of transmitting electricity at 525kv
8 with an Illinois converter station located and interconnected
9 in the region of the PJM Interconnection, LLC, and the system
10 does not operate as a public utility, as that term is defined
11 in Section 3-105 of the Public Utilities Act.

12 "Index price" means the real-time energy settlement price
13 at the applicable Illinois trading hub, such as PJM-NIHUB or
14 MISO-IL, for a given settlement period.

15 "Indexed renewable energy credit" means a tradable credit
16 that represents the environmental attributes of one megawatt
17 hour of energy produced from a renewable energy resource, the
18 price of which shall be calculated by subtracting the strike
19 price offered by a new utility-scale wind project or a new
20 utility-scale photovoltaic project from the index price in a
21 given settlement period.

22 "Indexed renewable energy credit counterparty" has the
23 same meaning as "public utility" as defined in Section 3-105
24 of the Public Utilities Act.

25 "Local government" means a unit of local government as
26 defined in Section 1 of Article VII of the Illinois

1 Constitution.

2 "Municipality" means a city, village, or incorporated
3 town.

4 "Municipal utility" means a public utility owned and
5 operated by any subdivision or municipal corporation of this
6 State.

7 "Nameplate capacity" means the aggregate inverter
8 nameplate capacity in kilowatts AC.

9 "Person" means any natural person, firm, partnership,
10 corporation, either domestic or foreign, company, association,
11 limited liability company, joint stock company, or association
12 and includes any trustee, receiver, assignee, or personal
13 representative thereof.

14 "Project" means the planning, bidding, and construction of
15 a facility.

16 "Project labor agreement" means a pre-hire collective
17 bargaining agreement that covers all terms and conditions of
18 employment on a specific construction project and must include
19 the following:

20 (1) provisions establishing the minimum hourly wage
21 for each class of labor organization employee;

22 (2) provisions establishing the benefits and other
23 compensation for each class of labor organization
24 employee;

25 (3) provisions establishing that no strike or disputes
26 will be engaged in by the labor organization employees;

1 (4) provisions establishing that no lockout or
2 disputes will be engaged in by the general contractor
3 building the project; and

4 (5) provisions for minorities and women, as defined
5 under the Business Enterprise for Minorities, Women, and
6 Persons with Disabilities Act, setting forth goals for
7 apprenticeship hours to be performed by minorities and
8 women and setting forth goals for total hours to be
9 performed by underrepresented minorities and women.

10 A labor organization and the general contractor building
11 the project shall have the authority to include other terms
12 and conditions as they deem necessary.

13 "Public utility" has the same definition as found in
14 Section 3-105 of the Public Utilities Act.

15 "Qualified combined heat and power systems" means systems
16 that, either simultaneously or sequentially, produce
17 electricity and useful thermal energy from a single fuel
18 source. Such systems are eligible for "renewable energy
19 credits" in an amount equal to its total energy output where a
20 renewable fuel is consumed or in an amount equal to the net
21 reduction in nonrenewable fuel consumed on a total energy
22 output basis.

23 "Real property" means any interest in land together with
24 all structures, fixtures, and improvements thereon, including
25 lands under water and riparian rights, any easements,
26 covenants, licenses, leases, rights-of-way, uses, and other

1 interests, together with any liens, judgments, mortgages, or
2 other claims or security interests related to real property.

3 "Renewable energy credit" means a tradable credit that
4 represents the environmental attributes of one megawatt hour
5 of energy produced from a renewable energy resource.

6 "Renewable energy resources" includes energy and its
7 associated renewable energy credit or renewable energy credits
8 from wind, solar thermal energy, photovoltaic cells and
9 panels, biodiesel, anaerobic digestion, crops and untreated
10 and unadulterated organic waste biomass, and hydropower that
11 does not involve new construction or significant expansion of
12 hydropower dams, waste heat to power systems, or qualified
13 combined heat and power systems. For purposes of this Act,
14 landfill gas produced in the State is considered a renewable
15 energy resource. "Renewable energy resources" does not include
16 the incineration or burning of tires, garbage, general
17 household, institutional, and commercial waste, industrial
18 lunchroom or office waste, landscape waste, railroad
19 crossties, utility poles, or construction or demolition
20 debris, other than untreated and unadulterated waste wood.
21 "Renewable energy resources" also includes high voltage direct
22 current renewable energy credits and the associated energy
23 converted to alternating current by a high voltage direct
24 current converter station to the extent that: (1) the
25 generator of such renewable energy resource contracted with a
26 third party to transmit the energy over the high voltage

1 direct current transmission facilities, and (2) the
2 third-party contracting for delivery of renewable energy
3 resources over the high voltage direct current transmission
4 facilities have ownership rights over the unretired associated
5 high voltage direct current renewable energy credit.

6 "Retail customer" has the same definition as found in
7 Section 16-102 of the Public Utilities Act.

8 "Revenue bond" means any bond, note, or other evidence of
9 indebtedness issued by the Authority, the principal and
10 interest of which is payable solely from revenues or income
11 derived from any project or activity of the Agency.

12 "Sequester" means permanent storage of carbon dioxide by
13 injecting it into a saline aquifer, a depleted gas reservoir,
14 or an oil reservoir, directly or through an enhanced oil
15 recovery process that may involve intermediate storage,
16 regardless of whether these activities are conducted by a
17 clean coal facility, a clean coal SNG facility, a clean coal
18 SNG brownfield facility, or a party with which a clean coal
19 facility, clean coal SNG facility, or clean coal SNG
20 brownfield facility has contracted for such purposes.

21 "Service area" has the same definition as found in Section
22 16-102 of the Public Utilities Act.

23 "Settlement period" means the period of time utilized by
24 MISO and PJM and their successor organizations as the basis
25 for settlement calculations in the real-time energy market.

26 "Sourcing agreement" means (i) in the case of an electric

1 utility, an agreement between the owner of a clean coal
2 facility and such electric utility, which agreement shall have
3 terms and conditions meeting the requirements of paragraph (3)
4 of subsection (d) of Section 1-75, (ii) in the case of an
5 alternative retail electric supplier, an agreement between the
6 owner of a clean coal facility and such alternative retail
7 electric supplier, which agreement shall have terms and
8 conditions meeting the requirements of Section 16-115(d)(5) of
9 the Public Utilities Act, and (iii) in case of a gas utility,
10 an agreement between the owner of a clean coal SNG brownfield
11 facility and the gas utility, which agreement shall have the
12 terms and conditions meeting the requirements of subsection
13 (h-1) of Section 9-220 of the Public Utilities Act.

14 "Strike price" means a contract price for energy and
15 renewable energy credits from a new utility-scale wind project
16 or a new utility-scale photovoltaic project.

17 "Subscriber" means a person who (i) takes delivery service
18 from an electric utility, and (ii) has a subscription of no
19 less than 200 watts to a community renewable generation
20 project that is located in the electric utility's service
21 area. No subscriber's subscriptions may total more than 40% of
22 the nameplate capacity of an individual community renewable
23 generation project. Entities that are affiliated by virtue of
24 a common parent shall not represent multiple subscriptions
25 that total more than 40% of the nameplate capacity of an
26 individual community renewable generation project.

1 "Subscription" means an interest in a community renewable
2 generation project expressed in kilowatts, which is sized
3 primarily to offset part or all of the subscriber's
4 electricity usage.

5 "Substitute natural gas" or "SNG" means a gas manufactured
6 by gasification of hydrocarbon feedstock, which is
7 substantially interchangeable in use and distribution with
8 conventional natural gas.

9 "Total resource cost test" or "TRC test" means a standard
10 that is met if, for an investment in energy efficiency or
11 demand-response measures, the benefit-cost ratio is greater
12 than one. The benefit-cost ratio is the ratio of the net
13 present value of the total benefits of the program to the net
14 present value of the total costs as calculated over the
15 lifetime of the measures. A total resource cost test compares
16 the sum of avoided electric utility costs, representing the
17 benefits that accrue to the system and the participant in the
18 delivery of those efficiency measures and including avoided
19 costs associated with reduced use of natural gas or other
20 fuels, avoided costs associated with reduced water
21 consumption, and avoided costs associated with reduced
22 operation and maintenance costs, as well as other quantifiable
23 societal benefits, to the sum of all incremental costs of
24 end-use measures that are implemented due to the program
25 (including both utility and participant contributions), plus
26 costs to administer, deliver, and evaluate each demand-side

1 program, to quantify the net savings obtained by substituting
2 the demand-side program for supply resources. In calculating
3 avoided costs of power and energy that an electric utility
4 would otherwise have had to acquire, reasonable estimates
5 shall be included of financial costs likely to be imposed by
6 future regulations and legislation on emissions of greenhouse
7 gases. In discounting future societal costs and benefits for
8 the purpose of calculating net present values, a societal
9 discount rate based on actual, long-term Treasury bond yields
10 should be used. Notwithstanding anything to the contrary, the
11 TRC test shall not include or take into account a calculation
12 of market price suppression effects or demand reduction
13 induced price effects.

14 "Utility-scale solar project" means an electric generating
15 facility that:

- 16 (1) generates electricity using photovoltaic cells;
17 and
18 (2) has a nameplate capacity that is greater than
19 5,000 kilowatts.

20 "Utility-scale wind project" means an electric generating
21 facility that:

- 22 (1) generates electricity using wind; and
23 (2) has a nameplate capacity that is greater than
24 5,000 kilowatts.

25 "Waste Heat to Power Systems" means systems that capture
26 and generate electricity from energy that would otherwise be

1 lost to the atmosphere without the use of additional fuel.

2 "Zero emission credit" means a tradable credit that
3 represents the environmental attributes of one megawatt hour
4 of energy produced from a zero emission facility.

5 "Zero emission facility" means a facility that: (1) is
6 fueled by nuclear power; and (2) is interconnected with PJM
7 Interconnection, LLC or the Midcontinent Independent System
8 Operator, Inc., or their successors.

9 (Source: P.A. 102-662, eff. 9-15-21; revised 6-2-22.)

10 (20 ILCS 3855/1-75)

11 Sec. 1-75. Planning and Procurement Bureau. The Planning
12 and Procurement Bureau has the following duties and
13 responsibilities:

14 (a) The Planning and Procurement Bureau shall each year,
15 beginning in 2008, develop procurement plans and conduct
16 competitive procurement processes in accordance with the
17 requirements of Section 16-111.5 of the Public Utilities Act
18 for the eligible retail customers of electric utilities that
19 on December 31, 2005 provided electric service to at least
20 100,000 customers in Illinois. Beginning with the delivery
21 year commencing on June 1, 2017, the Planning and Procurement
22 Bureau shall develop plans and processes for the procurement
23 of zero emission credits from zero emission facilities in
24 accordance with the requirements of subsection (d-5) of this
25 Section. Beginning on the effective date of this amendatory

1 Act of the 102nd General Assembly, the Planning and
2 Procurement Bureau shall develop plans and processes for the
3 procurement of carbon mitigation credits from carbon-free
4 energy resources in accordance with the requirements of
5 subsection (d-10) of this Section. The Planning and
6 Procurement Bureau shall also develop procurement plans and
7 conduct competitive procurement processes in accordance with
8 the requirements of Section 16-111.5 of the Public Utilities
9 Act for the eligible retail customers of small
10 multi-jurisdictional electric utilities that (i) on December
11 31, 2005 served less than 100,000 customers in Illinois and
12 (ii) request a procurement plan for their Illinois
13 jurisdictional load. This Section shall not apply to a small
14 multi-jurisdictional utility until such time as a small
15 multi-jurisdictional utility requests the Agency to prepare a
16 procurement plan for their Illinois jurisdictional load. For
17 the purposes of this Section, the term "eligible retail
18 customers" has the same definition as found in Section
19 16-111.5(a) of the Public Utilities Act.

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

1 of this Section and Section 16-111.5 of the Public Utilities
2 Act.

3 In accordance with subsection (c-5) of this Section, the
4 Planning and Procurement Bureau shall oversee the procurement
5 by electric utilities that served more than 300,000 retail
6 customers in this State as of January 1, 2019 of renewable
7 energy credits from new utility-scale solar projects to be
8 installed, along with energy storage facilities, at or
9 adjacent to the sites of electric generating facilities that,
10 as of January 1, 2016, burned coal as their primary fuel
11 source.

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

18 (A) direct previous experience assembling
19 large-scale power supply plans or portfolios for
20 end-use customers;

21 (B) an advanced degree in economics, mathematics,
22 engineering, risk management, or a related area of
23 study;

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

26 (D) expertise in wholesale electricity market

1 rules, including those established by the Federal
2 Energy Regulatory Commission and regional transmission
3 organizations;

4 (E) expertise in credit protocols and familiarity
5 with contract protocols;

6 (F) adequate resources to perform and fulfill the
7 required functions and responsibilities; and

8 (G) the absence of a conflict of interest and
9 inappropriate bias for or against potential bidders or
10 the affected electric utilities.

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

17 (A) direct previous experience administering a
18 large-scale competitive procurement process;

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

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

23 (D) expertise in wholesale electricity market
24 rules, including those established by the Federal
25 Energy Regulatory Commission and regional transmission
26 organizations;

1 (E) expertise in credit and contract protocols;

2 (F) adequate resources to perform and fulfill the
3 required functions and responsibilities; and

4 (G) the absence of a conflict of interest and
5 inappropriate bias for or against potential bidders or
6 the affected electric utilities.

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

22 (A) failure to satisfy qualification criteria;

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

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

26 The Agency shall remove experts or expert consulting

1 firms from the lists within 10 days if there is a
2 reasonable basis for an objection and provide the updated
3 lists to the affected utilities and other interested
4 parties. If the Agency fails to remove an expert or expert
5 consulting firm from a list, an objecting party may seek
6 review by the Commission within 5 days thereafter by
7 filing a petition, and the Commission shall render a
8 ruling on the petition within 10 days. There is no right of
9 appeal of the Commission's ruling.

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

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

18 (6) The Agency shall select an expert or expert
19 consulting firm, with approval of the Commission, to serve
20 as procurement administrator based on the proposals
21 submitted. If the Commission rejects, within 5 days, the
22 Agency's selection, the Agency shall submit another
23 recommendation within 3 days based on the proposals
24 submitted. The Agency shall award a 5-year contract to the
25 expert or expert consulting firm so selected with
26 Commission approval.

1 (b) The experts or expert consulting firms retained by the
2 Agency shall, as appropriate, prepare procurement plans, and
3 conduct a competitive procurement process as prescribed in
4 Section 16-111.5 of the Public Utilities Act, to ensure
5 adequate, reliable, affordable, efficient, and environmentally
6 sustainable electric service at the lowest total cost over
7 time, taking into account any benefits of price stability, for
8 eligible retail customers of electric utilities that on
9 December 31, 2005 provided electric service to at least
10 100,000 customers in the State of Illinois, and for eligible
11 Illinois retail customers of small multi-jurisdictional
12 electric utilities that (i) on December 31, 2005 served less
13 than 100,000 customers in Illinois and (ii) request a
14 procurement plan for their Illinois jurisdictional load.

15 (c) Renewable portfolio standard.

16 (1) (A) The Agency shall develop a long-term renewable
17 resources procurement plan that shall include procurement
18 programs and competitive procurement events necessary to
19 meet the goals set forth in this subsection (c). The
20 initial long-term renewable resources procurement plan
21 shall be released for comment no later than 160 days after
22 June 1, 2017 (the effective date of Public Act 99-906).
23 The Agency shall review, and may revise on an expedited
24 basis, the long-term renewable resources procurement plan
25 at least every 2 years, which shall be conducted in
26 conjunction with the procurement plan under Section

1 16-111.5 of the Public Utilities Act to the extent
2 practicable to minimize administrative expense. No later
3 than 120 days after the effective date of this amendatory
4 Act of the 102nd General Assembly, the Agency shall
5 release for comment a revision to the long-term renewable
6 resources procurement plan, updating elements of the most
7 recently approved plan as needed to comply with this
8 amendatory Act of the 102nd General Assembly, and any
9 long-term renewable resources procurement plan update
10 published by the Agency but not yet approved by the
11 Illinois Commerce Commission shall be withdrawn. The
12 long-term renewable resources procurement plans shall be
13 subject to review and approval by the Commission under
14 Section 16-111.5 of the Public Utilities Act.

15 (B) Subject to subparagraph (F) of this paragraph (1),
16 the long-term renewable resources procurement plan shall
17 attempt to meet the goals for procurement of renewable
18 energy credits at levels of at least the following overall
19 percentages: 13% by the 2017 delivery year; increasing by
20 at least 1.5% each delivery year thereafter to at least
21 25% by the 2025 delivery year; increasing by at least 3%
22 each delivery year thereafter to at least 40% by the 2030
23 delivery year, and continuing at no less than 40% for each
24 delivery year thereafter. The Agency shall attempt to
25 procure 50% by delivery year 2040. The Agency shall
26 determine the annual increase between delivery year 2030

1 and delivery year 2040, if any, taking into account energy
2 demand, other energy resources, and other public policy
3 goals. In the event of a conflict between these goals and
4 the new wind and new photovoltaic procurement requirements
5 described in items (i) through (iii) of subparagraph (C)
6 of this paragraph (1), the long-term plan shall prioritize
7 compliance with the new wind and new photovoltaic
8 procurement requirements described in items (i) through
9 (iii) of subparagraph (C) of this paragraph (1) over the
10 annual percentage targets described in this subparagraph
11 (B). The Agency shall not comply with the annual
12 percentage targets described in this subparagraph (B) by
13 procuring renewable energy credits that are unlikely to
14 lead to the development of new renewable resources.

15 For the delivery year beginning June 1, 2017, the
16 procurement plan shall attempt to include, subject to the
17 prioritization outlined in this subparagraph (B),
18 cost-effective renewable energy resources equal to at
19 least 13% of each utility's load for eligible retail
20 customers and 13% of the applicable portion of each
21 utility's load for retail customers who are not eligible
22 retail customers, which applicable portion shall equal 50%
23 of the utility's load for retail customers who are not
24 eligible retail customers on February 28, 2017.

25 For the delivery year beginning June 1, 2018, the
26 procurement plan shall attempt to include, subject to the

1 prioritization outlined in this subparagraph (B),
2 cost-effective renewable energy resources equal to at
3 least 14.5% of each utility's load for eligible retail
4 customers and 14.5% of the applicable portion of each
5 utility's load for retail customers who are not eligible
6 retail customers, which applicable portion shall equal 75%
7 of the utility's load for retail customers who are not
8 eligible retail customers on February 28, 2017.

9 For the delivery year beginning June 1, 2019, and for
10 each year thereafter, the procurement plans shall attempt
11 to include, subject to the prioritization outlined in this
12 subparagraph (B), cost-effective renewable energy
13 resources equal to a minimum percentage of each utility's
14 load for all retail customers as follows: 16% by June 1,
15 2019; increasing by 1.5% each year thereafter to 25% by
16 June 1, 2025; and 25% by June 1, 2026; increasing by at
17 least 3% each delivery year thereafter to at least 40% by
18 the 2030 delivery year, and continuing at no less than 40%
19 for each delivery year thereafter. The Agency shall
20 attempt to procure 50% by delivery year 2040. The Agency
21 shall determine the annual increase between delivery year
22 2030 and delivery year 2040, if any, taking into account
23 energy demand, other energy resources, and other public
24 policy goals.

25 For each delivery year, the Agency shall first
26 recognize each utility's obligations for that delivery

1 year under existing contracts. Any renewable energy
2 credits under existing contracts, including renewable
3 energy credits as part of renewable energy resources,
4 shall be used to meet the goals set forth in this
5 subsection (c) for the delivery year.

6 (C) The long-term renewable resources procurement plan
7 described in subparagraph (A) of this paragraph (1) shall
8 include the procurement of renewable energy credits from
9 new projects in amounts equal to at least the following:

10 (i) 10,000,000 renewable energy credits delivered
11 annually by the end of the 2021 delivery year, and
12 increasing ratably to reach 45,000,000 renewable
13 energy credits delivered annually from new wind and
14 solar projects by the end of delivery year 2030 such
15 that the goals in subparagraph (B) of this paragraph
16 (1) are met entirely by procurements of renewable
17 energy credits from new wind and photovoltaic
18 projects. Of that amount, to the extent possible, the
19 Agency shall procure 45% from wind projects and 55%
20 from photovoltaic projects. Of the amount to be
21 procured from photovoltaic projects, the Agency shall
22 procure: at least 50% from solar photovoltaic projects
23 using the program outlined in subparagraph (K) of this
24 paragraph (1) from distributed renewable energy
25 generation devices or community renewable generation
26 projects; at least 44% ~~47%~~ from utility-scale solar

1 projects; at least 3% from projects that meet the
2 criteria in paragraph (3) of the definition of
3 "brownfield site photovoltaic project" in Section
4 1-10; and the remaining percentage from other
5 brownfield site photovoltaic projects that are not
6 community renewable generation projects.

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

19 (ii) In any given delivery year, if forecasted
20 expenses are less than the maximum budget available
21 under subparagraph (E) of this paragraph (1), the
22 Agency shall continue to procure new renewable energy
23 credits until that budget is exhausted in the manner
24 outlined in item (i) of this subparagraph (C).

25 (iii) For purposes of this Section:

26 "New wind projects" means wind renewable energy

1 facilities that are energized after June 1, 2017 for
2 the delivery year commencing June 1, 2017.

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

9 For purposes of calculating whether the Agency has
10 procured enough new wind and solar renewable energy
11 credits required by this subparagraph (C), renewable
12 energy facilities that have a multi-year renewable
13 energy credit delivery contract with the utility
14 through at least delivery year 2030 shall be
15 considered new, however no renewable energy credits
16 from contracts entered into before June 1, 2021 shall
17 be used to calculate whether the Agency has procured
18 the correct proportion of new wind and new solar
19 contracts described in this subparagraph (C) for
20 delivery year 2021 and thereafter.

21 (D) Renewable energy credits shall be cost effective.
22 For purposes of this subsection (c), "cost effective"
23 means that the costs of procuring renewable energy
24 resources do not cause the limit stated in subparagraph
25 (E) of this paragraph (1) to be exceeded and, for
26 renewable energy credits procured through a competitive

1 procurement event, do not exceed benchmarks based on
2 market prices for like products in the region. For
3 purposes of this subsection (c), "like products" means
4 contracts for renewable energy credits from the same or
5 substantially similar technology, same or substantially
6 similar vintage (new or existing), the same or
7 substantially similar quantity, and the same or
8 substantially similar contract length and structure.
9 Benchmarks shall reflect development, financing, or
10 related costs resulting from requirements imposed through
11 other provisions of State law, including, but not limited
12 to, requirements in subparagraphs (P) and (Q) of this
13 paragraph (1) and the Renewable Energy Facilities
14 Agricultural Impact Mitigation Act. Confidential
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
19 purposes of this subsection (c), the total amount paid for
20 electric service includes without limitation amounts paid
21 for supply, transmission, capacity, distribution,
22 surcharges, and add-on taxes.

23 Notwithstanding the requirements of this subsection
24 (c), the total of renewable energy resources procured
25 under the procurement plan for any single year shall be
26 subject to the limitations of this subparagraph (E). Such

1 procurement shall be reduced for all retail customers
2 based on the amount necessary to limit the annual
3 estimated average net increase due to the costs of these
4 resources included in the amounts paid by eligible retail
5 customers in connection with electric service to no more
6 than 4.25% of the amount paid per kilowatthour by those
7 customers during the year ending May 31, 2009. To arrive
8 at a maximum dollar amount of renewable energy resources
9 to be procured for the particular delivery year, the
10 resulting per kilowatthour amount shall be applied to the
11 actual amount of kilowatthours of electricity delivered,
12 or applicable portion of such amount as specified in
13 paragraph (1) of this subsection (c), as applicable, by
14 the electric utility in the delivery year immediately
15 prior to the procurement to all retail customers in its
16 service territory. The calculations required by this
17 subparagraph (E) shall be made only once for each delivery
18 year at the time that the renewable energy resources are
19 procured. Once the determination as to the amount of
20 renewable energy resources to procure is made based on the
21 calculations set forth in this subparagraph (E) and the
22 contracts procuring those amounts are executed, no
23 subsequent rate impact determinations shall be made and no
24 adjustments to those contract amounts shall be allowed.
25 All costs incurred under such contracts shall be fully
26 recoverable by the electric utility as provided in this

1 Section.

2 (F) If the limitation on the amount of renewable
3 energy resources procured in subparagraph (E) of this
4 paragraph (1) prevents the Agency from meeting all of the
5 goals in this subsection (c), the Agency's long-term plan
6 shall prioritize compliance with the requirements of this
7 subsection (c) regarding renewable energy credits in the
8 following order:

9 (i) renewable energy credits under existing
10 contractual obligations as of June 1, 2021;

11 (i-5) funding for the Illinois Solar for All
12 Program, as described in subparagraph (O) of this
13 paragraph (1);

14 (ii) renewable energy credits necessary to comply
15 with the new wind and new photovoltaic procurement
16 requirements described in items (i) through (iii) of
17 subparagraph (C) of this paragraph (1); and

18 (iii) renewable energy credits necessary to meet
19 the remaining requirements of this subsection (c).

20 (G) The following provisions shall apply to the
21 Agency's procurement of renewable energy credits under
22 this subsection (c):

23 (i) Notwithstanding whether a long-term renewable
24 resources procurement plan has been approved, the
25 Agency shall conduct an initial forward procurement
26 for renewable energy credits from new utility-scale

1 wind projects within 160 days after June 1, 2017 (the
2 effective date of Public Act 99-906). For the purposes
3 of this initial forward procurement, the Agency shall
4 solicit 15-year contracts for delivery of 1,000,000
5 renewable energy credits delivered annually from new
6 utility-scale wind projects to begin delivery on June
7 1, 2019, if available, but not later than June 1, 2021,
8 unless the project has delays in the establishment of
9 an operating interconnection with the applicable
10 transmission or distribution system as a result of the
11 actions or inactions of the transmission or
12 distribution provider, or other causes for force
13 majeure as outlined in the procurement contract, in
14 which case, not later than June 1, 2022. Payments to
15 suppliers of renewable energy credits shall commence
16 upon delivery. Renewable energy credits procured under
17 this initial procurement shall be included in the
18 Agency's long-term plan and shall apply to all
19 renewable energy goals in this subsection (c).

20 (ii) Notwithstanding whether a long-term renewable
21 resources procurement plan has been approved, the
22 Agency shall conduct an initial forward procurement
23 for renewable energy credits from new utility-scale
24 solar projects and brownfield site photovoltaic
25 projects within one year after June 1, 2017 (the
26 effective date of Public Act 99-906). For the purposes

1 of this initial forward procurement, the Agency shall
2 solicit 15-year contracts for delivery of 1,000,000
3 renewable energy credits delivered annually from new
4 utility-scale solar projects and brownfield site
5 photovoltaic projects to begin delivery on June 1,
6 2019, if available, but not later than June 1, 2021,
7 unless the project has delays in the establishment of
8 an operating interconnection with the applicable
9 transmission or distribution system as a result of the
10 actions or inactions of the transmission or
11 distribution provider, or other causes for force
12 majeure as outlined in the procurement contract, in
13 which case, not later than June 1, 2022. The Agency may
14 structure this initial procurement in one or more
15 discrete procurement events. Payments to suppliers of
16 renewable energy credits shall commence upon delivery.
17 Renewable energy credits procured under this initial
18 procurement shall be included in the Agency's
19 long-term plan and shall apply to all renewable energy
20 goals in this subsection (c).

21 (iii) Notwithstanding whether the Commission has
22 approved the periodic long-term renewable resources
23 procurement plan revision described in Section
24 16-111.5 of the Public Utilities Act, the Agency shall
25 conduct at least one subsequent forward procurement
26 for renewable energy credits from new utility-scale

1 wind projects, new utility-scale solar projects, and
2 new brownfield site photovoltaic projects within 240
3 days after the effective date of this amendatory Act
4 of the 102nd General Assembly in quantities necessary
5 to meet the requirements of subparagraph (C) of this
6 paragraph (1) through the delivery year beginning June
7 1, 2021.

8 (iv) Notwithstanding whether the Commission has
9 approved the periodic long-term renewable resources
10 procurement plan revision described in Section
11 16-111.5 of the Public Utilities Act, the Agency shall
12 open capacity for each category in the Adjustable
13 Block program within 90 days after the effective date
14 of this amendatory Act of the 102nd General Assembly
15 manner:

16 (1) The Agency shall open the first block of
17 annual capacity for the category described in item
18 (i) of subparagraph (K) of this paragraph (1). The
19 first block of annual capacity for item (i) shall
20 be for at least 75 megawatts of total nameplate
21 capacity. The price of the renewable energy credit
22 for this block of capacity shall be 4% less than
23 the price of the last open block in this category.
24 Projects on a waitlist shall be awarded contracts
25 first in the order in which they appear on the
26 waitlist. Notwithstanding anything to the

1 contrary, for those renewable energy credits that
2 qualify and are procured under this subitem (1) of
3 this item (iv), the renewable energy credit
4 delivery contract value shall be paid in full,
5 based on the estimated generation during the first
6 15 years of operation, by the contracting
7 utilities at the time that the facility producing
8 the renewable energy credits is interconnected at
9 the distribution system level of the utility and
10 verified as energized and in compliance by the
11 Program Administrator. The electric utility shall
12 receive and retire all renewable energy credits
13 generated by the project for the first 15 years of
14 operation. Renewable energy credits generated by
15 the project thereafter shall not be transferred
16 under the renewable energy credit delivery
17 contract with the counterparty electric utility.

18 (2) The Agency shall open the first block of
19 annual capacity for the category described in item
20 (ii) of subparagraph (K) of this paragraph (1).
21 The first block of annual capacity for item (ii)
22 shall be for at least 75 megawatts of total
23 nameplate capacity.

24 (A) The price of the renewable energy
25 credit for any project on a waitlist for this
26 category before the opening of this block

1 shall be 4% less than the price of the last
2 open block in this category. Projects on the
3 waitlist shall be awarded contracts first in
4 the order in which they appear on the
5 waitlist. Any projects that are less than or
6 equal to 25 kilowatts in size on the waitlist
7 for this capacity shall be moved to the
8 waitlist for paragraph (1) of this item (iv).
9 Notwithstanding anything to the contrary,
10 projects that were on the waitlist prior to
11 opening of this block shall not be required to
12 be in compliance with the requirements of
13 subparagraph (Q) of this paragraph (1) of this
14 subsection (c). Notwithstanding anything to
15 the contrary, for those renewable energy
16 credits procured from projects that were on
17 the waitlist for this category before the
18 opening of this block 20% of the renewable
19 energy credit delivery contract value, based
20 on the estimated generation during the first
21 15 years of operation, shall be paid by the
22 contracting utilities at the time that the
23 facility producing the renewable energy
24 credits is interconnected at the distribution
25 system level of the utility and verified as
26 energized by the Program Administrator. The

1 remaining portion shall be paid ratably over
2 the subsequent 4-year period. The electric
3 utility shall receive and retire all renewable
4 energy credits generated by the project during
5 the first 15 years of operation. Renewable
6 energy credits generated by the project
7 thereafter shall not be transferred under the
8 renewable energy credit delivery contract with
9 the counterparty electric utility.

10 (B) The price of renewable energy credits
11 for any project not on the waitlist for this
12 category before the opening of the block shall
13 be determined and published by the Agency.
14 Projects not on a waitlist as of the opening
15 of this block shall be subject to the
16 requirements of subparagraph (Q) of this
17 paragraph (1), as applicable. Projects not on
18 a waitlist as of the opening of this block
19 shall be subject to the contract provisions
20 outlined in item (iii) of subparagraph (L) of
21 this paragraph (1). The Agency shall strive to
22 publish updated prices and an updated
23 renewable energy credit delivery contract as
24 quickly as possible.

25 (3) For opening the first 2 blocks of annual
26 capacity for projects participating in item (iii)

1 of subparagraph (K) of paragraph (1) of subsection
2 (c), projects shall be selected exclusively from
3 those projects on the ordinal waitlists of
4 community renewable generation projects
5 established by the Agency based on the status of
6 those ordinal waitlists as of December 31, 2020,
7 and only those projects previously determined to
8 be eligible for the Agency's April 2019 community
9 solar project selection process.

10 The first 2 blocks of annual capacity for item
11 (iii) shall be for 250 megawatts of total
12 nameplate capacity, with both blocks opening
13 simultaneously under the schedule outlined in the
14 paragraphs below. Projects shall be selected as
15 follows:

16 (A) The geographic balance of selected
17 projects shall follow the Group classification
18 found in the Agency's Revised Long-Term
19 Renewable Resources Procurement Plan, with 70%
20 of capacity allocated to projects on the Group
21 B waitlist and 30% of capacity allocated to
22 projects on the Group A waitlist.

23 (B) Contract awards for waitlisted
24 projects shall be allocated proportionate to
25 the total nameplate capacity amount across
26 both ordinal waitlists associated with that

1 applicant firm or its affiliates, subject to
2 the following conditions.

3 (i) Each applicant firm having a
4 waitlisted project eligible for selection
5 shall receive no less than 500 kilowatts
6 in awarded capacity across all groups, and
7 no approved vendor may receive more than
8 20% of each Group's waitlist allocation.

9 (ii) Each applicant firm, upon
10 receiving an award of program capacity
11 proportionate to its waitlisted capacity,
12 may then determine which waitlisted
13 projects it chooses to be selected for a
14 contract award up to that capacity amount.

15 (iii) Assuming all other program
16 requirements are met, applicant firms may
17 adjust the nameplate capacity of applicant
18 projects without losing waitlist
19 eligibility, so long as no project is
20 greater than 2,000 kilowatts in size.

21 (iv) Assuming all other program
22 requirements are met, applicant firms may
23 adjust the expected production associated
24 with applicant projects, subject to
25 verification by the Program Administrator.

26 (C) After a review of affiliate

1 information and the current ordinal waitlists,
2 the Agency shall announce the nameplate
3 capacity award amounts associated with
4 applicant firms no later than 90 days after
5 the effective date of this amendatory Act of
6 the 102nd General Assembly.

7 (D) Applicant firms shall submit their
8 portfolio of projects used to satisfy those
9 contract awards no less than 90 days after the
10 Agency's announcement. The total nameplate
11 capacity of all projects used to satisfy that
12 portfolio shall be no greater than the
13 Agency's nameplate capacity award amount
14 associated with that applicant firm. An
15 applicant firm may decline, in whole or in
16 part, its nameplate capacity award without
17 penalty, with such unmet capacity rolled over
18 to the next block opening for project
19 selection under item (iii) of subparagraph (K)
20 of this subsection (c). Any projects not
21 included in an applicant firm's portfolio may
22 reapply without prejudice upon the next block
23 reopening for project selection under item
24 (iii) of subparagraph (K) of this subsection
25 (c).

26 (E) The renewable energy credit delivery

1 contract shall be subject to the contract and
2 payment terms outlined in item (iv) of
3 subparagraph (L) of this subsection (c).
4 Contract instruments used for this
5 subparagraph shall contain the following
6 terms:

7 (i) Renewable energy credit prices
8 shall be fixed, without further adjustment
9 under any other provision of this Act or
10 for any other reason, at 10% lower than
11 prices applicable to the last open block
12 for this category, inclusive of any adders
13 available for achieving a minimum of 50%
14 of subscribers to the project's nameplate
15 capacity being residential or small
16 commercial customers with subscriptions of
17 below 25 kilowatts in size;

18 (ii) A requirement that a minimum of
19 50% of subscribers to the project's
20 nameplate capacity be residential or small
21 commercial customers with subscriptions of
22 below 25 kilowatts in size;

23 (iii) Permission for the ability of a
24 contract holder to substitute projects
25 with other waitlisted projects without
26 penalty should a project receive a

1 non-binding estimate of costs to construct
2 the interconnection facilities and any
3 required distribution upgrades associated
4 with that project of greater than 30 cents
5 per watt AC of that project's nameplate
6 capacity. In developing the applicable
7 contract instrument, the Agency may
8 consider whether other circumstances
9 outside of the control of the applicant
10 firm should also warrant project
11 substitution rights.

12 The Agency shall publish a finalized
13 updated renewable energy credit delivery
14 contract developed consistent with these terms
15 and conditions no less than 30 days before
16 applicant firms must submit their portfolio of
17 projects pursuant to item (D).

18 (F) To be eligible for an award, the
19 applicant firm shall certify that not less
20 than prevailing wage, as determined pursuant
21 to the Illinois Prevailing Wage Act, was or
22 will be paid to employees who are engaged in
23 construction activities associated with a
24 selected project.

25 (4) The Agency shall open the first block of
26 annual capacity for the category described in item

1 (iv) of subparagraph (K) of this paragraph (1).
2 The first block of annual capacity for item (iv)
3 shall be for at least 50 megawatts of total
4 nameplate capacity. Renewable energy credit prices
5 shall be fixed, without further adjustment under
6 any other provision of this Act or for any other
7 reason, at the price in the last open block in the
8 category described in item (ii) of subparagraph
9 (K) of this paragraph (1). Pricing for future
10 blocks of annual capacity for this category may be
11 adjusted in the Agency's second revision to its
12 Long-Term Renewable Resources Procurement Plan.
13 Projects in this category shall be subject to the
14 contract terms outlined in item (iv) of
15 subparagraph (L) of this paragraph (1).

16 (5) The Agency shall open the equivalent of 2
17 years of annual capacity for the category
18 described in item (v) of subparagraph (K) of this
19 paragraph (1). The first block of annual capacity
20 for item (v) shall be for at least 10 megawatts of
21 total nameplate capacity. Notwithstanding the
22 provisions of item (v) of subparagraph (K) of this
23 paragraph (1), for the purpose of this initial
24 block, the agency shall accept new project
25 applications intended to increase the diversity of
26 areas hosting community solar projects, the

1 business models of projects, and the size of
2 projects, as described by the Agency in its
3 long-term renewable resources procurement plan
4 that is approved as of the effective date of this
5 amendatory Act of the 102nd General Assembly.
6 Projects in this category shall be subject to the
7 contract terms outlined in item (iii) of
8 subsection (L) of this paragraph (1).

9 (6) The Agency shall open the first blocks of
10 annual capacity for the category described in item
11 (vi) of subparagraph (K) of this paragraph (1),
12 with allocations of capacity within the block
13 generally matching the historical share of block
14 capacity allocated between the category described
15 in items (i) and (ii) of subparagraph (K) of this
16 paragraph (1). The first two blocks of annual
17 capacity for item (vi) shall be for at least 75
18 megawatts of total nameplate capacity. The price
19 of renewable energy credits for the blocks of
20 capacity shall be 4% less than the price of the
21 last open blocks in the categories described in
22 items (i) and (ii) of subparagraph (K) of this
23 paragraph (1). Pricing for future blocks of annual
24 capacity for this category may be adjusted in the
25 Agency's second revision to its Long-Term
26 Renewable Resources Procurement Plan. Projects in

1 this category shall be subject to the applicable
2 contract terms outlined in items (ii) and (iii) of
3 subparagraph (L) of this paragraph (1).

4 (v) Upon the effective date of this amendatory Act
5 of the 102nd General Assembly, for all competitive
6 procurements and any procurements of renewable energy
7 credit from new utility-scale wind and new
8 utility-scale photovoltaic projects, the Agency shall
9 procure indexed renewable energy credits and direct
10 respondents to offer a strike price.

11 (1) The purchase price of the indexed
12 renewable energy credit payment shall be
13 calculated for each settlement period. That
14 payment, for any settlement period, shall be equal
15 to the difference resulting from subtracting the
16 strike price from the index price for that
17 settlement period. If this difference results in a
18 negative number, the indexed REC counterparty
19 shall owe the seller the absolute value multiplied
20 by the quantity of energy produced in the relevant
21 settlement period. If this difference results in a
22 positive number, the seller shall owe the indexed
23 REC counterparty this amount multiplied by the
24 quantity of energy produced in the relevant
25 settlement period.

26 (2) Parties shall cash settle every month,

1 summing up all settlements (both positive and
2 negative, if applicable) for the prior month.

3 (3) To ensure funding in the annual budget
4 established under subparagraph (E) for indexed
5 renewable energy credit procurements for each year
6 of the term of such contracts, which must have a
7 minimum tenure of 20 calendar years, the
8 procurement administrator, Agency, Commission
9 staff, and procurement monitor shall quantify the
10 annual cost of the contract by utilizing an
11 industry-standard, third-party forward price curve
12 for energy at the appropriate hub or load zone,
13 including the estimated magnitude and timing of
14 the price effects related to federal carbon
15 controls. Each forward price curve shall contain a
16 specific value of the forecasted market price of
17 electricity for each annual delivery year of the
18 contract. For procurement planning purposes, the
19 impact on the annual budget for the cost of
20 indexed renewable energy credits for each delivery
21 year shall be determined as the expected annual
22 contract expenditure for that year, equaling the
23 difference between (i) the sum across all relevant
24 contracts of the applicable strike price
25 multiplied by contract quantity and (ii) the sum
26 across all relevant contracts of the forward price

1 curve for the applicable load zone for that year
2 multiplied by contract quantity. The contracting
3 utility shall not assume an obligation in excess
4 of the estimated annual cost of the contracts for
5 indexed renewable energy credits. Forward curves
6 shall be revised on an annual basis as updated
7 forward price curves are released and filed with
8 the Commission in the proceeding approving the
9 Agency's most recent long-term renewable resources
10 procurement plan. If the expected contract spend
11 is higher or lower than the total quantity of
12 contracts multiplied by the forward price curve
13 value for that year, the forward price curve shall
14 be updated by the procurement administrator, in
15 consultation with the Agency, Commission staff,
16 and procurement monitors, using then-currently
17 available price forecast data and additional
18 budget dollars shall be obligated or reobligated
19 as appropriate.

20 (4) To ensure that indexed renewable energy
21 credit prices remain predictable and affordable,
22 the Agency may consider the institution of a price
23 collar on REC prices paid under indexed renewable
24 energy credit procurements establishing floor and
25 ceiling REC prices applicable to indexed REC
26 contract prices. Any price collars applicable to

1 indexed REC procurements shall be proposed by the
2 Agency through its long-term renewable resources
3 procurement plan.

4 (vi) All procurements under this subparagraph (G)
5 shall comply with the geographic requirements in
6 subparagraph (I) of this paragraph (1) and shall
7 follow the procurement processes and procedures
8 described in this Section and Section 16-111.5 of the
9 Public Utilities Act to the extent practicable, and
10 these processes and procedures may be expedited to
11 accommodate the schedule established by this
12 subparagraph (G).

13 (H) The procurement of renewable energy resources for
14 a given delivery year shall be reduced as described in
15 this subparagraph (H) if an alternative retail electric
16 supplier meets the requirements described in this
17 subparagraph (H).

18 (i) Within 45 days after June 1, 2017 (the
19 effective date of Public Act 99-906), an alternative
20 retail electric supplier or its successor shall submit
21 an informational filing to the Illinois Commerce
22 Commission certifying that, as of December 31, 2015,
23 the alternative retail electric supplier owned one or
24 more electric generating facilities that generates
25 renewable energy resources as defined in Section 1-10
26 of this Act, provided that such facilities are not

1 powered by wind or photovoltaics, and the facilities
2 generate one renewable energy credit for each
3 megawatthour of energy produced from the facility.

4 The informational filing shall identify each
5 facility that was eligible to satisfy the alternative
6 retail electric supplier's obligations under Section
7 16-115D of the Public Utilities Act as described in
8 this item (i).

9 (ii) For a given delivery year, the alternative
10 retail electric supplier may elect to supply its
11 retail customers with renewable energy credits from
12 the facility or facilities described in item (i) of
13 this subparagraph (H) that continue to be owned by the
14 alternative retail electric supplier.

15 (iii) The alternative retail electric supplier
16 shall notify the Agency and the applicable utility, no
17 later than February 28 of the year preceding the
18 applicable delivery year or 15 days after June 1, 2017
19 (the effective date of Public Act 99-906), whichever
20 is later, of its election under item (ii) of this
21 subparagraph (H) to supply renewable energy credits to
22 retail customers of the utility. Such election shall
23 identify the amount of renewable energy credits to be
24 supplied by the alternative retail electric supplier
25 to the utility's retail customers and the source of
26 the renewable energy credits identified in the

1 informational filing as described in item (i) of this
2 subparagraph (H), subject to the following
3 limitations:

4 For the delivery year beginning June 1, 2018,
5 the maximum amount of renewable energy credits to
6 be supplied by an alternative retail electric
7 supplier under this subparagraph (H) shall be 68%
8 multiplied by 25% multiplied by 14.5% multiplied
9 by the amount of metered electricity
10 (megawatt-hours) delivered by the alternative
11 retail electric supplier to Illinois retail
12 customers during the delivery year ending May 31,
13 2016.

14 For delivery years beginning June 1, 2019 and
15 each year thereafter, the maximum amount of
16 renewable energy credits to be supplied by an
17 alternative retail electric supplier under this
18 subparagraph (H) shall be 68% multiplied by 50%
19 multiplied by 16% multiplied by the amount of
20 metered electricity (megawatt-hours) delivered by
21 the alternative retail electric supplier to
22 Illinois retail customers during the delivery year
23 ending May 31, 2016, provided that the 16% value
24 shall increase by 1.5% each delivery year
25 thereafter to 25% by the delivery year beginning
26 June 1, 2025, and thereafter the 25% value shall

1 apply to each delivery year.

2 For each delivery year, the total amount of
3 renewable energy credits supplied by all alternative
4 retail electric suppliers under this subparagraph (H)
5 shall not exceed 9% of the Illinois target renewable
6 energy credit quantity. The Illinois target renewable
7 energy credit quantity for the delivery year beginning
8 June 1, 2018 is 14.5% multiplied by the total amount of
9 metered electricity (megawatt-hours) delivered in the
10 delivery year immediately preceding that delivery
11 year, provided that the 14.5% shall increase by 1.5%
12 each delivery year thereafter to 25% by the delivery
13 year beginning June 1, 2025, and thereafter the 25%
14 value shall apply to each delivery year.

15 If the requirements set forth in items (i) through
16 (iii) of this subparagraph (H) are met, the charges
17 that would otherwise be applicable to the retail
18 customers of the alternative retail electric supplier
19 under paragraph (6) of this subsection (c) for the
20 applicable delivery year shall be reduced by the ratio
21 of the quantity of renewable energy credits supplied
22 by the alternative retail electric supplier compared
23 to that supplier's target renewable energy credit
24 quantity. The supplier's target renewable energy
25 credit quantity for the delivery year beginning June
26 1, 2018 is 14.5% multiplied by the total amount of

1 metered electricity (megawatt-hours) delivered by the
2 alternative retail supplier in that delivery year,
3 provided that the 14.5% shall increase by 1.5% each
4 delivery year thereafter to 25% by the delivery year
5 beginning June 1, 2025, and thereafter the 25% value
6 shall apply to each delivery year.

7 On or before April 1 of each year, the Agency shall
8 annually publish a report on its website that
9 identifies the aggregate amount of renewable energy
10 credits supplied by alternative retail electric
11 suppliers under this subparagraph (H).

12 (I) The Agency shall design its long-term renewable
13 energy procurement plan to maximize the State's interest
14 in the health, safety, and welfare of its residents,
15 including but not limited to minimizing sulfur dioxide,
16 nitrogen oxide, particulate matter and other pollution
17 that adversely affects public health in this State,
18 increasing fuel and resource diversity in this State,
19 enhancing the reliability and resiliency of the
20 electricity distribution system in this State, meeting
21 goals to limit carbon dioxide emissions under federal or
22 State law, and contributing to a cleaner and healthier
23 environment for the citizens of this State. In order to
24 further these legislative purposes, renewable energy
25 credits shall be eligible to be counted toward the
26 renewable energy requirements of this subsection (c) if

1 they are generated from facilities located in this State.
2 The Agency may qualify renewable energy credits from
3 facilities located in states adjacent to Illinois or
4 renewable energy credits associated with the electricity
5 generated by a utility-scale wind energy facility or
6 utility-scale photovoltaic facility and transmitted by a
7 qualifying direct current project described in subsection
8 (b-5) of Section 8-406 of the Public Utilities Act to a
9 delivery point on the electric transmission grid located
10 in this State or a state adjacent to Illinois, if the
11 generator demonstrates and the Agency determines that the
12 operation of such facility or facilities will help promote
13 the State's interest in the health, safety, and welfare of
14 its residents based on the public interest criteria
15 described above. For the purposes of this Section,
16 renewable resources that are delivered via a high voltage
17 direct current converter station located in Illinois shall
18 be deemed generated in Illinois at the time and location
19 the energy is converted to alternating current by the high
20 voltage direct current converter station if the high
21 voltage direct current transmission line: (i) after the
22 effective date of this amendatory Act of the 102nd General
23 Assembly, was constructed with a project labor agreement;
24 (ii) is capable of transmitting electricity at 525kv;
25 (iii) has an Illinois converter station located and
26 interconnected in the region of the PJM Interconnection,

1 LLC; (iv) does not operate as a public utility; and (v) if
2 the high voltage direct current transmission line was
3 energized after June 1, 2023. To ensure that the public
4 interest criteria are applied to the procurement and given
5 full effect, the Agency's long-term procurement plan shall
6 describe in detail how each public interest factor shall
7 be considered and weighted for facilities located in
8 states adjacent to Illinois.

9 (J) In order to promote the competitive development of
10 renewable energy resources in furtherance of the State's
11 interest in the health, safety, and welfare of its
12 residents, renewable energy credits shall not be eligible
13 to be counted toward the renewable energy requirements of
14 this subsection (c) if they are sourced from a generating
15 unit whose costs were being recovered through rates
16 regulated by this State or any other state or states on or
17 after January 1, 2017. Each contract executed to purchase
18 renewable energy credits under this subsection (c) shall
19 provide for the contract's termination if the costs of the
20 generating unit supplying the renewable energy credits
21 subsequently begin to be recovered through rates regulated
22 by this State or any other state or states; and each
23 contract shall further provide that, in that event, the
24 supplier of the credits must return 110% of all payments
25 received under the contract. Amounts returned under the
26 requirements of this subparagraph (J) shall be retained by

1 the utility and all of these amounts shall be used for the
2 procurement of additional renewable energy credits from
3 new wind or new photovoltaic resources as defined in this
4 subsection (c). The long-term plan shall provide that
5 these renewable energy credits shall be procured in the
6 next procurement event.

7 Notwithstanding the limitations of this subparagraph
8 (J), renewable energy credits sourced from generating
9 units that are constructed, purchased, owned, or leased by
10 an electric utility as part of an approved project,
11 program, or pilot under Section 1-56 of this Act shall be
12 eligible to be counted toward the renewable energy
13 requirements of this subsection (c), regardless of how the
14 costs of these units are recovered. As long as a
15 generating unit or an identifiable portion of a generating
16 unit has not had and does not have its costs recovered
17 through rates regulated by this State or any other state,
18 HVDC renewable energy credits associated with that
19 generating unit or identifiable portion thereof shall be
20 eligible to be counted toward the renewable energy
21 requirements of this subsection (c).

22 (K) The long-term renewable resources procurement plan
23 developed by the Agency in accordance with subparagraph
24 (A) of this paragraph (1) shall include an Adjustable
25 Block program for the procurement of renewable energy
26 credits from new photovoltaic projects that are

1 distributed renewable energy generation devices or new
2 photovoltaic community renewable generation projects. The
3 Adjustable Block program shall be generally designed to
4 provide for the steady, predictable, and sustainable
5 growth of new solar photovoltaic development in Illinois.
6 To this end, the Adjustable Block program shall provide a
7 transparent annual schedule of prices and quantities to
8 enable the photovoltaic market to scale up and for
9 renewable energy credit prices to adjust at a predictable
10 rate over time. The prices set by the Adjustable Block
11 program can be reflected as a set value or as the product
12 of a formula.

13 The Adjustable Block program shall include for each
14 category of eligible projects for each delivery year: a
15 single block of nameplate capacity, a price for renewable
16 energy credits within that block, and the terms and
17 conditions for securing a spot on a waitlist once the
18 block is fully committed or reserved. Except as outlined
19 below, the waitlist of projects in a given year will carry
20 over to apply to the subsequent year when another block is
21 opened. Only projects energized on or after June 1, 2017
22 shall be eligible for the Adjustable Block program. For
23 each category for each delivery year the Agency shall
24 determine the amount of generation capacity in each block,
25 and the purchase price for each block, provided that the
26 purchase price provided and the total amount of generation

1 in all blocks for all categories shall be sufficient to
2 meet the goals in this subsection (c). The Agency shall
3 strive to issue a single block sized to provide for
4 stability and market growth. The Agency shall establish
5 program eligibility requirements that ensure that projects
6 that enter the program are sufficiently mature to indicate
7 a demonstrable path to completion. The Agency may
8 periodically review its prior decisions establishing the
9 amount of generation capacity in each block, and the
10 purchase price for each block, and may propose, on an
11 expedited basis, changes to these previously set values,
12 including but not limited to redistributing these amounts
13 and the available funds as necessary and appropriate,
14 subject to Commission approval as part of the periodic
15 plan revision process described in Section 16-111.5 of the
16 Public Utilities Act. The Agency may define different
17 block sizes, purchase prices, or other distinct terms and
18 conditions for projects located in different utility
19 service territories if the Agency deems it necessary to
20 meet the goals in this subsection (c).

21 The Adjustable Block program shall include the
22 following categories in at least the following amounts:

23 (i) At least 20% from distributed renewable energy
24 generation devices with a nameplate capacity of no
25 more than 25 kilowatts.

26 (ii) At least 20% from distributed renewable

1 energy generation devices with a nameplate capacity of
2 more than 25 kilowatts and no more than 5,000
3 kilowatts. The Agency may create sub-categories within
4 this category to account for the differences between
5 projects for small commercial customers, large
6 commercial customers, and public or non-profit
7 customers.

8 (iii) At least 30% from photovoltaic community
9 renewable generation projects. Capacity for this
10 category for the first 2 delivery years after the
11 effective date of this amendatory Act of the 102nd
12 General Assembly shall be allocated to waitlist
13 projects as provided in paragraph (3) of item (iv) of
14 subparagraph (G). Starting in the third delivery year
15 after the effective date of this amendatory Act of the
16 102nd General Assembly or earlier if the Agency
17 determines there is additional capacity needed for to
18 meet previous delivery year requirements, the
19 following shall apply:

20 (1) the Agency shall select projects on a
21 first-come, first-serve basis, however the Agency
22 may suggest additional methods to prioritize
23 projects that are submitted at the same time;

24 (2) projects shall have subscriptions of 25 kW
25 or less for at least 50% of the facility's
26 nameplate capacity and the Agency shall price the

1 renewable energy credits with that as a factor;

2 (3) projects shall not be colocated with one
3 or more other community renewable generation
4 projects, as defined in the Agency's first revised
5 long-term renewable resources procurement plan
6 approved by the Commission on February 18, 2020,
7 such that the aggregate nameplate capacity exceeds
8 5,000 kilowatts; and

9 (4) projects greater than 2 MW may not apply
10 until after the approval of the Agency's revised
11 Long-Term Renewable Resources Procurement Plan
12 after the effective date of this amendatory Act of
13 the 102nd General Assembly.

14 (iv) At least 15% from distributed renewable
15 generation devices or photovoltaic community renewable
16 generation projects installed at public schools. The
17 Agency may create subcategories within this category
18 to account for the differences between project size or
19 location. Projects located within environmental
20 justice communities or within Organizational Units
21 that fall within Tier 1 or Tier 2 shall be given
22 priority. Each of the Agency's periodic updates to its
23 long-term renewable resources procurement plan to
24 incorporate the procurement described in this
25 subparagraph (iv) shall also include the proposed
26 quantities or blocks, pricing, and contract terms

1 applicable to the procurement as indicated herein. In
2 each such update and procurement, the Agency shall set
3 the renewable energy credit price and establish
4 payment terms for the renewable energy credits
5 procured pursuant to this subparagraph (iv) that make
6 it feasible and affordable for public schools to
7 install photovoltaic distributed renewable energy
8 devices on their premises, including, but not limited
9 to, those public schools subject to the prioritization
10 provisions of this subparagraph. For the purposes of
11 this item (iv):

12 "Environmental Justice Community" shall have the
13 same meaning set forth in the Agency's long-term
14 renewable resources procurement plan;

15 "Organization Unit", "Tier 1" and "Tier 2" shall
16 have the meanings set for in Section 18-8.15 of the
17 School Code;

18 "Public schools" shall have the meaning set forth
19 in Section 1-3 of the School Code.

20 (v) At least 5% from community-driven community
21 solar projects intended to provide more direct and
22 tangible connection and benefits to the communities
23 which they serve or in which they operate and,
24 additionally, to increase the variety of community
25 solar locations, models, and options in Illinois. As
26 part of its long-term renewable resources procurement

1 plan, the Agency shall develop selection criteria for
2 projects participating in this category. Nothing in
3 this Section shall preclude the Agency from creating a
4 selection process that maximizes community ownership
5 and community benefits in selecting projects to
6 receive renewable energy credits. Selection criteria
7 shall include:

8 (1) community ownership or community
9 wealth-building;

10 (2) additional direct and indirect community
11 benefit, beyond project participation as a
12 subscriber, including, but not limited to,
13 economic, environmental, social, cultural, and
14 physical benefits;

15 (3) meaningful involvement in project
16 organization and development by community members
17 or nonprofit organizations or public entities
18 located in or serving the community;

19 (4) engagement in project operations and
20 management by nonprofit organizations, public
21 entities, or community members; and

22 (5) whether a project is developed in response
23 to a site-specific RFP developed by community
24 members or a nonprofit organization or public
25 entity located in or serving the community.

26 Selection criteria may also prioritize projects

1 that:

2 (1) are developed in collaboration with or to
3 provide complementary opportunities for the Clean
4 Jobs Workforce Network Program, the Illinois
5 Climate Works Preapprenticeship Program, the
6 Returning Residents Clean Jobs Training Program,
7 the Clean Energy Contractor Incubator Program, or
8 the Clean Energy Primes Contractor Accelerator
9 Program;

10 (2) increase the diversity of locations of
11 community solar projects in Illinois, including by
12 locating in urban areas and population centers;

13 (3) are located in Equity Investment Eligible
14 Communities;

15 (4) are not greenfield projects;

16 (5) serve only local subscribers;

17 (6) have a nameplate capacity that does not
18 exceed 500 kW;

19 (7) are developed by an equity eligible
20 contractor; or

21 (8) otherwise meaningfully advance the goals
22 of providing more direct and tangible connection
23 and benefits to the communities which they serve
24 or in which they operate and increasing the
25 variety of community solar locations, models, and
26 options in Illinois.

1 For the purposes of this item (v):

2 "Community" means a social unit in which people
3 come together regularly to effect change; a social
4 unit in which participants are marked by a cooperative
5 spirit, a common purpose, or shared interests or
6 characteristics; or a space understood by its
7 residents to be delineated through geographic
8 boundaries or landmarks.

9 "Community benefit" means a range of services and
10 activities that provide affirmative, economic,
11 environmental, social, cultural, or physical value to
12 a community; or a mechanism that enables economic
13 development, high-quality employment, and education
14 opportunities for local workers and residents, or
15 formal monitoring and oversight structures such that
16 community members may ensure that those services and
17 activities respond to local knowledge and needs.

18 "Community ownership" means an arrangement in
19 which an electric generating facility is, or over time
20 will be, in significant part, owned collectively by
21 members of the community to which an electric
22 generating facility provides benefits; members of that
23 community participate in decisions regarding the
24 governance, operation, maintenance, and upgrades of
25 and to that facility; and members of that community
26 benefit from regular use of that facility.

1 Terms and guidance within these criteria that are
2 not defined in this item (v) shall be defined by the
3 Agency, with stakeholder input, during the development
4 of the Agency's long-term renewable resources
5 procurement plan. The Agency shall develop regular
6 opportunities for projects to submit applications for
7 projects under this category, and develop selection
8 criteria that gives preference to projects that better
9 meet individual criteria as well as projects that
10 address a higher number of criteria.

11 (vi) At least 10% from distributed renewable
12 energy generation devices, which includes distributed
13 renewable energy devices with a nameplate capacity
14 under 5,000 kilowatts or photovoltaic community
15 renewable generation projects, from applicants that
16 are equity eligible contractors. The Agency may create
17 subcategories within this category to account for the
18 differences between project size and type. The Agency
19 shall propose to increase the percentage in this item
20 (vi) over time to 40% based on factors, including, but
21 not limited to, the number of equity eligible
22 contractors and capacity used in this item (vi) in
23 previous delivery years.

24 The Agency shall propose a payment structure for
25 contracts executed pursuant to this paragraph under
26 which, upon a demonstration of qualification or need,

1 applicant firms are advanced capital disbursed after
2 contract execution but before the contracted project's
3 energization. The amount or percentage of capital
4 advanced prior to project energization shall be
5 sufficient to both cover any increase in development
6 costs resulting from prevailing wage requirements or
7 project-labor agreements, and designed to overcome
8 barriers in access to capital faced by equity eligible
9 contractors. The amount or percentage of advanced
10 capital may vary by subcategory within this category
11 and by an applicant's demonstration of need, with such
12 levels to be established through the Long-Term
13 Renewable Resources Procurement Plan authorized under
14 subparagraph (A) of paragraph (1) of subsection (c) of
15 this Section.

16 Contracts developed featuring capital advanced
17 prior to a project's energization shall feature
18 provisions to ensure both the successful development
19 of applicant projects and the delivery of the
20 renewable energy credits for the full term of the
21 contract, including ongoing collateral requirements
22 and other provisions deemed necessary by the Agency,
23 and may include energization timelines longer than for
24 comparable project types. The percentage or amount of
25 capital advanced prior to project energization shall
26 not operate to increase the overall contract value,

1 however contracts executed under this subparagraph may
2 feature renewable energy credit prices higher than
3 those offered to similar projects participating in
4 other categories. Capital advanced prior to
5 energization shall serve to reduce the ratable
6 payments made after energization under items (ii) and
7 (iii) of subparagraph (L) or payments made for each
8 renewable energy credit delivery under item (iv) of
9 subparagraph (L).

10 (vii) The remaining capacity shall be allocated by
11 the Agency in order to respond to market demand. The
12 Agency shall allocate any discretionary capacity prior
13 to the beginning of each delivery year.

14 To the extent there is uncontracted capacity from any
15 block in any of categories (i) through (vi) at the end of a
16 delivery year, the Agency shall redistribute that capacity
17 to one or more other categories giving priority to
18 categories with projects on a waitlist. The redistributed
19 capacity shall be added to the annual capacity in the
20 subsequent delivery year, and the price for renewable
21 energy credits shall be the price for the new delivery
22 year. Redistributed capacity shall not be considered
23 redistributed when determining whether the goals in this
24 subsection (K) have been met.

25 Notwithstanding anything to the contrary, as the
26 Agency increases the capacity in item (vi) to 40% over

1 time, the Agency may reduce the capacity of items (i)
2 through (v) proportionate to the capacity of the
3 categories of projects in item (vi), to achieve a balance
4 of project types.

5 The Adjustable Block program shall be designed to
6 ensure that renewable energy credits are procured from
7 projects in diverse locations and are not concentrated in
8 a few regional areas.

9 (L) Notwithstanding provisions for advancing capital
10 prior to project energization found in item (vi) of
11 subparagraph (K), the procurement of photovoltaic
12 renewable energy credits under items (i) through (vi) of
13 subparagraph (K) of this paragraph (1) shall otherwise be
14 subject to the following contract and payment terms:

15 (i) (Blank).

16 (ii) For those renewable energy credits that
17 qualify and are procured under item (i) of
18 subparagraph (K) of this paragraph (1), and any
19 similar category projects that are procured under item
20 (vi) of subparagraph (K) of this paragraph (1) that
21 qualify and are procured under item (vi), the contract
22 length shall be 15 years. The renewable energy credit
23 delivery contract value shall be paid in full, based
24 on the estimated generation during the first 15 years
25 of operation, by the contracting utilities at the time
26 that the facility producing the renewable energy

1 credits is interconnected at the distribution system
2 level of the utility and verified as energized and
3 compliant by the Program Administrator. The electric
4 utility shall receive and retire all renewable energy
5 credits generated by the project for the first 15
6 years of operation. Renewable energy credits generated
7 by the project thereafter shall not be transferred
8 under the renewable energy credit delivery contract
9 with the counterparty electric utility.

10 (iii) For those renewable energy credits that
11 qualify and are procured under item (ii) and (v) of
12 subparagraph (K) of this paragraph (1) and any like
13 projects similar category that qualify and are
14 procured under item (vi), the contract length shall be
15 15 years. 15% of the renewable energy credit delivery
16 contract value, based on the estimated generation
17 during the first 15 years of operation, shall be paid
18 by the contracting utilities at the time that the
19 facility producing the renewable energy credits is
20 interconnected at the distribution system level of the
21 utility and verified as energized and compliant by the
22 Program Administrator. The remaining portion shall be
23 paid ratably over the subsequent 6-year period. The
24 electric utility shall receive and retire all
25 renewable energy credits generated by the project for
26 the first 15 years of operation. Renewable energy

1 credits generated by the project thereafter shall not
2 be transferred under the renewable energy credit
3 delivery contract with the counterparty electric
4 utility.

5 (iv) For those renewable energy credits that
6 qualify and are procured under items (iii) and (iv) of
7 subparagraph (K) of this paragraph (1), and any like
8 projects that qualify and are procured under item
9 (vi), the renewable energy credit delivery contract
10 length shall be 20 years and shall be paid over the
11 delivery term, not to exceed during each delivery year
12 the contract price multiplied by the estimated annual
13 renewable energy credit generation amount. If
14 generation of renewable energy credits during a
15 delivery year exceeds the estimated annual generation
16 amount, the excess renewable energy credits shall be
17 carried forward to future delivery years and shall not
18 expire during the delivery term. If generation of
19 renewable energy credits during a delivery year,
20 including carried forward excess renewable energy
21 credits, if any, is less than the estimated annual
22 generation amount, payments during such delivery year
23 will not exceed the quantity generated plus the
24 quantity carried forward multiplied by the contract
25 price. The electric utility shall receive all
26 renewable energy credits generated by the project

1 during the first 20 years of operation and retire all
2 renewable energy credits paid for under this item (iv)
3 and return at the end of the delivery term all
4 renewable energy credits that were not paid for.
5 Renewable energy credits generated by the project
6 thereafter shall not be transferred under the
7 renewable energy credit delivery contract with the
8 counterparty electric utility. Notwithstanding the
9 preceding, for those projects participating under item
10 (iii) of subparagraph (K), the contract price for a
11 delivery year shall be based on subscription levels as
12 measured on the higher of the first business day of the
13 delivery year or the first business day 6 months after
14 the first business day of the delivery year.
15 Subscription of 90% of nameplate capacity or greater
16 shall be deemed to be fully subscribed for the
17 purposes of this item (iv). For projects receiving a
18 20-year delivery contract, REC prices shall be
19 adjusted downward for consistency with the incentive
20 levels previously determined to be necessary to
21 support projects under 15-year delivery contracts,
22 taking into consideration any additional new
23 requirements placed on the projects, including, but
24 not limited to, labor standards.

25 (v) Each contract shall include provisions to
26 ensure the delivery of the estimated quantity of

1 renewable energy credits and ongoing collateral
2 requirements and other provisions deemed appropriate
3 by the Agency.

4 (vi) The utility shall be the counterparty to the
5 contracts executed under this subparagraph (L) that
6 are approved by the Commission under the process
7 described in Section 16-111.5 of the Public Utilities
8 Act. No contract shall be executed for an amount that
9 is less than one renewable energy credit per year.

10 (vii) If, at any time, approved applications for
11 the Adjustable Block program exceed funds collected by
12 the electric utility or would cause the Agency to
13 exceed the limitation described in subparagraph (E) of
14 this paragraph (1) on the amount of renewable energy
15 resources that may be procured, then the Agency may
16 consider future uncommitted funds to be reserved for
17 these contracts on a first-come, first-served basis.

18 (viii) Nothing in this Section shall require the
19 utility to advance any payment or pay any amounts that
20 exceed the actual amount of revenues anticipated to be
21 collected by the utility under paragraph (6) of this
22 subsection (c) and subsection (k) of Section 16-108 of
23 the Public Utilities Act inclusive of eligible funds
24 collected in prior years and alternative compliance
25 payments for use by the utility, and contracts
26 executed under this Section shall expressly

1 incorporate this limitation.

2 (ix) Notwithstanding other requirements of this
3 subparagraph (L), no modification shall be required to
4 Adjustable Block program contracts if they were
5 already executed prior to the establishment, approval,
6 and implementation of new contract forms as a result
7 of this amendatory Act of the 102nd General Assembly.

8 (x) Contracts may be assignable, but only to
9 entities first deemed by the Agency to have met
10 program terms and requirements applicable to direct
11 program participation. In developing contracts for the
12 delivery of renewable energy credits, the Agency shall
13 be permitted to establish fees applicable to each
14 contract assignment.

15 (M) The Agency shall be authorized to retain one or
16 more experts or expert consulting firms to develop,
17 administer, implement, operate, and evaluate the
18 Adjustable Block program described in subparagraph (K) of
19 this paragraph (1), and the Agency shall retain the
20 consultant or consultants in the same manner, to the
21 extent practicable, as the Agency retains others to
22 administer provisions of this Act, including, but not
23 limited to, the procurement administrator. The selection
24 of experts and expert consulting firms and the procurement
25 process described in this subparagraph (M) are exempt from
26 the requirements of Section 20-10 of the Illinois

1 Procurement Code, under Section 20-10 of that Code. The
2 Agency shall strive to minimize administrative expenses in
3 the implementation of the Adjustable Block program.

4 The Program Administrator may charge application fees
5 to participating firms to cover the cost of program
6 administration. Any application fee amounts shall
7 initially be determined through the long-term renewable
8 resources procurement plan, and modifications to any
9 application fee that deviate more than 25% from the
10 Commission's approved value must be approved by the
11 Commission as a long-term plan revision under Section
12 16-111.5 of the Public Utilities Act. The Agency shall
13 consider stakeholder feedback when making adjustments to
14 application fees and shall notify stakeholders in advance
15 of any planned changes.

16 In addition to covering the costs of program
17 administration, the Agency, in conjunction with its
18 Program Administrator, may also use the proceeds of such
19 fees charged to participating firms to support public
20 education and ongoing regional and national coordination
21 with nonprofit organizations, public bodies, and others
22 engaged in the implementation of renewable energy
23 incentive programs or similar initiatives. This work may
24 include developing papers and reports, hosting regional
25 and national conferences, and other work deemed necessary
26 by the Agency to position the State of Illinois as a

1 national leader in renewable energy incentive program
2 development and administration.

3 The Agency and its consultant or consultants shall
4 monitor block activity, share program activity with
5 stakeholders and conduct quarterly meetings to discuss
6 program activity and market conditions. If necessary, the
7 Agency may make prospective administrative adjustments to
8 the Adjustable Block program design, such as making
9 adjustments to purchase prices as necessary to achieve the
10 goals of this subsection (c). Program modifications to any
11 block price that do not deviate from the Commission's
12 approved value by more than 10% shall take effect
13 immediately and are not subject to Commission review and
14 approval. Program modifications to any block price that
15 deviate more than 10% from the Commission's approved value
16 must be approved by the Commission as a long-term plan
17 amendment under Section 16-111.5 of the Public Utilities
18 Act. The Agency shall consider stakeholder feedback when
19 making adjustments to the Adjustable Block design and
20 shall notify stakeholders in advance of any planned
21 changes.

22 The Agency and its program administrators for both the
23 Adjustable Block program and the Illinois Solar for All
24 Program, consistent with the requirements of this
25 subsection (c) and subsection (b) of Section 1-56 of this
26 Act, shall propose the Adjustable Block program terms,

1 conditions, and requirements, including the prices to be
2 paid for renewable energy credits, where applicable, and
3 requirements applicable to participating entities and
4 project applications, through the development, review, and
5 approval of the Agency's long-term renewable resources
6 procurement plan described in this subsection (c) and
7 paragraph (5) of subsection (b) of Section 16-111.5 of the
8 Public Utilities Act. Terms, conditions, and requirements
9 for program participation shall include the following:

10 (i) The Agency shall establish a registration
11 process for entities seeking to qualify for
12 program-administered incentive funding and establish
13 baseline qualifications for vendor approval. The
14 Agency must maintain a list of approved entities on
15 each program's website, and may revoke a vendor's
16 ability to receive program-administered incentive
17 funding status upon a determination that the vendor
18 failed to comply with contract terms, the law, or
19 other program requirements.

20 (ii) The Agency shall establish program
21 requirements and minimum contract terms to ensure
22 projects are properly installed and produce their
23 expected amounts of energy. Program requirements may
24 include on-site inspections and photo documentation of
25 projects under construction. The Agency may require
26 repairs, alterations, or additions to remedy any

1 material deficiencies discovered. Vendors who have a
2 disproportionately high number of deficient systems
3 may lose their eligibility to continue to receive
4 State-administered incentive funding through Agency
5 programs and procurements.

6 (iii) To discourage deceptive marketing or other
7 bad faith business practices, the Agency may require
8 direct program participants, including agents
9 operating on their behalf, to provide standardized
10 disclosures to a customer prior to that customer's
11 execution of a contract for the development of a
12 distributed generation system or a subscription to a
13 community solar project.

14 (iv) The Agency shall establish one or multiple
15 Consumer Complaints Centers to accept complaints
16 regarding businesses that participate in, or otherwise
17 benefit from, State-administered incentive funding
18 through Agency-administered programs. The Agency shall
19 maintain a public database of complaints with any
20 confidential or particularly sensitive information
21 redacted from public entries.

22 (v) Through a filing in the proceeding for the
23 approval of its long-term renewable energy resources
24 procurement plan, the Agency shall provide an annual
25 written report to the Illinois Commerce Commission
26 documenting the frequency and nature of complaints and

1 any enforcement actions taken in response to those
2 complaints.

3 (vi) The Agency shall schedule regular meetings
4 with representatives of the Office of the Attorney
5 General, the Illinois Commerce Commission, consumer
6 protection groups, and other interested stakeholders
7 to share relevant information about consumer
8 protection, project compliance, and complaints
9 received.

10 (vii) To the extent that complaints received
11 implicate the jurisdiction of the Office of the
12 Attorney General, the Illinois Commerce Commission, or
13 local, State, or federal law enforcement, the Agency
14 shall also refer complaints to those entities as
15 appropriate.

16 (N) The Agency shall establish the terms, conditions,
17 and program requirements for photovoltaic community
18 renewable generation projects with a goal to expand access
19 to a broader group of energy consumers, to ensure robust
20 participation opportunities for residential and small
21 commercial customers and those who cannot install
22 renewable energy on their own properties. Subject to
23 reasonable limitations, any plan approved by the
24 Commission shall allow subscriptions to community
25 renewable generation projects to be portable and
26 transferable. For purposes of this subparagraph (N),

1 "portable" means that subscriptions may be retained by the
2 subscriber even if the subscriber relocates or changes its
3 address within the same utility service territory; and
4 "transferable" means that a subscriber may assign or sell
5 subscriptions to another person within the same utility
6 service territory.

7 Through the development of its long-term renewable
8 resources procurement plan, the Agency may consider
9 whether community renewable generation projects utilizing
10 technologies other than photovoltaics should be supported
11 through State-administered incentive funding, and may
12 issue requests for information to gauge market demand.

13 Electric utilities shall provide a monetary credit to
14 a subscriber's subsequent bill for service for the
15 proportional output of a community renewable generation
16 project attributable to that subscriber as specified in
17 Section 16-107.5 of the Public Utilities Act.

18 The Agency shall purchase renewable energy credits
19 from subscribed shares of photovoltaic community renewable
20 generation projects through the Adjustable Block program
21 described in subparagraph (K) of this paragraph (1) or
22 through the Illinois Solar for All Program described in
23 Section 1-56 of this Act. The electric utility shall
24 purchase any unsubscribed energy from community renewable
25 generation projects that are Qualifying Facilities ("QF")
26 under the electric utility's tariff for purchasing the

1 output from QFs under Public Utilities Regulatory Policies
2 Act of 1978.

3 The owners of and any subscribers to a community
4 renewable generation project shall not be considered
5 public utilities or alternative retail electricity
6 suppliers under the Public Utilities Act solely as a
7 result of their interest in or subscription to a community
8 renewable generation project and shall not be required to
9 become an alternative retail electric supplier by
10 participating in a community renewable generation project
11 with a public utility.

12 (O) For the delivery year beginning June 1, 2018, the
13 long-term renewable resources procurement plan required by
14 this subsection (c) shall provide for the Agency to
15 procure contracts to continue offering the Illinois Solar
16 for All Program described in subsection (b) of Section
17 1-56 of this Act, and the contracts approved by the
18 Commission shall be executed by the utilities that are
19 subject to this subsection (c). The long-term renewable
20 resources procurement plan shall allocate up to
21 \$50,000,000 per delivery year to fund the programs, and
22 the plan shall determine the amount of funding to be
23 apportioned to the programs identified in subsection (b)
24 of Section 1-56 of this Act; provided that for the
25 delivery years beginning June 1, 2021, June 1, 2022, and
26 June 1, 2023, the long-term renewable resources

1 procurement plan may average the annual budgets over a
2 3-year period to account for program ramp-up. For the
3 delivery years beginning June 1, 2021, June 1, 2024, June
4 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
5 be provided to the Department of Commerce and Economic
6 Opportunity to implement the workforce development
7 programs and reporting as outlined in Section 16-108.12 of
8 the Public Utilities Act. In making the determinations
9 required under this subparagraph (O), the Commission shall
10 consider the experience and performance under the programs
11 and any evaluation reports. The Commission shall also
12 provide for an independent evaluation of those programs on
13 a periodic basis that are funded under this subparagraph
14 (O).

15 (P) All programs and procurements under this
16 subsection (c) shall be designed to encourage
17 participating projects to use a diverse and equitable
18 workforce and a diverse set of contractors, including
19 minority-owned businesses, disadvantaged businesses,
20 trade unions, graduates of any workforce training programs
21 administered under this Act, and small businesses.

22 The Agency shall develop a method to optimize
23 procurement of renewable energy credits from proposed
24 utility-scale projects that are located in communities
25 eligible to receive Energy Transition Community Grants
26 pursuant to Section 10-20 of the Energy Community

1 Reinvestment Act. If this requirement conflicts with other
2 provisions of law or the Agency determines that full
3 compliance with the requirements of this subparagraph (P)
4 would be unreasonably costly or administratively
5 impractical, the Agency is to propose alternative
6 approaches to achieve development of renewable energy
7 resources in communities eligible to receive Energy
8 Transition Community Grants pursuant to Section 10-20 of
9 the Energy Community Reinvestment Act or seek an exemption
10 from this requirement from the Commission.

11 (Q) Each facility listed in subitems (i) through
12 (viii) of item (1) of this subparagraph (Q) for which a
13 renewable energy credit delivery contract is signed after
14 the effective date of this amendatory Act of the 102nd
15 General Assembly is subject to the following requirements
16 through the Agency's long-term renewable resources
17 procurement plan:

18 (1) Each facility shall be subject to the
19 prevailing wage requirements included in the
20 Prevailing Wage Act. The Agency shall require
21 verification that all construction performed on the
22 facility by the renewable energy credit delivery
23 contract holder, its contractors, or its
24 subcontractors relating to construction of the
25 facility is performed by construction employees
26 receiving an amount for that work equal to or greater

1 than the general prevailing rate, as that term is
2 defined in Section 3 of the Prevailing Wage Act. For
3 purposes of this item (1), "house of worship" means
4 property that is both (1) used exclusively by a
5 religious society or body of persons as a place for
6 religious exercise or religious worship and (2)
7 recognized as exempt from taxation pursuant to Section
8 15-40 of the Property Tax Code. This item (1) shall
9 apply to any the following:

10 (i) all new utility-scale wind projects;

11 (ii) all new utility-scale photovoltaic
12 projects;

13 (iii) all new brownfield photovoltaic
14 projects;

15 (iv) all new photovoltaic community renewable
16 energy facilities that qualify for item (iii) of
17 subparagraph (K) of this paragraph (1);

18 (v) all new community driven community
19 photovoltaic projects that qualify for item (v) of
20 subparagraph (K) of this paragraph (1);

21 (vi) all new photovoltaic distributed
22 renewable energy generation devices on schools
23 that qualify for item (iv) of subparagraph (K) of
24 this paragraph (1);

25 (vii) all new photovoltaic distributed
26 renewable energy generation devices that (1)

1 qualify for item (i) of subparagraph (K) of this
2 paragraph (1); (2) are not projects that serve
3 single-family or multi-family residential
4 buildings; and (3) are not houses of worship where
5 the aggregate capacity including collocated
6 projects would not exceed 100 kilowatts;

7 (viii) all new photovoltaic distributed
8 renewable energy generation devices that (1)
9 qualify for item (ii) of subparagraph (K) of this
10 paragraph (1); (2) are not projects that serve
11 single-family or multi-family residential
12 buildings; and (3) are not houses of worship where
13 the aggregate capacity including collocated
14 projects would not exceed 100 kilowatts.

15 (2) Renewable energy credits procured from new
16 utility-scale wind projects, new utility-scale solar
17 projects, and new brownfield solar projects pursuant
18 to Agency procurement events occurring after the
19 effective date of this amendatory Act of the 102nd
20 General Assembly must be from facilities built by
21 general contractors that must enter into a project
22 labor agreement, as defined by this Act, prior to
23 construction. The project labor agreement shall be
24 filed with the Director in accordance with procedures
25 established by the Agency through its long-term
26 renewable resources procurement plan. Any information

1 submitted to the Agency in this item (2) shall be
2 considered commercially sensitive information. At a
3 minimum, the project labor agreement must provide the
4 names, addresses, and occupations of the owner of the
5 plant and the individuals representing the labor
6 organization employees participating in the project
7 labor agreement consistent with the Project Labor
8 Agreements Act. The agreement must also specify the
9 terms and conditions as defined by this Act.

10 (3) It is the intent of this Section to ensure that
11 economic development occurs across Illinois
12 communities, that emerging businesses may grow, and
13 that there is improved access to the clean energy
14 economy by persons who have greater economic burdens
15 to success. The Agency shall take into consideration
16 the unique cost of compliance of this subparagraph (Q)
17 that might be borne by equity eligible contractors,
18 shall include such costs when determining the price of
19 renewable energy credits in the Adjustable Block
20 program, and shall take such costs into consideration
21 in a nondiscriminatory manner when comparing bids for
22 competitive procurements. The Agency shall consider
23 costs associated with compliance whether in the
24 development, financing, or construction of projects.
25 The Agency shall periodically review the assumptions
26 in these costs and may adjust prices, in compliance

1 with subparagraph (M) of this paragraph (1).

2 (R) In its long-term renewable resources procurement
3 plan, the Agency shall establish a self-direct renewable
4 portfolio standard compliance program for eligible
5 self-direct customers that purchase renewable energy
6 credits from utility-scale wind and solar projects through
7 long-term agreements for purchase of renewable energy
8 credits as described in this Section. Such long-term
9 agreements may include the purchase of energy or other
10 products on a physical or financial basis and may involve
11 an alternative retail electric supplier as defined in
12 Section 16-102 of the Public Utilities Act. This program
13 shall take effect in the delivery year commencing June 1,
14 2023.

15 (1) For the purposes of this subparagraph:

16 "Eligible self-direct customer" means any retail
17 customers of an electric utility that serves 3,000,000
18 or more retail customers in the State and whose total
19 highest 30-minute demand was more than 10,000
20 kilowatts, or any retail customers of an electric
21 utility that serves less than 3,000,000 retail
22 customers but more than 500,000 retail customers in
23 the State and whose total highest 15-minute demand was
24 more than 10,000 kilowatts.

25 "Retail customer" has the meaning set forth in
26 Section 16-102 of the Public Utilities Act and

1 multiple retail customer accounts under the same
2 corporate parent may aggregate their account demands
3 to meet the 10,000 kilowatt threshold. The criteria
4 for determining whether this subparagraph is
5 applicable to a retail customer shall be based on the
6 12 consecutive billing periods prior to the start of
7 the year in which the application is filed.

8 (2) For renewable energy credits to count toward
9 the self-direct renewable portfolio standard
10 compliance program, they must:

11 (i) qualify as renewable energy credits as
12 defined in Section 1-10 of this Act;

13 (ii) be sourced from one or more renewable
14 energy generating facilities that comply with the
15 geographic requirements as set forth in
16 subparagraph (I) of paragraph (1) of subsection
17 (c) as interpreted through the Agency's long-term
18 renewable resources procurement plan, or, where
19 applicable, the geographic requirements that
20 governed utility-scale renewable energy credits at
21 the time the eligible self-direct customer entered
22 into the applicable renewable energy credit
23 purchase agreement;

24 (iii) be procured through long-term contracts
25 with term lengths of at least 10 years either
26 directly with the renewable energy generating

1 facility or through a bundled power purchase
2 agreement, a virtual power purchase agreement, an
3 agreement between the renewable generating
4 facility, an alternative retail electric supplier,
5 and the customer, or such other structure as is
6 permissible under this subparagraph (R);

7 (iv) be equivalent in volume to at least 40%
8 of the eligible self-direct customer's usage,
9 determined annually by the eligible self-direct
10 customer's usage during the previous delivery
11 year, measured to the nearest megawatt-hour;

12 (v) be retired by or on behalf of the large
13 energy customer;

14 (vi) be sourced from new utility-scale wind
15 projects or new utility-scale solar projects; and

16 (vii) if the contracts for renewable energy
17 credits are entered into after the effective date
18 of this amendatory Act of the 102nd General
19 Assembly, the new utility-scale wind projects or
20 new utility-scale solar projects must comply with
21 the requirements established in subparagraphs (P)
22 and (Q) of paragraph (1) of this subsection (c)
23 and subsection (c-10).

24 (3) The self-direct renewable portfolio standard
25 compliance program shall be designed to allow eligible
26 self-direct customers to procure new renewable energy

1 credits from new utility-scale wind projects or new
2 utility-scale photovoltaic projects. The Agency shall
3 annually determine the amount of utility-scale
4 renewable energy credits it will include each year
5 from the self-direct renewable portfolio standard
6 compliance program, subject to receiving qualifying
7 applications. In making this determination, the Agency
8 shall evaluate publicly available analyses and studies
9 of the potential market size for utility-scale
10 renewable energy long-term purchase agreements by
11 commercial and industrial energy customers and make
12 that report publicly available. If demand for
13 participation in the self-direct renewable portfolio
14 standard compliance program exceeds availability, the
15 Agency shall ensure participation is evenly split
16 between commercial and industrial users to the extent
17 there is sufficient demand from both customer classes.
18 Each renewable energy credit procured pursuant to this
19 subparagraph (R) by a self-direct customer shall
20 reduce the total volume of renewable energy credits
21 the Agency is otherwise required to procure from new
22 utility-scale projects pursuant to subparagraph (C) of
23 paragraph (1) of this subsection (c) on behalf of
24 contracting utilities where the eligible self-direct
25 customer is located. The self-direct customer shall
26 file an annual compliance report with the Agency

1 pursuant to terms established by the Agency through
2 its long-term renewable resources procurement plan to
3 be eligible for participation in this program.
4 Customers must provide the Agency with their most
5 recent electricity billing statements or other
6 information deemed necessary by the Agency to
7 demonstrate they are an eligible self-direct customer.

8 (4) The Commission shall approve a reduction in
9 the volumetric charges collected pursuant to Section
10 16-108 of the Public Utilities Act for approved
11 eligible self-direct customers equivalent to the
12 anticipated cost of renewable energy credit deliveries
13 under contracts for new utility-scale wind and new
14 utility-scale solar entered for each delivery year
15 after the large energy customer begins retiring
16 eligible new utility scale renewable energy credits
17 for self-compliance. The self-direct credit amount
18 shall be determined annually and is equal to the
19 estimated portion of the cost authorized by
20 subparagraph (E) of paragraph (1) of this subsection
21 (c) that supported the annual procurement of
22 utility-scale renewable energy credits in the prior
23 delivery year using a methodology described in the
24 long-term renewable resources procurement plan,
25 expressed on a per kilowatthour basis, and does not
26 include (i) costs associated with any contracts

1 entered into before the delivery year in which the
2 customer files the initial compliance report to be
3 eligible for participation in the self-direct program,
4 and (ii) costs associated with procuring renewable
5 energy credits through existing and future contracts
6 through the Adjustable Block Program, subsection (c-5)
7 of this Section 1-75, and the Solar for All Program.
8 The Agency shall assist the Commission in determining
9 the current and future costs. The Agency must
10 determine the self-direct credit amount for new and
11 existing eligible self-direct customers and submit
12 this to the Commission in an annual compliance filing.
13 The Commission must approve the self-direct credit
14 amount by June 1, 2023 and June 1 of each delivery year
15 thereafter.

16 (5) Customers described in this subparagraph (R)
17 shall apply, on a form developed by the Agency, to the
18 Agency to be designated as a self-direct eligible
19 customer. Once the Agency determines that a
20 self-direct customer is eligible for participation in
21 the program, the self-direct customer will remain
22 eligible until the end of the term of the contract.
23 Thereafter, application may be made not less than 12
24 months before the filing date of the long-term
25 renewable resources procurement plan described in this
26 Act. At a minimum, such application shall contain the

1 following:

2 (i) the customer's certification that, at the
3 time of the customer's application, the customer
4 qualifies to be a self-direct eligible customer,
5 including documents demonstrating that
6 qualification;

7 (ii) the customer's certification that the
8 customer has entered into or will enter into by
9 the beginning of the applicable procurement year,
10 one or more bilateral contracts for new wind
11 projects or new photovoltaic projects, including
12 supporting documentation;

13 (iii) certification that the contract or
14 contracts for new renewable energy resources are
15 long-term contracts with term lengths of at least
16 10 years, including supporting documentation;

17 (iv) certification of the quantities of
18 renewable energy credits that the customer will
19 purchase each year under such contract or
20 contracts, including supporting documentation;

21 (v) proof that the contract is sufficient to
22 produce renewable energy credits to be equivalent
23 in volume to at least 40% of the large energy
24 customer's usage from the previous delivery year,
25 measured to the nearest megawatt-hour; and

26 (vi) certification that the customer intends

1 to maintain the contract for the duration of the
2 length of the contract.

3 (6) If a customer receives the self-direct credit
4 but fails to properly procure and retire renewable
5 energy credits as required under this subparagraph
6 (R), the Commission, on petition from the Agency and
7 after notice and hearing, may direct such customer's
8 utility to recover the cost of the wrongfully received
9 self-direct credits plus interest through an adder to
10 charges assessed pursuant to Section 16-108 of the
11 Public Utilities Act. Self-direct customers who
12 knowingly fail to properly procure and retire
13 renewable energy credits and do not notify the Agency
14 are ineligible for continued participation in the
15 self-direct renewable portfolio standard compliance
16 program.

17 (2) (Blank).

18 (3) (Blank).

19 (4) The electric utility shall retire all renewable
20 energy credits used to comply with the standard.

21 (5) Beginning with the 2010 delivery year and ending
22 June 1, 2017, an electric utility subject to this
23 subsection (c) shall apply the lesser of the maximum
24 alternative compliance payment rate or the most recent
25 estimated alternative compliance payment rate for its
26 service territory for the corresponding compliance period,

1 established pursuant to subsection (d) of Section 16-115D
2 of the Public Utilities Act to its retail customers that
3 take service pursuant to the electric utility's hourly
4 pricing tariff or tariffs. The electric utility shall
5 retain all amounts collected as a result of the
6 application of the alternative compliance payment rate or
7 rates to such customers, and, beginning in 2011, the
8 utility shall include in the information provided under
9 item (1) of subsection (d) of Section 16-111.5 of the
10 Public Utilities Act the amounts collected under the
11 alternative compliance payment rate or rates for the prior
12 year ending May 31. Notwithstanding any limitation on the
13 procurement of renewable energy resources imposed by item
14 (2) of this subsection (c), the Agency shall increase its
15 spending on the purchase of renewable energy resources to
16 be procured by the electric utility for the next plan year
17 by an amount equal to the amounts collected by the utility
18 under the alternative compliance payment rate or rates in
19 the prior year ending May 31.

20 (6) The electric utility shall be entitled to recover
21 all of its costs associated with the procurement of
22 renewable energy credits under plans approved under this
23 Section and Section 16-111.5 of the Public Utilities Act.
24 These costs shall include associated reasonable expenses
25 for implementing the procurement programs, including, but
26 not limited to, the costs of administering and evaluating

1 the Adjustable Block program, through an automatic
2 adjustment clause tariff in accordance with subsection (k)
3 of Section 16-108 of the Public Utilities Act.

4 (7) Renewable energy credits procured from new
5 photovoltaic projects or new distributed renewable energy
6 generation devices under this Section after June 1, 2017
7 (the effective date of Public Act 99-906) must be procured
8 from devices installed by a qualified person in compliance
9 with the requirements of Section 16-128A of the Public
10 Utilities Act and any rules or regulations adopted
11 thereunder.

12 In meeting the renewable energy requirements of this
13 subsection (c), to the extent feasible and consistent with
14 State and federal law, the renewable energy credit
15 procurements, Adjustable Block solar program, and
16 community renewable generation program shall provide
17 employment opportunities for all segments of the
18 population and workforce, including minority-owned and
19 female-owned business enterprises, and shall not,
20 consistent with State and federal law, discriminate based
21 on race or socioeconomic status.

22 (c-5) Procurement of renewable energy credits from new
23 renewable energy facilities installed at or adjacent to the
24 sites of electric generating facilities that burn or burned
25 coal as their primary fuel source.

26 (1) In addition to the procurement of renewable energy

1 credits pursuant to long-term renewable resources
2 procurement plans in accordance with subsection (c) of
3 this Section and Section 16-111.5 of the Public Utilities
4 Act, the Agency shall conduct procurement events in
5 accordance with this subsection (c-5) for the procurement
6 by electric utilities that served more than 300,000 retail
7 customers in this State as of January 1, 2019 of renewable
8 energy credits from new renewable energy facilities to be
9 installed at or adjacent to the sites of electric
10 generating facilities that, as of January 1, 2016, burned
11 coal as their primary fuel source and meet the other
12 criteria specified in this subsection (c-5). For purposes
13 of this subsection (c-5), "new renewable energy facility"
14 means a new utility-scale solar project as defined in this
15 Section 1-75. The renewable energy credits procured
16 pursuant to this subsection (c-5) may be included or
17 counted for purposes of compliance with the amounts of
18 renewable energy credits required to be procured pursuant
19 to subsection (c) of this Section to the extent that there
20 are otherwise shortfalls in compliance with such
21 requirements. The procurement of renewable energy credits
22 by electric utilities pursuant to this subsection (c-5)
23 shall be funded solely by revenues collected from the Coal
24 to Solar and Energy Storage Initiative Charge provided for
25 in this subsection (c-5) and subsection (i-5) of Section
26 16-108 of the Public Utilities Act, shall not be funded by

1 revenues collected through any of the other funding
2 mechanisms provided for in subsection (c) of this Section,
3 and shall not be subject to the limitation imposed by
4 subsection (c) on charges to retail customers for costs to
5 procure renewable energy resources pursuant to subsection
6 (c), and shall not be subject to any other requirements or
7 limitations of subsection (c).

8 (2) The Agency shall conduct 2 procurement events to
9 select owners of electric generating facilities meeting
10 the eligibility criteria specified in this subsection
11 (c-5) to enter into long-term contracts to sell renewable
12 energy credits to electric utilities serving more than
13 300,000 retail customers in this State as of January 1,
14 2019. The first procurement event shall be conducted no
15 later than March 31, 2022, unless the Agency elects to
16 delay it, until no later than May 1, 2022, due to its
17 overall volume of work, and shall be to select owners of
18 electric generating facilities located in this State and
19 south of federal Interstate Highway 80 that meet the
20 eligibility criteria specified in this subsection (c-5).
21 The second procurement event shall be conducted no sooner
22 than September 30, 2022 and no later than October 31, 2022
23 and shall be to select owners of electric generating
24 facilities located anywhere in this State that meet the
25 eligibility criteria specified in this subsection (c-5).
26 The Agency shall establish and announce a time period,

1 which shall begin no later than 30 days prior to the
2 scheduled date for the procurement event, during which
3 applicants may submit applications to be selected as
4 suppliers of renewable energy credits pursuant to this
5 subsection (c-5). The eligibility criteria for selection
6 as a supplier of renewable energy credits pursuant to this
7 subsection (c-5) shall be as follows:

8 (A) The applicant owns an electric generating
9 facility located in this State that: (i) as of January
10 1, 2016, burned coal as its primary fuel to generate
11 electricity; and (ii) has, or had prior to retirement,
12 an electric generating capacity of at least 150
13 megawatts. The electric generating facility can be
14 either: (i) retired as of the date of the procurement
15 event; or (ii) still operating as of the date of the
16 procurement event.

17 (B) The applicant is not (i) an electric
18 cooperative as defined in Section 3-119 of the Public
19 Utilities Act, or (ii) an entity described in
20 subsection (b)(1) of Section 3-105 of the Public
21 Utilities Act, or an association or consortium of or
22 an entity owned by entities described in (i) or (ii);
23 and the coal-fueled electric generating facility was
24 at one time owned, in whole or in part, by a public
25 utility as defined in Section 3-105 of the Public
26 Utilities Act.

1 (C) If participating in the first procurement
2 event, the applicant proposes and commits to construct
3 and operate, at the site, and if necessary for
4 sufficient space on property adjacent to the existing
5 property, at which the electric generating facility
6 identified in paragraph (A) is located: (i) a new
7 renewable energy facility of at least 20 megawatts but
8 no more than 100 megawatts of electric generating
9 capacity, and (ii) an energy storage facility having a
10 storage capacity equal to at least 2 megawatts and at
11 most 10 megawatts. If participating in the second
12 procurement event, the applicant proposes and commits
13 to construct and operate, at the site, and if
14 necessary for sufficient space on property adjacent to
15 the existing property, at which the electric
16 generating facility identified in paragraph (A) is
17 located: (i) a new renewable energy facility of at
18 least 5 megawatts but no more than 20 megawatts of
19 electric generating capacity, and (ii) an energy
20 storage facility having a storage capacity equal to at
21 least 0.5 megawatts and at most one megawatt.

22 (D) The applicant agrees that the new renewable
23 energy facility and the energy storage facility will
24 be constructed or installed by a qualified entity or
25 entities in compliance with the requirements of
26 subsection (g) of Section 16-128A of the Public

1 Utilities Act and any rules adopted thereunder.

2 (E) The applicant agrees that personnel operating
3 the new renewable energy facility and the energy
4 storage facility will have the requisite skills,
5 knowledge, training, experience, and competence, which
6 may be demonstrated by completion or current
7 participation and ultimate completion by employees of
8 an accredited or otherwise recognized apprenticeship
9 program for the employee's particular craft, trade, or
10 skill, including through training and education
11 courses and opportunities offered by the owner to
12 employees of the coal-fueled electric generating
13 facility or by previous employment experience
14 performing the employee's particular work skill or
15 function.

16 (F) The applicant commits that not less than the
17 prevailing wage, as determined pursuant to the
18 Prevailing Wage Act, will be paid to the applicant's
19 employees engaged in construction activities
20 associated with the new renewable energy facility and
21 the new energy storage facility and to the employees
22 of applicant's contractors engaged in construction
23 activities associated with the new renewable energy
24 facility and the new energy storage facility, and
25 that, on or before the commercial operation date of
26 the new renewable energy facility, the applicant shall

1 file a report with the Agency certifying that the
2 requirements of this subparagraph (F) have been met.

3 (G) The applicant commits that if selected, it
4 will negotiate a project labor agreement for the
5 construction of the new renewable energy facility and
6 associated energy storage facility that includes
7 provisions requiring the parties to the agreement to
8 work together to establish diversity threshold
9 requirements and to ensure best efforts to meet
10 diversity targets, improve diversity at the applicable
11 job site, create diverse apprenticeship opportunities,
12 and create opportunities to employ former coal-fired
13 power plant workers.

14 (H) The applicant commits to enter into a contract
15 or contracts for the applicable duration to provide
16 specified numbers of renewable energy credits each
17 year from the new renewable energy facility to
18 electric utilities that served more than 300,000
19 retail customers in this State as of January 1, 2019,
20 at a price of \$30 per renewable energy credit. The
21 price per renewable energy credit shall be fixed at
22 \$30 for the applicable duration and the renewable
23 energy credits shall not be indexed renewable energy
24 credits as provided for in item (v) of subparagraph
25 (G) of paragraph (1) of subsection (c) of Section 1-75
26 of this Act. The applicable duration of each contract

1 shall be 20 years, unless the applicant is physically
2 interconnected to the PJM Interconnection, LLC
3 transmission grid and had a generating capacity of at
4 least 1,200 megawatts as of January 1, 2021, in which
5 case the applicable duration of the contract shall be
6 15 years.

7 (I) The applicant's application is certified by an
8 officer of the applicant and by an officer of the
9 applicant's ultimate parent company, if any.

10 (3) An applicant may submit applications to contract
11 to supply renewable energy credits from more than one new
12 renewable energy facility to be constructed at or adjacent
13 to one or more qualifying electric generating facilities
14 owned by the applicant. The Agency may select new
15 renewable energy facilities to be located at or adjacent
16 to the sites of more than one qualifying electric
17 generation facility owned by an applicant to contract with
18 electric utilities to supply renewable energy credits from
19 such facilities.

20 (4) The Agency shall assess fees to each applicant to
21 recover the Agency's costs incurred in receiving and
22 evaluating applications, conducting the procurement event,
23 developing contracts for sale, delivery and purchase of
24 renewable energy credits, and monitoring the
25 administration of such contracts, as provided for in this
26 subsection (c-5), including fees paid to a procurement

1 administrator retained by the Agency for one or more of
2 these purposes.

3 (5) The Agency shall select the applicants and the new
4 renewable energy facilities to contract with electric
5 utilities to supply renewable energy credits in accordance
6 with this subsection (c-5). In the first procurement
7 event, the Agency shall select applicants and new
8 renewable energy facilities to supply renewable energy
9 credits, at a price of \$30 per renewable energy credit,
10 aggregating to no less than 400,000 renewable energy
11 credits per year for the applicable duration, assuming
12 sufficient qualifying applications to supply, in the
13 aggregate, at least that amount of renewable energy
14 credits per year; and not more than 580,000 renewable
15 energy credits per year for the applicable duration. In
16 the second procurement event, the Agency shall select
17 applicants and new renewable energy facilities to supply
18 renewable energy credits, at a price of \$30 per renewable
19 energy credit, aggregating to no more than 625,000
20 renewable energy credits per year less the amount of
21 renewable energy credits each year contracted for as a
22 result of the first procurement event, for the applicable
23 durations. The number of renewable energy credits to be
24 procured as specified in this paragraph (5) shall not be
25 reduced based on renewable energy credits procured in the
26 self-direct renewable energy credit compliance program

1 established pursuant to subparagraph (R) of paragraph (1)
2 of subsection (c) of Section 1-75.

3 (6) The obligation to purchase renewable energy
4 credits from the applicants and their new renewable energy
5 facilities selected by the Agency shall be allocated to
6 the electric utilities based on their respective
7 percentages of kilowatthours delivered to delivery
8 services customers to the aggregate kilowatthour
9 deliveries by the electric utilities to delivery services
10 customers for the year ended December 31, 2021. In order
11 to achieve these allocation percentages between or among
12 the electric utilities, the Agency shall require each
13 applicant that is selected in the procurement event to
14 enter into a contract with each electric utility for the
15 sale and purchase of renewable energy credits from each
16 new renewable energy facility to be constructed and
17 operated by the applicant, with the sale and purchase
18 obligations under the contracts to aggregate to the total
19 number of renewable energy credits per year to be supplied
20 by the applicant from the new renewable energy facility.

21 (7) The Agency shall submit its proposed selection of
22 applicants, new renewable energy facilities to be
23 constructed, and renewable energy credit amounts for each
24 procurement event to the Commission for approval. The
25 Commission shall, within 2 business days after receipt of
26 the Agency's proposed selections, approve the proposed

1 selections if it determines that the applicants and the
2 new renewable energy facilities to be constructed meet the
3 selection criteria set forth in this subsection (c-5) and
4 that the Agency seeks approval for contracts of applicable
5 durations aggregating to no more than the maximum amount
6 of renewable energy credits per year authorized by this
7 subsection (c-5) for the procurement event, at a price of
8 \$30 per renewable energy credit.

9 (8) The Agency, in conjunction with its procurement
10 administrator if one is retained, the electric utilities,
11 and potential applicants for contracts to produce and
12 supply renewable energy credits pursuant to this
13 subsection (c-5), shall develop a standard form contract
14 for the sale, delivery and purchase of renewable energy
15 credits pursuant to this subsection (c-5). Each contract
16 resulting from the first procurement event shall allow for
17 a commercial operation date for the new renewable energy
18 facility of either June 1, 2023 or June 1, 2024, with such
19 dates subject to adjustment as provided in this paragraph.
20 Each contract resulting from the second procurement event
21 shall provide for a commercial operation date on June 1
22 next occurring up to 48 months after execution of the
23 contract. Each contract shall provide that the owner shall
24 receive payments for renewable energy credits for the
25 applicable durations beginning with the commercial
26 operation date of the new renewable energy facility. The

1 form contract shall provide for adjustments to the
2 commercial operation and payment start dates as needed due
3 to any delays in completing the procurement and
4 contracting processes, in finalizing interconnection
5 agreements and installing interconnection facilities, and
6 in obtaining other necessary governmental permits and
7 approvals. The form contract shall be, to the maximum
8 extent possible, consistent with standard electric
9 industry contracts for sale, delivery, and purchase of
10 renewable energy credits while taking into account the
11 specific requirements of this subsection (c-5). The form
12 contract shall provide for over-delivery and
13 under-delivery of renewable energy credits within
14 reasonable ranges during each 12-month period and penalty,
15 default, and enforcement provisions for failure of the
16 selling party to deliver renewable energy credits as
17 specified in the contract and to comply with the
18 requirements of this subsection (c-5). The standard form
19 contract shall specify that all renewable energy credits
20 delivered to the electric utility pursuant to the contract
21 shall be retired. The Agency shall make the proposed
22 contracts available for a reasonable period for comment by
23 potential applicants, and shall publish the final form
24 contract at least 30 days before the date of the first
25 procurement event.

26 (9) Coal to Solar and Energy Storage Initiative

1 Charge.

2 (A) By no later than July 1, 2022, each electric
3 utility that served more than 300,000 retail customers
4 in this State as of January 1, 2019 shall file a tariff
5 with the Commission for the billing and collection of
6 a Coal to Solar and Energy Storage Initiative Charge
7 in accordance with subsection (i-5) of Section 16-108
8 of the Public Utilities Act, with such tariff to be
9 effective, following review and approval or
10 modification by the Commission, beginning January 1,
11 2023. The tariff shall provide for the calculation and
12 setting of the electric utility's Coal to Solar and
13 Energy Storage Initiative Charge to collect revenues
14 estimated to be sufficient, in the aggregate, (i) to
15 enable the electric utility to pay for the renewable
16 energy credits it has contracted to purchase in the
17 delivery year beginning June 1, 2023 and each delivery
18 year thereafter from new renewable energy facilities
19 located at the sites of qualifying electric generating
20 facilities, and (ii) to fund the grant payments to be
21 made in each delivery year by the Department of
22 Commerce and Economic Opportunity, or any successor
23 department or agency, which shall be referred to in
24 this subsection (c-5) as the Department, pursuant to
25 paragraph (10) of this subsection (c-5). The electric
26 utility's tariff shall provide for the billing and

1 collection of the Coal to Solar and Energy Storage
2 Initiative Charge on each kilowatthour of electricity
3 delivered to its delivery services customers within
4 its service territory and shall provide for an annual
5 reconciliation of revenues collected with actual
6 costs, in accordance with subsection (i-5) of Section
7 16-108 of the Public Utilities Act.

8 (B) Each electric utility shall remit on a monthly
9 basis to the State Treasurer, for deposit in the Coal
10 to Solar and Energy Storage Initiative Fund provided
11 for in this subsection (c-5), the electric utility's
12 collections of the Coal to Solar and Energy Storage
13 Initiative Charge in the amount estimated to be needed
14 by the Department for grant payments pursuant to grant
15 contracts entered into by the Department pursuant to
16 paragraph (10) of this subsection (c-5).

17 (10) Coal to Solar and Energy Storage Initiative Fund.

18 (A) The Coal to Solar and Energy Storage
19 Initiative Fund is established as a special fund in
20 the State treasury. The Coal to Solar and Energy
21 Storage Initiative Fund is authorized to receive, by
22 statutory deposit, that portion specified in item (B)
23 of paragraph (9) of this subsection (c-5) of moneys
24 collected by electric utilities through imposition of
25 the Coal to Solar and Energy Storage Initiative Charge
26 required by this subsection (c-5). The Coal to Solar

1 and Energy Storage Initiative Fund shall be
2 administered by the Department to provide grants to
3 support the installation and operation of energy
4 storage facilities at the sites of qualifying electric
5 generating facilities meeting the criteria specified
6 in this paragraph (10).

7 (B) The Coal to Solar and Energy Storage
8 Initiative Fund shall not be subject to sweeps,
9 administrative charges, or chargebacks, including, but
10 not limited to, those authorized under Section 8h of
11 the State Finance Act, that would in any way result in
12 the transfer of those funds from the Coal to Solar and
13 Energy Storage Initiative Fund to any other fund of
14 this State or in having any such funds utilized for any
15 purpose other than the express purposes set forth in
16 this paragraph (10).

17 (C) The Department shall utilize up to
18 \$280,500,000 in the Coal to Solar and Energy Storage
19 Initiative Fund for grants, assuming sufficient
20 qualifying applicants, to support installation of
21 energy storage facilities at the sites of up to 3
22 qualifying electric generating facilities located in
23 the Midcontinent Independent System Operator, Inc.,
24 region in Illinois and the sites of up to 2 qualifying
25 electric generating facilities located in the PJM
26 Interconnection, LLC region in Illinois that meet the

1 criteria set forth in this subparagraph (C). The
2 criteria for receipt of a grant pursuant to this
3 subparagraph (C) are as follows:

4 (1) the electric generating facility at the
5 site has, or had prior to retirement, an electric
6 generating capacity of at least 150 megawatts;

7 (2) the electric generating facility burns (or
8 burned prior to retirement) coal as its primary
9 source of fuel;

10 (3) if the electric generating facility is
11 retired, it was retired subsequent to January 1,
12 2016;

13 (4) the owner of the electric generating
14 facility has not been selected by the Agency
15 pursuant to this subsection (c-5) of this Section
16 to enter into a contract to sell renewable energy
17 credits to one or more electric utilities from a
18 new renewable energy facility located or to be
19 located at or adjacent to the site at which the
20 electric generating facility is located;

21 (5) the electric generating facility located
22 at the site was at one time owned, in whole or in
23 part, by a public utility as defined in Section
24 3-105 of the Public Utilities Act;

25 (6) the electric generating facility at the
26 site is not owned by (i) an electric cooperative

1 as defined in Section 3-119 of the Public
2 Utilities Act, or (ii) an entity described in
3 subsection (b)(1) of Section 3-105 of the Public
4 Utilities Act, or an association or consortium of
5 or an entity owned by entities described in items
6 (i) or (ii);

7 (7) the proposed energy storage facility at
8 the site will have energy storage capacity of at
9 least 37 megawatts;

10 (8) the owner commits to place the energy
11 storage facility into commercial operation on
12 either June 1, 2023, June 1, 2024, or June 1, 2025,
13 with such date subject to adjustment as needed due
14 to any delays in completing the grant contracting
15 process, in finalizing interconnection agreements
16 and in installing interconnection facilities, and
17 in obtaining necessary governmental permits and
18 approvals;

19 (9) the owner agrees that the new energy
20 storage facility will be constructed or installed
21 by a qualified entity or entities consistent with
22 the requirements of subsection (g) of Section
23 16-128A of the Public Utilities Act and any rules
24 adopted under that Section;

25 (10) the owner agrees that personnel operating
26 the energy storage facility will have the

1 requisite skills, knowledge, training, experience,
2 and competence, which may be demonstrated by
3 completion or current participation and ultimate
4 completion by employees of an accredited or
5 otherwise recognized apprenticeship program for
6 the employee's particular craft, trade, or skill,
7 including through training and education courses
8 and opportunities offered by the owner to
9 employees of the coal-fueled electric generating
10 facility or by previous employment experience
11 performing the employee's particular work skill or
12 function;

13 (11) the owner commits that not less than the
14 prevailing wage, as determined pursuant to the
15 Prevailing Wage Act, will be paid to the owner's
16 employees engaged in construction activities
17 associated with the new energy storage facility
18 and to the employees of the owner's contractors
19 engaged in construction activities associated with
20 the new energy storage facility, and that, on or
21 before the commercial operation date of the new
22 energy storage facility, the owner shall file a
23 report with the Department certifying that the
24 requirements of this subparagraph (11) have been
25 met; and

26 (12) the owner commits that if selected to

1 receive a grant, it will negotiate a project labor
2 agreement for the construction of the new energy
3 storage facility that includes provisions
4 requiring the parties to the agreement to work
5 together to establish diversity threshold
6 requirements and to ensure best efforts to meet
7 diversity targets, improve diversity at the
8 applicable job site, create diverse apprenticeship
9 opportunities, and create opportunities to employ
10 former coal-fired power plant workers.

11 The Department shall accept applications for this
12 grant program until March 31, 2022 and shall announce
13 the award of grants no later than June 1, 2022. The
14 Department shall make the grant payments to a
15 recipient in equal annual amounts for 10 years
16 following the date the energy storage facility is
17 placed into commercial operation. The annual grant
18 payments to a qualifying energy storage facility shall
19 be \$110,000 per megawatt of energy storage capacity,
20 with total annual grant payments pursuant to this
21 subparagraph (C) for qualifying energy storage
22 facilities not to exceed \$28,050,000 in any year.

23 (D) Grants of funding for energy storage
24 facilities pursuant to subparagraph (C) of this
25 paragraph (10), from the Coal to Solar and Energy
26 Storage Initiative Fund, shall be memorialized in

1 grant contracts between the Department and the
2 recipient. The grant contracts shall specify the date
3 or dates in each year on which the annual grant
4 payments shall be paid.

5 (E) All disbursements from the Coal to Solar and
6 Energy Storage Initiative Fund shall be made only upon
7 warrants of the Comptroller drawn upon the Treasurer
8 as custodian of the Fund upon vouchers signed by the
9 Director of the Department or by the person or persons
10 designated by the Director of the Department for that
11 purpose. The Comptroller is authorized to draw the
12 warrants upon vouchers so signed. The Treasurer shall
13 accept all written warrants so signed and shall be
14 released from liability for all payments made on those
15 warrants.

16 (11) Diversity, equity, and inclusion plans.

17 (A) Each applicant selected in a procurement event
18 to contract to supply renewable energy credits in
19 accordance with this subsection (c-5) and each owner
20 selected by the Department to receive a grant or
21 grants to support the construction and operation of a
22 new energy storage facility or facilities in
23 accordance with this subsection (c-5) shall, within 60
24 days following the Commission's approval of the
25 applicant to contract to supply renewable energy
26 credits or within 60 days following execution of a

1 grant contract with the Department, as applicable,
2 submit to the Commission a diversity, equity, and
3 inclusion plan setting forth the applicant's or
4 owner's numeric goals for the diversity composition of
5 its supplier entities for the new renewable energy
6 facility or new energy storage facility, as
7 applicable, which shall be referred to for purposes of
8 this paragraph (11) as the project, and the
9 applicant's or owner's action plan and schedule for
10 achieving those goals.

11 (B) For purposes of this paragraph (11), diversity
12 composition shall be based on the percentage, which
13 shall be a minimum of 25%, of eligible expenditures
14 for contract awards for materials and services (which
15 shall be defined in the plan) to business enterprises
16 owned by minority persons, women, or persons with
17 disabilities as defined in Section 2 of the Business
18 Enterprise for Minorities, Women, and Persons with
19 Disabilities Act, to LGBTQ business enterprises, to
20 veteran-owned business enterprises, and to business
21 enterprises located in environmental justice
22 communities. The diversity composition goals of the
23 plan may include eligible expenditures in areas for
24 vendor or supplier opportunities in addition to
25 development and construction of the project, and may
26 exclude from eligible expenditures materials and

1 services with limited market availability, limited
2 production and availability from suppliers in the
3 United States, such as solar panels and storage
4 batteries, and material and services that are subject
5 to critical energy infrastructure or cybersecurity
6 requirements or restrictions. The plan may provide
7 that the diversity composition goals may be met
8 through Tier 1 Direct or Tier 2 subcontracting
9 expenditures or a combination thereof for the project.

10 (C) The plan shall provide for, but not be limited
11 to: (i) internal initiatives, including multi-tier
12 initiatives, by the applicant or owner, or by its
13 engineering, procurement and construction contractor
14 if one is used for the project, which for purposes of
15 this paragraph (11) shall be referred to as the EPC
16 contractor, to enable diverse businesses to be
17 considered fairly for selection to provide materials
18 and services; (ii) requirements for the applicant or
19 owner or its EPC contractor to proactively solicit and
20 utilize diverse businesses to provide materials and
21 services; and (iii) requirements for the applicant or
22 owner or its EPC contractor to hire a diverse
23 workforce for the project. The plan shall include a
24 description of the applicant's or owner's diversity
25 recruiting efforts both for the project and for other
26 areas of the applicant's or owner's business

1 operations. The plan shall provide for the imposition
2 of financial penalties on the applicant's or owner's
3 EPC contractor for failure to exercise best efforts to
4 comply with and execute the EPC contractor's diversity
5 obligations under the plan. The plan may provide for
6 the applicant or owner to set aside a portion of the
7 work on the project to serve as an incubation program
8 for qualified businesses, as specified in the plan,
9 owned by minority persons, women, persons with
10 disabilities, LGBTQ persons, and veterans, and
11 businesses located in environmental justice
12 communities, seeking to enter the renewable energy
13 industry.

14 (D) The applicant or owner may submit a revised or
15 updated plan to the Commission from time to time as
16 circumstances warrant. The applicant or owner shall
17 file annual reports with the Commission detailing the
18 applicant's or owner's progress in implementing its
19 plan and achieving its goals and any modifications the
20 applicant or owner has made to its plan to better
21 achieve its diversity, equity and inclusion goals. The
22 applicant or owner shall file a final report on the
23 fifth June 1 following the commercial operation date
24 of the new renewable energy resource or new energy
25 storage facility, but the applicant or owner shall
26 thereafter continue to be subject to applicable

1 reporting requirements of Section 5-117 of the Public
2 Utilities Act.

3 (c-10) Equity accountability system. It is the purpose of
4 this subsection (c-10) to create an equity accountability
5 system, which includes the minimum equity standards for all
6 renewable energy procurements, the equity category of the
7 Adjustable Block Program, and the equity prioritization for
8 noncompetitive procurements, that is successful in advancing
9 priority access to the clean energy economy for businesses and
10 workers from communities that have been excluded from economic
11 opportunities in the energy sector, have been subject to
12 disproportionate levels of pollution, and have
13 disproportionately experienced negative public health
14 outcomes. Further, it is the purpose of this subsection to
15 ensure that this equity accountability system is successful in
16 advancing equity across Illinois by providing access to the
17 clean energy economy for businesses and workers from
18 communities that have been historically excluded from economic
19 opportunities in the energy sector, have been subject to
20 disproportionate levels of pollution, and have
21 disproportionately experienced negative public health
22 outcomes.

23 (1) Minimum equity standards. The Agency shall create
24 programs with the purpose of increasing access to and
25 development of equity eligible contractors, who are prime
26 contractors and subcontractors, across all of the programs

1 it manages. All applications for renewable energy credit
2 procurements shall comply with specific minimum equity
3 commitments. Starting in the delivery year immediately
4 following the next long-term renewable resources
5 procurement plan, at least 10% of the project workforce
6 for each entity participating in a procurement program
7 outlined in this subsection (c-10) must be done by equity
8 eligible persons or equity eligible contractors. The
9 Agency shall increase the minimum percentage each delivery
10 year thereafter by increments that ensure a statewide
11 average of 30% of the project workforce for each entity
12 participating in a procurement program is done by equity
13 eligible persons or equity eligible contractors by 2030.
14 The Agency shall propose a schedule of percentage
15 increases to the minimum equity standards in its draft
16 revised renewable energy resources procurement plan
17 submitted to the Commission for approval pursuant to
18 paragraph (5) of subsection (b) of Section 16-111.5 of the
19 Public Utilities Act. In determining these annual
20 increases, the Agency shall have the discretion to
21 establish different minimum equity standards for different
22 types of procurements and different regions of the State
23 if the Agency finds that doing so will further the
24 purposes of this subsection (c-10). The proposed schedule
25 of annual increases shall be revisited and updated on an
26 annual basis. Revisions shall be developed with

1 stakeholder input, including from equity eligible persons,
2 equity eligible contractors, clean energy industry
3 representatives, and community-based organizations that
4 work with such persons and contractors.

5 (A) At the start of each delivery year, the Agency
6 shall require a compliance plan from each entity
7 participating in a procurement program of subsection
8 (c) of this Section that demonstrates how they will
9 achieve compliance with the minimum equity standard
10 percentage for work completed in that delivery year.
11 If an entity applies for its approved vendor or
12 designee status between delivery years, the Agency
13 shall require a compliance plan at the time of
14 application.

15 (B) Halfway through each delivery year, the Agency
16 shall require each entity participating in a
17 procurement program to confirm that it will achieve
18 compliance in that delivery year, when applicable. The
19 Agency may offer corrective action plans to entities
20 that are not on track to achieve compliance.

21 (C) At the end of each delivery year, each entity
22 participating and completing work in that delivery
23 year in a procurement program of subsection (c) shall
24 submit a report to the Agency that demonstrates how it
25 achieved compliance with the minimum equity standards
26 percentage for that delivery year.

1 (D) The Agency shall prohibit participation in
2 procurement programs by an approved vendor or
3 designee, as applicable, or entities with which an
4 approved vendor or designee, as applicable, shares a
5 common parent company if an approved vendor or
6 designee, as applicable, failed to meet the minimum
7 equity standards for the prior delivery year. Waivers
8 approved for lack of equity eligible persons or equity
9 eligible contractors in a geographic area of a project
10 shall not count against the approved vendor or
11 designee. The Agency shall offer a corrective action
12 plan for any such entities to assist them in obtaining
13 compliance and shall allow continued access to
14 procurement programs upon an approved vendor or
15 designee demonstrating compliance.

16 (E) The Agency shall pursue efficiencies achieved
17 by combining with other approved vendor or designee
18 reporting.

19 (2) Equity accountability system within the Adjustable
20 Block program. The equity category described in item (vi)
21 of subparagraph (K) of subsection (c) is only available to
22 applicants that are equity eligible contractors.

23 (3) Equity accountability system within competitive
24 procurements. Through its long-term renewable resources
25 procurement plan, the Agency shall develop requirements
26 for ensuring that competitive procurement processes,

1 including utility-scale solar, utility-scale wind, and
2 brownfield site photovoltaic projects, advance the equity
3 goals of this subsection (c-10). Subject to Commission
4 approval, the Agency shall develop bid application
5 requirements and a bid evaluation methodology for ensuring
6 that utilization of equity eligible contractors, whether
7 as bidders or as participants on project development, is
8 optimized, including requiring that winning or successful
9 applicants for utility-scale projects are or will partner
10 with equity eligible contractors and giving preference to
11 bids through which a higher portion of contract value
12 flows to equity eligible contractors. To the extent
13 practicable, entities participating in competitive
14 procurements shall also be required to meet all the equity
15 accountability requirements for approved vendors and their
16 designees under this subsection (c-10). In developing
17 these requirements, the Agency shall also consider whether
18 equity goals can be further advanced through additional
19 measures.

20 (4) In the first revision to the long-term renewable
21 energy resources procurement plan and each revision
22 thereafter, the Agency shall include the following:

23 (A) The current status and number of equity
24 eligible contractors listed in the Energy Workforce
25 Equity Database designed in subsection (c-25),
26 including the number of equity eligible contractors

1 with current certifications as issued by the Agency.

2 (B) A mechanism for measuring, tracking, and
3 reporting project workforce at the approved vendor or
4 designee level, as applicable, which shall include a
5 measurement methodology and records to be made
6 available for audit by the Agency or the Program
7 Administrator.

8 (C) A program for approved vendors, designees,
9 eligible persons, and equity eligible contractors to
10 receive trainings, guidance, and other support from
11 the Agency or its designee regarding the equity
12 category outlined in item (vi) of subparagraph (K) of
13 paragraph (1) of subsection (c) and in meeting the
14 minimum equity standards of this subsection (c-10).

15 (D) A process for certifying equity eligible
16 contractors and equity eligible persons. The
17 certification process shall coordinate with the Energy
18 Workforce Equity Database set forth in subsection
19 (c-25).

20 (E) An application for waiver of the minimum
21 equity standards of this subsection, which the Agency
22 shall have the discretion to grant in rare
23 circumstances. The Agency may grant such a waiver
24 where the applicant provides evidence of significant
25 efforts toward meeting the minimum equity commitment,
26 including: use of the Energy Workforce Equity

1 Database; efforts to hire or contract with entities
2 that hire eligible persons; and efforts to establish
3 contracting relationships with eligible contractors.
4 The Agency shall support applicants in understanding
5 the Energy Workforce Equity Database and other
6 resources for pursuing compliance of the minimum
7 equity standards. Waivers shall be project-specific,
8 unless the Agency deems it necessary to grant a waiver
9 across a portfolio of projects, and in effect for no
10 longer than one year. Any waiver extension or
11 subsequent waiver request from an applicant shall be
12 subject to the requirements of this Section and shall
13 specify efforts made to reach compliance. When
14 considering whether to grant a waiver, and to what
15 extent, the Agency shall consider the degree to which
16 similarly situated applicants have been able to meet
17 these minimum equity commitments. For repeated waiver
18 requests for specific lack of eligible persons or
19 eligible contractors available, the Agency shall make
20 recommendations to target recruitment to add such
21 eligible persons or eligible contractors to the
22 database.

23 (5) The Agency shall collect information about work on
24 projects or portfolios of projects subject to these
25 minimum equity standards to ensure compliance with this
26 subsection (c-10). Reporting in furtherance of this

1 requirement may be combined with other annual reporting
2 requirements. Such reporting shall include proof of
3 certification of each equity eligible contractor or equity
4 eligible person during the applicable time period.

5 (6) The Agency shall keep confidential all information
6 and communication that provides private or personal
7 information.

8 (7) Modifications to the equity accountability system.
9 As part of the update of the long-term renewable resources
10 procurement plan to be initiated in 2023, or sooner if the
11 Agency deems necessary, the Agency shall determine the
12 extent to which the equity accountability system described
13 in this subsection (c-10) has advanced the goals of this
14 amendatory Act of the 102nd General Assembly, including
15 through the inclusion of equity eligible persons and
16 equity eligible contractors in renewable energy credit
17 projects. If the Agency finds that the equity
18 accountability system has failed to meet those goals to
19 its fullest potential, the Agency may revise the following
20 criteria for future Agency procurements: (A) the
21 percentage of project workforce, or other appropriate
22 workforce measure, certified as equity eligible persons or
23 equity eligible contractors; (B) definitions for equity
24 investment eligible persons and equity investment eligible
25 community; and (C) such other modifications necessary to
26 advance the goals of this amendatory Act of the 102nd

1 General Assembly effectively. Such revised criteria may
2 also establish distinct equity accountability systems for
3 different types of procurements or different regions of
4 the State if the Agency finds that doing so will further
5 the purposes of such programs. Revisions shall be
6 developed with stakeholder input, including from equity
7 eligible persons, equity eligible contractors, and
8 community-based organizations that work with such persons
9 and contractors.

10 (c-15) Racial discrimination elimination powers and
11 process.

12 (1) Purpose. It is the purpose of this subsection to
13 empower the Agency and other State actors to remedy racial
14 discrimination in Illinois' clean energy economy as
15 effectively and expediently as possible, including through
16 the use of race-conscious remedies, such as race-conscious
17 contracting and hiring goals, as consistent with State and
18 federal law.

19 (2) Racial disparity and discrimination review
20 process.

21 (A) Within one year after awarding contracts using
22 the equity actions processes established in this
23 Section, the Agency shall publish a report evaluating
24 the effectiveness of the equity actions point criteria
25 of this Section in increasing participation of equity
26 eligible persons and equity eligible contractors. The

1 report shall disaggregate participating workers and
2 contractors by race and ethnicity. The report shall be
3 forwarded to the Governor, the General Assembly, and
4 the Illinois Commerce Commission and be made available
5 to the public.

6 (B) As soon as is practicable thereafter, the
7 Agency, in consultation with the Department of
8 Commerce and Economic Opportunity, Department of
9 Labor, and other agencies that may be relevant, shall
10 commission and publish a disparity and availability
11 study that measures the presence and impact of
12 discrimination on minority businesses and workers in
13 Illinois' clean energy economy. The Agency may hire
14 consultants and experts to conduct the disparity and
15 availability study, with the retention of those
16 consultants and experts exempt from the requirements
17 of Section 20-10 of the Illinois Procurement Code. The
18 Illinois Power Agency shall forward a copy of its
19 findings and recommendations to the Governor, the
20 General Assembly, and the Illinois Commerce
21 Commission. If the disparity and availability study
22 establishes a strong basis in evidence that there is
23 discrimination in Illinois' clean energy economy, the
24 Agency, Department of Commerce and Economic
25 Opportunity, Department of Labor, Department of
26 Corrections, and other appropriate agencies shall take

1 appropriate remedial actions, including race-conscious
2 remedial actions as consistent with State and federal
3 law, to effectively remedy this discrimination. Such
4 remedies may include modification of the equity
5 accountability system as described in subsection
6 (c-10).

7 (c-20) Program data collection.

8 (1) Purpose. Data collection, data analysis, and
9 reporting are critical to ensure that the benefits of the
10 clean energy economy provided to Illinois residents and
11 businesses are equitably distributed across the State. The
12 Agency shall collect data from program applicants in order
13 to track and improve equitable distribution of benefits
14 across Illinois communities for all procurements the
15 Agency conducts. The Agency shall use this data to, among
16 other things, measure any potential impact of racial
17 discrimination on the distribution of benefits and provide
18 information necessary to correct any discrimination
19 through methods consistent with State and federal law.

20 (2) Agency collection of program data. The Agency
21 shall collect demographic and geographic data for each
22 entity awarded contracts under any Agency-administered
23 program.

24 (3) Required information to be collected. The Agency
25 shall collect the following information from applicants
26 and program participants where applicable:

1 (A) demographic information, including racial or
2 ethnic identity for real persons employed, contracted,
3 or subcontracted through the program and owners of
4 businesses or entities that apply to receive renewable
5 energy credits from the Agency;

6 (B) geographic location of the residency of real
7 persons employed, contracted, or subcontracted through
8 the program and geographic location of the
9 headquarters of the business or entity that applies to
10 receive renewable energy credits from the Agency; and

11 (C) any other information the Agency determines is
12 necessary for the purpose of achieving the purpose of
13 this subsection.

14 (4) Publication of collected information. The Agency
15 shall publish, at least annually, information on the
16 demographics of program participants on an aggregate
17 basis.

18 (5) Nothing in this subsection shall be interpreted to
19 limit the authority of the Agency, or other agency or
20 department of the State, to require or collect demographic
21 information from applicants of other State programs.

22 (c-25) Energy Workforce Equity Database.

23 (1) The Agency, in consultation with the Department of
24 Commerce and Economic Opportunity, shall create an Energy
25 Workforce Equity Database, and may contract with a third
26 party to do so ("database program administrator"). If the

1 Department decides to contract with a third party, that
2 third party shall be exempt from the requirements of
3 Section 20-10 of the Illinois Procurement Code. The Energy
4 Workforce Equity Database shall be a searchable database
5 of suppliers, vendors, and subcontractors for clean energy
6 industries that is:

7 (A) publicly accessible;

8 (B) easy for people to find and use;

9 (C) organized by company specialty or field;

10 (D) region-specific; and

11 (E) populated with information including, but not
12 limited to, contacts for suppliers, vendors, or
13 subcontractors who are minority and women-owned
14 business enterprise certified or who participate or
15 have participated in any of the programs described in
16 this Act.

17 (2) The Agency shall create an easily accessible,
18 public facing online tool using the database information
19 that includes, at a minimum, the following:

20 (A) a map of environmental justice and equity
21 investment eligible communities;

22 (B) job postings and recruiting opportunities;

23 (C) a means by which recruiting clean energy
24 companies can find and interact with current or former
25 participants of clean energy workforce training
26 programs;

1 (D) information on workforce training service
2 providers and training opportunities available to
3 prospective workers;

4 (E) renewable energy company diversity reporting;

5 (F) a list of equity eligible contractors with
6 their contact information, types of work performed,
7 and locations worked in;

8 (G) reporting on outcomes of the programs
9 described in the workforce programs of the Energy
10 Transition Act, including information such as, but not
11 limited to, retention rate, graduation rate, and
12 placement rates of trainees; and

13 (H) information about the Jobs and Environmental
14 Justice Grant Program, the Clean Energy Jobs and
15 Justice Fund, and other sources of capital.

16 (3) The Agency shall ensure the database is regularly
17 updated to ensure information is current and shall
18 coordinate with the Department of Commerce and Economic
19 Opportunity to ensure that it includes information on
20 individuals and entities that are or have participated in
21 the Clean Jobs Workforce Network Program, Clean Energy
22 Contractor Incubator Program, Returning Residents Clean
23 Jobs Training Program, or Clean Energy Primes Contractor
24 Accelerator Program.

25 (c-30) Enforcement of minimum equity standards. All
26 entities seeking renewable energy credits must submit an

1 annual report to demonstrate compliance with each of the
2 equity commitments required under subsection (c-10). If the
3 Agency concludes the entity has not met or maintained its
4 minimum equity standards required under the applicable
5 subparagraphs under subsection (c-10), the Agency shall deny
6 the entity's ability to participate in procurement programs in
7 subsection (c), including by withholding approved vendor or
8 designee status. The Agency may require the entity to enter
9 into a corrective action plan. An entity that is not
10 recertified for failing to meet required equity actions in
11 subparagraph (c-10) may reapply once they have a corrective
12 action plan and achieve compliance with the minimum equity
13 standards.

14 (d) Clean coal portfolio standard.

15 (1) The procurement plans shall include electricity
16 generated using clean coal. Each utility shall enter into
17 one or more sourcing agreements with the initial clean
18 coal facility, as provided in paragraph (3) of this
19 subsection (d), covering electricity generated by the
20 initial clean coal facility representing at least 5% of
21 each utility's total supply to serve the load of eligible
22 retail customers in 2015 and each year thereafter, as
23 described in paragraph (3) of this subsection (d), subject
24 to the limits specified in paragraph (2) of this
25 subsection (d). It is the goal of the State that by January
26 1, 2025, 25% of the electricity used in the State shall be

1 generated by cost-effective clean coal facilities. For
2 purposes of this subsection (d), "cost-effective" means
3 that the expenditures pursuant to such sourcing agreements
4 do not cause the limit stated in paragraph (2) of this
5 subsection (d) to be exceeded and do not exceed cost-based
6 benchmarks, which shall be developed to assess all
7 expenditures pursuant to such sourcing agreements covering
8 electricity generated by clean coal facilities, other than
9 the initial clean coal facility, by the procurement
10 administrator, in consultation with the Commission staff,
11 Agency staff, and the procurement monitor and shall be
12 subject to Commission review and approval.

13 A utility party to a sourcing agreement shall
14 immediately retire any emission credits that it receives
15 in connection with the electricity covered by such
16 agreement.

17 Utilities shall maintain adequate records documenting
18 the purchases under the sourcing agreement to comply with
19 this subsection (d) and shall file an accounting with the
20 load forecast that must be filed with the Agency by July 15
21 of each year, in accordance with subsection (d) of Section
22 16-111.5 of the Public Utilities Act.

23 A utility shall be deemed to have complied with the
24 clean coal portfolio standard specified in this subsection
25 (d) if the utility enters into a sourcing agreement as
26 required by this subsection (d).

1 (2) For purposes of this subsection (d), the required
2 execution of sourcing agreements with the initial clean
3 coal facility for a particular year shall be measured as a
4 percentage of the actual amount of electricity
5 (megawatt-hours) supplied by the electric utility to
6 eligible retail customers in the planning year ending
7 immediately prior to the agreement's execution. For
8 purposes of this subsection (d), the amount paid per
9 kilowatthour means the total amount paid for electric
10 service expressed on a per kilowatthour basis. For
11 purposes of this subsection (d), the total amount paid for
12 electric service includes without limitation amounts paid
13 for supply, transmission, distribution, surcharges and
14 add-on taxes.

15 Notwithstanding the requirements of this subsection
16 (d), the total amount paid under sourcing agreements with
17 clean coal facilities pursuant to the procurement plan for
18 any given year shall be reduced by an amount necessary to
19 limit the annual estimated average net increase due to the
20 costs of these resources included in the amounts paid by
21 eligible retail customers in connection with electric
22 service to:

23 (A) in 2010, no more than 0.5% of the amount paid
24 per kilowatthour by those customers during the year
25 ending May 31, 2009;

26 (B) in 2011, the greater of an additional 0.5% of

1 the amount paid per kilowatthour by those customers
2 during the year ending May 31, 2010 or 1% of the amount
3 paid per kilowatthour by those customers during the
4 year ending May 31, 2009;

5 (C) in 2012, the greater of an additional 0.5% of
6 the amount paid per kilowatthour by those customers
7 during the year ending May 31, 2011 or 1.5% of the
8 amount paid per kilowatthour by those customers during
9 the year ending May 31, 2009;

10 (D) in 2013, the greater of an additional 0.5% of
11 the amount paid per kilowatthour by those customers
12 during the year ending May 31, 2012 or 2% of the amount
13 paid per kilowatthour by those customers during the
14 year ending May 31, 2009; and

15 (E) thereafter, the total amount paid under
16 sourcing agreements with clean coal facilities
17 pursuant to the procurement plan for any single year
18 shall be reduced by an amount necessary to limit the
19 estimated average net increase due to the cost of
20 these resources included in the amounts paid by
21 eligible retail customers in connection with electric
22 service to no more than the greater of (i) 2.015% of
23 the amount paid per kilowatthour by those customers
24 during the year ending May 31, 2009 or (ii) the
25 incremental amount per kilowatthour paid for these
26 resources in 2013. These requirements may be altered

1 only as provided by statute.

2 No later than June 30, 2015, the Commission shall
3 review the limitation on the total amount paid under
4 sourcing agreements, if any, with clean coal facilities
5 pursuant to this subsection (d) and report to the General
6 Assembly its findings as to whether that limitation unduly
7 constrains the amount of electricity generated by
8 cost-effective clean coal facilities that is covered by
9 sourcing agreements.

10 (3) Initial clean coal facility. In order to promote
11 development of clean coal facilities in Illinois, each
12 electric utility subject to this Section shall execute a
13 sourcing agreement to source electricity from a proposed
14 clean coal facility in Illinois (the "initial clean coal
15 facility") that will have a nameplate capacity of at least
16 500 MW when commercial operation commences, that has a
17 final Clean Air Act permit on June 1, 2009 (the effective
18 date of Public Act 95-1027), and that will meet the
19 definition of clean coal facility in Section 1-10 of this
20 Act when commercial operation commences. The sourcing
21 agreements with this initial clean coal facility shall be
22 subject to both approval of the initial clean coal
23 facility by the General Assembly and satisfaction of the
24 requirements of paragraph (4) of this subsection (d) and
25 shall be executed within 90 days after any such approval
26 by the General Assembly. The Agency and the Commission

1 shall have authority to inspect all books and records
2 associated with the initial clean coal facility during the
3 term of such a sourcing agreement. A utility's sourcing
4 agreement for electricity produced by the initial clean
5 coal facility shall include:

6 (A) a formula contractual price (the "contract
7 price") approved pursuant to paragraph (4) of this
8 subsection (d), which shall:

9 (i) be determined using a cost of service
10 methodology employing either a level or deferred
11 capital recovery component, based on a capital
12 structure consisting of 45% equity and 55% debt,
13 and a return on equity as may be approved by the
14 Federal Energy Regulatory Commission, which in any
15 case may not exceed the lower of 11.5% or the rate
16 of return approved by the General Assembly
17 pursuant to paragraph (4) of this subsection (d);
18 and

19 (ii) provide that all miscellaneous net
20 revenue, including but not limited to net revenue
21 from the sale of emission allowances, if any,
22 substitute natural gas, if any, grants or other
23 support provided by the State of Illinois or the
24 United States Government, firm transmission
25 rights, if any, by-products produced by the
26 facility, energy or capacity derived from the

1 facility and not covered by a sourcing agreement
2 pursuant to paragraph (3) of this subsection (d)
3 or item (5) of subsection (d) of Section 16-115 of
4 the Public Utilities Act, whether generated from
5 the synthesis gas derived from coal, from SNG, or
6 from natural gas, shall be credited against the
7 revenue requirement for this initial clean coal
8 facility;

9 (B) power purchase provisions, which shall:

10 (i) provide that the utility party to such
11 sourcing agreement shall pay the contract price
12 for electricity delivered under such sourcing
13 agreement;

14 (ii) require delivery of electricity to the
15 regional transmission organization market of the
16 utility that is party to such sourcing agreement;

17 (iii) require the utility party to such
18 sourcing agreement to buy from the initial clean
19 coal facility in each hour an amount of energy
20 equal to all clean coal energy made available from
21 the initial clean coal facility during such hour
22 times a fraction, the numerator of which is such
23 utility's retail market sales of electricity
24 (expressed in kilowatthours sold) in the State
25 during the prior calendar month and the
26 denominator of which is the total retail market

1 sales of electricity (expressed in kilowatthours
2 sold) in the State by utilities during such prior
3 month and the sales of electricity (expressed in
4 kilowatthours sold) in the State by alternative
5 retail electric suppliers during such prior month
6 that are subject to the requirements of this
7 subsection (d) and paragraph (5) of subsection (d)
8 of Section 16-115 of the Public Utilities Act,
9 provided that the amount purchased by the utility
10 in any year will be limited by paragraph (2) of
11 this subsection (d); and

12 (iv) be considered pre-existing contracts in
13 such utility's procurement plans for eligible
14 retail customers;

15 (C) contract for differences provisions, which
16 shall:

17 (i) require the utility party to such sourcing
18 agreement to contract with the initial clean coal
19 facility in each hour with respect to an amount of
20 energy equal to all clean coal energy made
21 available from the initial clean coal facility
22 during such hour times a fraction, the numerator
23 of which is such utility's retail market sales of
24 electricity (expressed in kilowatthours sold) in
25 the utility's service territory in the State
26 during the prior calendar month and the

1 denominator of which is the total retail market
2 sales of electricity (expressed in kilowatthours
3 sold) in the State by utilities during such prior
4 month and the sales of electricity (expressed in
5 kilowatthours sold) in the State by alternative
6 retail electric suppliers during such prior month
7 that are subject to the requirements of this
8 subsection (d) and paragraph (5) of subsection (d)
9 of Section 16-115 of the Public Utilities Act,
10 provided that the amount paid by the utility in
11 any year will be limited by paragraph (2) of this
12 subsection (d);

13 (ii) provide that the utility's payment
14 obligation in respect of the quantity of
15 electricity determined pursuant to the preceding
16 clause (i) shall be limited to an amount equal to
17 (1) the difference between the contract price
18 determined pursuant to subparagraph (A) of
19 paragraph (3) of this subsection (d) and the
20 day-ahead price for electricity delivered to the
21 regional transmission organization market of the
22 utility that is party to such sourcing agreement
23 (or any successor delivery point at which such
24 utility's supply obligations are financially
25 settled on an hourly basis) (the "reference
26 price") on the day preceding the day on which the

1 electricity is delivered to the initial clean coal
2 facility busbar, multiplied by (2) the quantity of
3 electricity determined pursuant to the preceding
4 clause (i); and

5 (iii) not require the utility to take physical
6 delivery of the electricity produced by the
7 facility;

8 (D) general provisions, which shall:

9 (i) specify a term of no more than 30 years,
10 commencing on the commercial operation date of the
11 facility;

12 (ii) provide that utilities shall maintain
13 adequate records documenting purchases under the
14 sourcing agreements entered into to comply with
15 this subsection (d) and shall file an accounting
16 with the load forecast that must be filed with the
17 Agency by July 15 of each year, in accordance with
18 subsection (d) of Section 16-111.5 of the Public
19 Utilities Act;

20 (iii) provide that all costs associated with
21 the initial clean coal facility will be
22 periodically reported to the Federal Energy
23 Regulatory Commission and to purchasers in
24 accordance with applicable laws governing
25 cost-based wholesale power contracts;

26 (iv) permit the Illinois Power Agency to

1 assume ownership of the initial clean coal
2 facility, without monetary consideration and
3 otherwise on reasonable terms acceptable to the
4 Agency, if the Agency so requests no less than 3
5 years prior to the end of the stated contract
6 term;

7 (v) require the owner of the initial clean
8 coal facility to provide documentation to the
9 Commission each year, starting in the facility's
10 first year of commercial operation, accurately
11 reporting the quantity of carbon emissions from
12 the facility that have been captured and
13 sequestered and report any quantities of carbon
14 released from the site or sites at which carbon
15 emissions were sequestered in prior years, based
16 on continuous monitoring of such sites. If, in any
17 year after the first year of commercial operation,
18 the owner of the facility fails to demonstrate
19 that the initial clean coal facility captured and
20 sequestered at least 50% of the total carbon
21 emissions that the facility would otherwise emit
22 or that sequestration of emissions from prior
23 years has failed, resulting in the release of
24 carbon dioxide into the atmosphere, the owner of
25 the facility must offset excess emissions. Any
26 such carbon offsets must be permanent, additional,

1 verifiable, real, located within the State of
2 Illinois, and legally and practicably enforceable.
3 The cost of such offsets for the facility that are
4 not recoverable shall not exceed \$15 million in
5 any given year. No costs of any such purchases of
6 carbon offsets may be recovered from a utility or
7 its customers. All carbon offsets purchased for
8 this purpose and any carbon emission credits
9 associated with sequestration of carbon from the
10 facility must be permanently retired. The initial
11 clean coal facility shall not forfeit its
12 designation as a clean coal facility if the
13 facility fails to fully comply with the applicable
14 carbon sequestration requirements in any given
15 year, provided the requisite offsets are
16 purchased. However, the Attorney General, on
17 behalf of the People of the State of Illinois, may
18 specifically enforce the facility's sequestration
19 requirement and the other terms of this contract
20 provision. Compliance with the sequestration
21 requirements and offset purchase requirements
22 specified in paragraph (3) of this subsection (d)
23 shall be reviewed annually by an independent
24 expert retained by the owner of the initial clean
25 coal facility, with the advance written approval
26 of the Attorney General. The Commission may, in

1 the course of the review specified in item (vii),
2 reduce the allowable return on equity for the
3 facility if the facility willfully fails to comply
4 with the carbon capture and sequestration
5 requirements set forth in this item (v);

6 (vi) include limits on, and accordingly
7 provide for modification of, the amount the
8 utility is required to source under the sourcing
9 agreement consistent with paragraph (2) of this
10 subsection (d);

11 (vii) require Commission review: (1) to
12 determine the justness, reasonableness, and
13 prudence of the inputs to the formula referenced
14 in subparagraphs (A)(i) through (A)(iii) of
15 paragraph (3) of this subsection (d), prior to an
16 adjustment in those inputs including, without
17 limitation, the capital structure and return on
18 equity, fuel costs, and other operations and
19 maintenance costs and (2) to approve the costs to
20 be passed through to customers under the sourcing
21 agreement by which the utility satisfies its
22 statutory obligations. Commission review shall
23 occur no less than every 3 years, regardless of
24 whether any adjustments have been proposed, and
25 shall be completed within 9 months;

26 (viii) limit the utility's obligation to such

1 amount as the utility is allowed to recover
2 through tariffs filed with the Commission,
3 provided that neither the clean coal facility nor
4 the utility waives any right to assert federal
5 pre-emption or any other argument in response to a
6 purported disallowance of recovery costs;

7 (ix) limit the utility's or alternative retail
8 electric supplier's obligation to incur any
9 liability until such time as the facility is in
10 commercial operation and generating power and
11 energy and such power and energy is being
12 delivered to the facility busbar;

13 (x) provide that the owner or owners of the
14 initial clean coal facility, which is the
15 counterparty to such sourcing agreement, shall
16 have the right from time to time to elect whether
17 the obligations of the utility party thereto shall
18 be governed by the power purchase provisions or
19 the contract for differences provisions;

20 (xi) append documentation showing that the
21 formula rate and contract, insofar as they relate
22 to the power purchase provisions, have been
23 approved by the Federal Energy Regulatory
24 Commission pursuant to Section 205 of the Federal
25 Power Act;

26 (xii) provide that any changes to the terms of

1 the contract, insofar as such changes relate to
2 the power purchase provisions, are subject to
3 review under the public interest standard applied
4 by the Federal Energy Regulatory Commission
5 pursuant to Sections 205 and 206 of the Federal
6 Power Act; and

7 (xiii) conform with customary lender
8 requirements in power purchase agreements used as
9 the basis for financing non-utility generators.

10 (4) Effective date of sourcing agreements with the
11 initial clean coal facility. Any proposed sourcing
12 agreement with the initial clean coal facility shall not
13 become effective unless the following reports are prepared
14 and submitted and authorizations and approvals obtained:

15 (i) Facility cost report. The owner of the initial
16 clean coal facility shall submit to the Commission,
17 the Agency, and the General Assembly a front-end
18 engineering and design study, a facility cost report,
19 method of financing (including but not limited to
20 structure and associated costs), and an operating and
21 maintenance cost quote for the facility (collectively
22 "facility cost report"), which shall be prepared in
23 accordance with the requirements of this paragraph (4)
24 of subsection (d) of this Section, and shall provide
25 the Commission and the Agency access to the work
26 papers, relied upon documents, and any other backup

1 documentation related to the facility cost report.

2 (ii) Commission report. Within 6 months following
3 receipt of the facility cost report, the Commission,
4 in consultation with the Agency, shall submit a report
5 to the General Assembly setting forth its analysis of
6 the facility cost report. Such report shall include,
7 but not be limited to, a comparison of the costs
8 associated with electricity generated by the initial
9 clean coal facility to the costs associated with
10 electricity generated by other types of generation
11 facilities, an analysis of the rate impacts on
12 residential and small business customers over the life
13 of the sourcing agreements, and an analysis of the
14 likelihood that the initial clean coal facility will
15 commence commercial operation by and be delivering
16 power to the facility's busbar by 2016. To assist in
17 the preparation of its report, the Commission, in
18 consultation with the Agency, may hire one or more
19 experts or consultants, the costs of which shall be
20 paid for by the owner of the initial clean coal
21 facility. The Commission and Agency may begin the
22 process of selecting such experts or consultants prior
23 to receipt of the facility cost report.

24 (iii) General Assembly approval. The proposed
25 sourcing agreements shall not take effect unless,
26 based on the facility cost report and the Commission's

1 report, the General Assembly enacts authorizing
2 legislation approving (A) the projected price, stated
3 in cents per kilowatthour, to be charged for
4 electricity generated by the initial clean coal
5 facility, (B) the projected impact on residential and
6 small business customers' bills over the life of the
7 sourcing agreements, and (C) the maximum allowable
8 return on equity for the project; and

9 (iv) Commission review. If the General Assembly
10 enacts authorizing legislation pursuant to
11 subparagraph (iii) approving a sourcing agreement, the
12 Commission shall, within 90 days of such enactment,
13 complete a review of such sourcing agreement. During
14 such time period, the Commission shall implement any
15 directive of the General Assembly, resolve any
16 disputes between the parties to the sourcing agreement
17 concerning the terms of such agreement, approve the
18 form of such agreement, and issue an order finding
19 that the sourcing agreement is prudent and reasonable.
20 The facility cost report shall be prepared as follows:

21 (A) The facility cost report shall be prepared by
22 duly licensed engineering and construction firms
23 detailing the estimated capital costs payable to one
24 or more contractors or suppliers for the engineering,
25 procurement and construction of the components
26 comprising the initial clean coal facility and the

1 estimated costs of operation and maintenance of the
2 facility. The facility cost report shall include:

3 (i) an estimate of the capital cost of the
4 core plant based on one or more front end
5 engineering and design studies for the
6 gasification island and related facilities. The
7 core plant shall include all civil, structural,
8 mechanical, electrical, control, and safety
9 systems.

10 (ii) an estimate of the capital cost of the
11 balance of the plant, including any capital costs
12 associated with sequestration of carbon dioxide
13 emissions and all interconnects and interfaces
14 required to operate the facility, such as
15 transmission of electricity, construction or
16 backfeed power supply, pipelines to transport
17 substitute natural gas or carbon dioxide, potable
18 water supply, natural gas supply, water supply,
19 water discharge, landfill, access roads, and coal
20 delivery.

21 The quoted construction costs shall be expressed
22 in nominal dollars as of the date that the quote is
23 prepared and shall include capitalized financing costs
24 during construction, taxes, insurance, and other
25 owner's costs, and an assumed escalation in materials
26 and labor beyond the date as of which the construction

1 cost quote is expressed.

2 (B) The front end engineering and design study for
3 the gasification island and the cost study for the
4 balance of plant shall include sufficient design work
5 to permit quantification of major categories of
6 materials, commodities and labor hours, and receipt of
7 quotes from vendors of major equipment required to
8 construct and operate the clean coal facility.

9 (C) The facility cost report shall also include an
10 operating and maintenance cost quote that will provide
11 the estimated cost of delivered fuel, personnel,
12 maintenance contracts, chemicals, catalysts,
13 consumables, spares, and other fixed and variable
14 operations and maintenance costs. The delivered fuel
15 cost estimate will be provided by a recognized third
16 party expert or experts in the fuel and transportation
17 industries. The balance of the operating and
18 maintenance cost quote, excluding delivered fuel
19 costs, will be developed based on the inputs provided
20 by duly licensed engineering and construction firms
21 performing the construction cost quote, potential
22 vendors under long-term service agreements and plant
23 operating agreements, or recognized third party plant
24 operator or operators.

25 The operating and maintenance cost quote
26 (including the cost of the front end engineering and

1 design study) shall be expressed in nominal dollars as
2 of the date that the quote is prepared and shall
3 include taxes, insurance, and other owner's costs, and
4 an assumed escalation in materials and labor beyond
5 the date as of which the operating and maintenance
6 cost quote is expressed.

7 (D) The facility cost report shall also include an
8 analysis of the initial clean coal facility's ability
9 to deliver power and energy into the applicable
10 regional transmission organization markets and an
11 analysis of the expected capacity factor for the
12 initial clean coal facility.

13 (E) Amounts paid to third parties unrelated to the
14 owner or owners of the initial clean coal facility to
15 prepare the core plant construction cost quote,
16 including the front end engineering and design study,
17 and the operating and maintenance cost quote will be
18 reimbursed through Coal Development Bonds.

19 (5) Re-powering and retrofitting coal-fired power
20 plants previously owned by Illinois utilities to qualify
21 as clean coal facilities. During the 2009 procurement
22 planning process and thereafter, the Agency and the
23 Commission shall consider sourcing agreements covering
24 electricity generated by power plants that were previously
25 owned by Illinois utilities and that have been or will be
26 converted into clean coal facilities, as defined by

1 Section 1-10 of this Act. Pursuant to such procurement
2 planning process, the owners of such facilities may
3 propose to the Agency sourcing agreements with utilities
4 and alternative retail electric suppliers required to
5 comply with subsection (d) of this Section and item (5) of
6 subsection (d) of Section 16-115 of the Public Utilities
7 Act, covering electricity generated by such facilities. In
8 the case of sourcing agreements that are power purchase
9 agreements, the contract price for electricity sales shall
10 be established on a cost of service basis. In the case of
11 sourcing agreements that are contracts for differences,
12 the contract price from which the reference price is
13 subtracted shall be established on a cost of service
14 basis. The Agency and the Commission may approve any such
15 utility sourcing agreements that do not exceed cost-based
16 benchmarks developed by the procurement administrator, in
17 consultation with the Commission staff, Agency staff and
18 the procurement monitor, subject to Commission review and
19 approval. The Commission shall have authority to inspect
20 all books and records associated with these clean coal
21 facilities during the term of any such contract.

22 (6) Costs incurred under this subsection (d) or
23 pursuant to a contract entered into under this subsection
24 (d) shall be deemed prudently incurred and reasonable in
25 amount and the electric utility shall be entitled to full
26 cost recovery pursuant to the tariffs filed with the

1 Commission.

2 (d-5) Zero emission standard.

3 (1) Beginning with the delivery year commencing on
4 June 1, 2017, the Agency shall, for electric utilities
5 that serve at least 100,000 retail customers in this
6 State, procure contracts with zero emission facilities
7 that are reasonably capable of generating cost-effective
8 zero emission credits in an amount approximately equal to
9 16% of the actual amount of electricity delivered by each
10 electric utility to retail customers in the State during
11 calendar year 2014. For an electric utility serving fewer
12 than 100,000 retail customers in this State that
13 requested, under Section 16-111.5 of the Public Utilities
14 Act, that the Agency procure power and energy for all or a
15 portion of the utility's Illinois load for the delivery
16 year commencing June 1, 2016, the Agency shall procure
17 contracts with zero emission facilities that are
18 reasonably capable of generating cost-effective zero
19 emission credits in an amount approximately equal to 16%
20 of the portion of power and energy to be procured by the
21 Agency for the utility. The duration of the contracts
22 procured under this subsection (d-5) shall be for a term
23 of 10 years ending May 31, 2027. The quantity of zero
24 emission credits to be procured under the contracts shall
25 be all of the zero emission credits generated by the zero
26 emission facility in each delivery year; however, if the

1 zero emission facility is owned by more than one entity,
2 then the quantity of zero emission credits to be procured
3 under the contracts shall be the amount of zero emission
4 credits that are generated from the portion of the zero
5 emission facility that is owned by the winning supplier.

6 The 16% value identified in this paragraph (1) is the
7 average of the percentage targets in subparagraph (B) of
8 paragraph (1) of subsection (c) of this Section for the 5
9 delivery years beginning June 1, 2017.

10 The procurement process shall be subject to the
11 following provisions:

12 (A) Those zero emission facilities that intend to
13 participate in the procurement shall submit to the
14 Agency the following eligibility information for each
15 zero emission facility on or before the date
16 established by the Agency:

17 (i) the in-service date and remaining useful
18 life of the zero emission facility;

19 (ii) the amount of power generated annually
20 for each of the years 2005 through 2015, and the
21 projected zero emission credits to be generated
22 over the remaining useful life of the zero
23 emission facility, which shall be used to
24 determine the capability of each facility;

25 (iii) the annual zero emission facility cost
26 projections, expressed on a per megawatthour

1 basis, over the next 6 delivery years, which shall
2 include the following: operation and maintenance
3 expenses; fully allocated overhead costs, which
4 shall be allocated using the methodology developed
5 by the Institute for Nuclear Power Operations;
6 fuel expenditures; non-fuel capital expenditures;
7 spent fuel expenditures; a return on working
8 capital; the cost of operational and market risks
9 that could be avoided by ceasing operation; and
10 any other costs necessary for continued
11 operations, provided that "necessary" means, for
12 purposes of this item (iii), that the costs could
13 reasonably be avoided only by ceasing operations
14 of the zero emission facility; and

15 (iv) a commitment to continue operating, for
16 the duration of the contract or contracts executed
17 under the procurement held under this subsection
18 (d-5), the zero emission facility that produces
19 the zero emission credits to be procured in the
20 procurement.

21 The information described in item (iii) of this
22 subparagraph (A) may be submitted on a confidential
23 basis and shall be treated and maintained by the
24 Agency, the procurement administrator, and the
25 Commission as confidential and proprietary and exempt
26 from disclosure under subparagraphs (a) and (g) of

1 paragraph (1) of Section 7 of the Freedom of
2 Information Act. The Office of Attorney General shall
3 have access to, and maintain the confidentiality of,
4 such information pursuant to Section 6.5 of the
5 Attorney General Act.

6 (B) The price for each zero emission credit
7 procured under this subsection (d-5) for each delivery
8 year shall be in an amount that equals the Social Cost
9 of Carbon, expressed on a price per megawatthour
10 basis. However, to ensure that the procurement remains
11 affordable to retail customers in this State if
12 electricity prices increase, the price in an
13 applicable delivery year shall be reduced below the
14 Social Cost of Carbon by the amount ("Price
15 Adjustment") by which the market price index for the
16 applicable delivery year exceeds the baseline market
17 price index for the consecutive 12-month period ending
18 May 31, 2016. If the Price Adjustment is greater than
19 or equal to the Social Cost of Carbon in an applicable
20 delivery year, then no payments shall be due in that
21 delivery year. The components of this calculation are
22 defined as follows:

23 (i) Social Cost of Carbon: The Social Cost of
24 Carbon is \$16.50 per megawatthour, which is based
25 on the U.S. Interagency Working Group on Social
26 Cost of Carbon's price in the August 2016

1 Technical Update using a 3% discount rate,
2 adjusted for inflation for each year of the
3 program. Beginning with the delivery year
4 commencing June 1, 2023, the price per
5 megawatthour shall increase by \$1 per
6 megawatthour, and continue to increase by an
7 additional \$1 per megawatthour each delivery year
8 thereafter.

9 (ii) Baseline market price index: The baseline
10 market price index for the consecutive 12-month
11 period ending May 31, 2016 is \$31.40 per
12 megawatthour, which is based on the sum of (aa)
13 the average day-ahead energy price across all
14 hours of such 12-month period at the PJM
15 Interconnection LLC Northern Illinois Hub, (bb)
16 50% multiplied by the Base Residual Auction, or
17 its successor, capacity price for the rest of the
18 RTO zone group determined by PJM Interconnection
19 LLC, divided by 24 hours per day, and (cc) 50%
20 multiplied by the Planning Resource Auction, or
21 its successor, capacity price for Zone 4
22 determined by the Midcontinent Independent System
23 Operator, Inc., divided by 24 hours per day.

24 (iii) Market price index: The market price
25 index for a delivery year shall be the sum of
26 projected energy prices and projected capacity

1 prices determined as follows:

2 (aa) Projected energy prices: the
3 projected energy prices for the applicable
4 delivery year shall be calculated once for the
5 year using the forward market price for the
6 PJM Interconnection, LLC Northern Illinois
7 Hub. The forward market price shall be
8 calculated as follows: the energy forward
9 prices for each month of the applicable
10 delivery year averaged for each trade date
11 during the calendar year immediately preceding
12 that delivery year to produce a single energy
13 forward price for the delivery year. The
14 forward market price calculation shall use
15 data published by the Intercontinental
16 Exchange, or its successor.

17 (bb) Projected capacity prices:

18 (I) For the delivery years commencing
19 June 1, 2017, June 1, 2018, and June 1,
20 2019, the projected capacity price shall
21 be equal to the sum of (1) 50% multiplied
22 by the Base Residual Auction, or its
23 successor, price for the rest of the RTO
24 zone group as determined by PJM
25 Interconnection LLC, divided by 24 hours
26 per day and, (2) 50% multiplied by the

1 resource auction price determined in the
2 resource auction administered by the
3 Midcontinent Independent System Operator,
4 Inc., in which the largest percentage of
5 load cleared for Local Resource Zone 4,
6 divided by 24 hours per day, and where
7 such price is determined by the
8 Midcontinent Independent System Operator,
9 Inc.

10 (II) For the delivery year commencing
11 June 1, 2020, and each year thereafter,
12 the projected capacity price shall be
13 equal to the sum of (1) 50% multiplied by
14 the Base Residual Auction, or its
15 successor, price for the ComEd zone as
16 determined by PJM Interconnection LLC,
17 divided by 24 hours per day, and (2) 50%
18 multiplied by the resource auction price
19 determined in the resource auction
20 administered by the Midcontinent
21 Independent System Operator, Inc., in
22 which the largest percentage of load
23 cleared for Local Resource Zone 4, divided
24 by 24 hours per day, and where such price
25 is determined by the Midcontinent
26 Independent System Operator, Inc.

1 For purposes of this subsection (d-5):

2 "Rest of the RTO" and "ComEd Zone" shall have
3 the meaning ascribed to them by PJM
4 Interconnection, LLC.

5 "RTO" means regional transmission
6 organization.

7 (C) No later than 45 days after June 1, 2017 (the
8 effective date of Public Act 99-906), the Agency shall
9 publish its proposed zero emission standard
10 procurement plan. The plan shall be consistent with
11 the provisions of this paragraph (1) and shall provide
12 that winning bids shall be selected based on public
13 interest criteria that include, but are not limited
14 to, minimizing carbon dioxide emissions that result
15 from electricity consumed in Illinois and minimizing
16 sulfur dioxide, nitrogen oxide, and particulate matter
17 emissions that adversely affect the citizens of this
18 State. In particular, the selection of winning bids
19 shall take into account the incremental environmental
20 benefits resulting from the procurement, such as any
21 existing environmental benefits that are preserved by
22 the procurements held under Public Act 99-906 and
23 would cease to exist if the procurements were not
24 held, including the preservation of zero emission
25 facilities. The plan shall also describe in detail how
26 each public interest factor shall be considered and

1 weighted in the bid selection process to ensure that
2 the public interest criteria are applied to the
3 procurement and given full effect.

4 For purposes of developing the plan, the Agency
5 shall consider any reports issued by a State agency,
6 board, or commission under House Resolution 1146 of
7 the 98th General Assembly and paragraph (4) of
8 subsection (d) of this Section, as well as publicly
9 available analyses and studies performed by or for
10 regional transmission organizations that serve the
11 State and their independent market monitors.

12 Upon publishing of the zero emission standard
13 procurement plan, copies of the plan shall be posted
14 and made publicly available on the Agency's website.
15 All interested parties shall have 10 days following
16 the date of posting to provide comment to the Agency on
17 the plan. All comments shall be posted to the Agency's
18 website. Following the end of the comment period, but
19 no more than 60 days later than June 1, 2017 (the
20 effective date of Public Act 99-906), the Agency shall
21 revise the plan as necessary based on the comments
22 received and file its zero emission standard
23 procurement plan with the Commission.

24 If the Commission determines that the plan will
25 result in the procurement of cost-effective zero
26 emission credits, then the Commission shall, after

1 notice and hearing, but no later than 45 days after the
2 Agency filed the plan, approve the plan or approve
3 with modification. For purposes of this subsection
4 (d-5), "cost effective" means the projected costs of
5 procuring zero emission credits from zero emission
6 facilities do not cause the limit stated in paragraph
7 (2) of this subsection to be exceeded.

8 (C-5) As part of the Commission's review and
9 acceptance or rejection of the procurement results,
10 the Commission shall, in its public notice of
11 successful bidders:

12 (i) identify how the winning bids satisfy the
13 public interest criteria described in subparagraph
14 (C) of this paragraph (1) of minimizing carbon
15 dioxide emissions that result from electricity
16 consumed in Illinois and minimizing sulfur
17 dioxide, nitrogen oxide, and particulate matter
18 emissions that adversely affect the citizens of
19 this State;

20 (ii) specifically address how the selection of
21 winning bids takes into account the incremental
22 environmental benefits resulting from the
23 procurement, including any existing environmental
24 benefits that are preserved by the procurements
25 held under Public Act 99-906 and would have ceased
26 to exist if the procurements had not been held,

1 such as the preservation of zero emission
2 facilities;

3 (iii) quantify the environmental benefit of
4 preserving the resources identified in item (ii)
5 of this subparagraph (C-5), including the
6 following:

7 (aa) the value of avoided greenhouse gas
8 emissions measured as the product of the zero
9 emission facilities' output over the contract
10 term multiplied by the U.S. Environmental
11 Protection Agency eGrid subregion carbon
12 dioxide emission rate and the U.S. Interagency
13 Working Group on Social Cost of Carbon's price
14 in the August 2016 Technical Update using a 3%
15 discount rate, adjusted for inflation for each
16 delivery year; and

17 (bb) the costs of replacement with other
18 zero carbon dioxide resources, including wind
19 and photovoltaic, based upon the simple
20 average of the following:

21 (I) the price, or if there is more
22 than one price, the average of the prices,
23 paid for renewable energy credits from new
24 utility-scale wind projects in the
25 procurement events specified in item (i)
26 of subparagraph (G) of paragraph (1) of

1 subsection (c) of this Section; and

2 (II) the price, or if there is more
3 than one price, the average of the prices,
4 paid for renewable energy credits from new
5 utility-scale solar projects and
6 brownfield site photovoltaic projects in
7 the procurement events specified in item
8 (ii) of subparagraph (G) of paragraph (1)
9 of subsection (c) of this Section and,
10 after January 1, 2015, renewable energy
11 credits from photovoltaic distributed
12 generation projects in procurement events
13 held under subsection (c) of this Section.

14 Each utility shall enter into binding contractual
15 arrangements with the winning suppliers.

16 The procurement described in this subsection
17 (d-5), including, but not limited to, the execution of
18 all contracts procured, shall be completed no later
19 than May 10, 2017. Based on the effective date of
20 Public Act 99-906, the Agency and Commission may, as
21 appropriate, modify the various dates and timelines
22 under this subparagraph and subparagraphs (C) and (D)
23 of this paragraph (1). The procurement and plan
24 approval processes required by this subsection (d-5)
25 shall be conducted in conjunction with the procurement
26 and plan approval processes required by subsection (c)

1 of this Section and Section 16-111.5 of the Public
2 Utilities Act, to the extent practicable.
3 Notwithstanding whether a procurement event is
4 conducted under Section 16-111.5 of the Public
5 Utilities Act, the Agency shall immediately initiate a
6 procurement process on June 1, 2017 (the effective
7 date of Public Act 99-906).

8 (D) Following the procurement event described in
9 this paragraph (1) and consistent with subparagraph
10 (B) of this paragraph (1), the Agency shall calculate
11 the payments to be made under each contract for the
12 next delivery year based on the market price index for
13 that delivery year. The Agency shall publish the
14 payment calculations no later than May 25, 2017 and
15 every May 25 thereafter.

16 (E) Notwithstanding the requirements of this
17 subsection (d-5), the contracts executed under this
18 subsection (d-5) shall provide that the zero emission
19 facility may, as applicable, suspend or terminate
20 performance under the contracts in the following
21 instances:

22 (i) A zero emission facility shall be excused
23 from its performance under the contract for any
24 cause beyond the control of the resource,
25 including, but not restricted to, acts of God,
26 flood, drought, earthquake, storm, fire,

1 lightning, epidemic, war, riot, civil disturbance
2 or disobedience, labor dispute, labor or material
3 shortage, sabotage, acts of public enemy,
4 explosions, orders, regulations or restrictions
5 imposed by governmental, military, or lawfully
6 established civilian authorities, which, in any of
7 the foregoing cases, by exercise of commercially
8 reasonable efforts the zero emission facility
9 could not reasonably have been expected to avoid,
10 and which, by the exercise of commercially
11 reasonable efforts, it has been unable to
12 overcome. In such event, the zero emission
13 facility shall be excused from performance for the
14 duration of the event, including, but not limited
15 to, delivery of zero emission credits, and no
16 payment shall be due to the zero emission facility
17 during the duration of the event.

18 (ii) A zero emission facility shall be
19 permitted to terminate the contract if legislation
20 is enacted into law by the General Assembly that
21 imposes or authorizes a new tax, special
22 assessment, or fee on the generation of
23 electricity, the ownership or leasehold of a
24 generating unit, or the privilege or occupation of
25 such generation, ownership, or leasehold of
26 generation units by a zero emission facility.

1 However, the provisions of this item (ii) do not
2 apply to any generally applicable tax, special
3 assessment or fee, or requirements imposed by
4 federal law.

5 (iii) A zero emission facility shall be
6 permitted to terminate the contract in the event
7 that the resource requires capital expenditures in
8 excess of \$40,000,000 that were neither known nor
9 reasonably foreseeable at the time it executed the
10 contract and that a prudent owner or operator of
11 such resource would not undertake.

12 (iv) A zero emission facility shall be
13 permitted to terminate the contract in the event
14 the Nuclear Regulatory Commission terminates the
15 resource's license.

16 (F) If the zero emission facility elects to
17 terminate a contract under subparagraph (E) of this
18 paragraph (1), then the Commission shall reopen the
19 docket in which the Commission approved the zero
20 emission standard procurement plan under subparagraph
21 (C) of this paragraph (1) and, after notice and
22 hearing, enter an order acknowledging the contract
23 termination election if such termination is consistent
24 with the provisions of this subsection (d-5).

25 (2) For purposes of this subsection (d-5), the amount
26 paid per kilowatthour means the total amount paid for

1 electric service expressed on a per kilowatthour basis.
2 For purposes of this subsection (d-5), the total amount
3 paid for electric service includes, without limitation,
4 amounts paid for supply, transmission, distribution,
5 surcharges, and add-on taxes.

6 Notwithstanding the requirements of this subsection
7 (d-5), the contracts executed under this subsection (d-5)
8 shall provide that the total of zero emission credits
9 procured under a procurement plan shall be subject to the
10 limitations of this paragraph (2). For each delivery year,
11 the contractual volume receiving payments in such year
12 shall be reduced for all retail customers based on the
13 amount necessary to limit the net increase that delivery
14 year to the costs of those credits included in the amounts
15 paid by eligible retail customers in connection with
16 electric service to no more than 1.65% of the amount paid
17 per kilowatthour by eligible retail customers during the
18 year ending May 31, 2009. The result of this computation
19 shall apply to and reduce the procurement for all retail
20 customers, and all those customers shall pay the same
21 single, uniform cents per kilowatthour charge under
22 subsection (k) of Section 16-108 of the Public Utilities
23 Act. To arrive at a maximum dollar amount of zero emission
24 credits to be paid for the particular delivery year, the
25 resulting per kilowatthour amount shall be applied to the
26 actual amount of kilowatthours of electricity delivered by

1 the electric utility in the delivery year immediately
2 prior to the procurement, to all retail customers in its
3 service territory. Unpaid contractual volume for any
4 delivery year shall be paid in any subsequent delivery
5 year in which such payments can be made without exceeding
6 the amount specified in this paragraph (2). The
7 calculations required by this paragraph (2) shall be made
8 only once for each procurement plan year. Once the
9 determination as to the amount of zero emission credits to
10 be paid is made based on the calculations set forth in this
11 paragraph (2), no subsequent rate impact determinations
12 shall be made and no adjustments to those contract amounts
13 shall be allowed. All costs incurred under those contracts
14 and in implementing this subsection (d-5) shall be
15 recovered by the electric utility as provided in this
16 Section.

17 No later than June 30, 2019, the Commission shall
18 review the limitation on the amount of zero emission
19 credits procured under this subsection (d-5) and report to
20 the General Assembly its findings as to whether that
21 limitation unduly constrains the procurement of
22 cost-effective zero emission credits.

23 (3) Six years after the execution of a contract under
24 this subsection (d-5), the Agency shall determine whether
25 the actual zero emission credit payments received by the
26 supplier over the 6-year period exceed the Average ZEC

1 Payment. In addition, at the end of the term of a contract
2 executed under this subsection (d-5), or at the time, if
3 any, a zero emission facility's contract is terminated
4 under subparagraph (E) of paragraph (1) of this subsection
5 (d-5), then the Agency shall determine whether the actual
6 zero emission credit payments received by the supplier
7 over the term of the contract exceed the Average ZEC
8 Payment, after taking into account any amounts previously
9 credited back to the utility under this paragraph (3). If
10 the Agency determines that the actual zero emission credit
11 payments received by the supplier over the relevant period
12 exceed the Average ZEC Payment, then the supplier shall
13 credit the difference back to the utility. The amount of
14 the credit shall be remitted to the applicable electric
15 utility no later than 120 days after the Agency's
16 determination, which the utility shall reflect as a credit
17 on its retail customer bills as soon as practicable;
18 however, the credit remitted to the utility shall not
19 exceed the total amount of payments received by the
20 facility under its contract.

21 For purposes of this Section, the Average ZEC Payment
22 shall be calculated by multiplying the quantity of zero
23 emission credits delivered under the contract times the
24 average contract price. The average contract price shall
25 be determined by subtracting the amount calculated under
26 subparagraph (B) of this paragraph (3) from the amount

1 calculated under subparagraph (A) of this paragraph (3),
2 as follows:

3 (A) The average of the Social Cost of Carbon, as
4 defined in subparagraph (B) of paragraph (1) of this
5 subsection (d-5), during the term of the contract.

6 (B) The average of the market price indices, as
7 defined in subparagraph (B) of paragraph (1) of this
8 subsection (d-5), during the term of the contract,
9 minus the baseline market price index, as defined in
10 subparagraph (B) of paragraph (1) of this subsection
11 (d-5).

12 If the subtraction yields a negative number, then the
13 Average ZEC Payment shall be zero.

14 (4) Cost-effective zero emission credits procured from
15 zero emission facilities shall satisfy the applicable
16 definitions set forth in Section 1-10 of this Act.

17 (5) The electric utility shall retire all zero
18 emission credits used to comply with the requirements of
19 this subsection (d-5).

20 (6) Electric utilities shall be entitled to recover
21 all of the costs associated with the procurement of zero
22 emission credits through an automatic adjustment clause
23 tariff in accordance with subsection (k) and (m) of
24 Section 16-108 of the Public Utilities Act, and the
25 contracts executed under this subsection (d-5) shall
26 provide that the utilities' payment obligations under such

1 contracts shall be reduced if an adjustment is required
2 under subsection (m) of Section 16-108 of the Public
3 Utilities Act.

4 (7) This subsection (d-5) shall become inoperative on
5 January 1, 2028.

6 (d-10) Nuclear Plant Assistance; carbon mitigation
7 credits.

8 (1) The General Assembly finds:

9 (A) The health, welfare, and prosperity of all
10 Illinois citizens require that the State of Illinois act
11 to avoid and not increase carbon emissions from electric
12 generation sources while continuing to ensure affordable,
13 stable, and reliable electricity to all citizens.

14 (B) Absent immediate action by the State to preserve
15 existing carbon-free energy resources, those resources may
16 retire, and the electric generation needs of Illinois'
17 retail customers may be met instead by facilities that
18 emit significant amounts of carbon pollution and other
19 harmful air pollutants at a high social and economic cost
20 until Illinois is able to develop other forms of clean
21 energy.

22 (C) The General Assembly finds that nuclear power
23 generation is necessary for the State's transition to 100%
24 clean energy, and ensuring continued operation of nuclear
25 plants advances environmental and public health interests
26 through providing carbon-free electricity while reducing

1 the air pollution profile of the Illinois energy
2 generation fleet.

3 (D) The clean energy attributes of nuclear generation
4 facilities support the State in its efforts to achieve
5 100% clean energy.

6 (E) The State currently invests in various forms of
7 clean energy, including, but not limited to, renewable
8 energy, energy efficiency, and low-emission vehicles,
9 among others.

10 (F) The Environmental Protection Agency commissioned
11 an independent audit which provided a detailed assessment
12 of the financial condition of the Illinois nuclear fleet
13 to evaluate its financial viability and whether the
14 environmental benefits of such resources were at risk. The
15 report identified the risk of losing the environmental
16 benefits of several specific nuclear units. The report
17 also identified that the LaSalle County Generating Station
18 will continue to operate through 2026 and therefore is not
19 eligible to participate in the carbon mitigation credit
20 program.

21 (G) Nuclear plants provide carbon-free energy, which
22 helps to avoid many health-related negative impacts for
23 Illinois residents.

24 (H) The procurement of carbon mitigation credits
25 representing the environmental benefits of carbon-free
26 generation will further the State's efforts at achieving

1 100% clean energy and decarbonizing the electricity sector
2 in a safe, reliable, and affordable manner. Further, the
3 procurement of carbon emission credits will enhance the
4 health and welfare of Illinois residents through decreased
5 reliance on more highly polluting generation.

6 (I) The General Assembly therefore finds it necessary
7 to establish carbon mitigation credits to ensure decreased
8 reliance on more carbon-intensive energy resources, for
9 transitioning to a fully decarbonized electricity sector,
10 and to help ensure health and welfare of the State's
11 residents.

12 (2) As used in this subsection:

13 "Baseline costs" means costs used to establish a customer
14 protection cap that have been evaluated through an independent
15 audit of a carbon-free energy resource conducted by the
16 Environmental Protection Agency that evaluated projected
17 annual costs for operation and maintenance expenses; fully
18 allocated overhead costs, which shall be allocated using the
19 methodology developed by the Institute for Nuclear Power
20 Operations; fuel expenditures; nonfuel capital expenditures;
21 spent fuel expenditures; a return on working capital; the cost
22 of operational and market risks that could be avoided by
23 ceasing operation; and any other costs necessary for continued
24 operations, provided that "necessary" means, for purposes of
25 this definition, that the costs could reasonably be avoided
26 only by ceasing operations of the carbon-free energy resource.

1 "Carbon mitigation credit" means a tradable credit that
2 represents the carbon emission reduction attributes of one
3 megawatt-hour of energy produced from a carbon-free energy
4 resource.

5 "Carbon-free energy resource" means a generation facility
6 that: (1) is fueled by nuclear power; and (2) is
7 interconnected to PJM Interconnection, LLC.

8 (3) Procurement.

9 (A) Beginning with the delivery year commencing on
10 June 1, 2022, the Agency shall, for electric utilities
11 serving at least 3,000,000 retail customers in the State,
12 seek to procure contracts for no more than approximately
13 54,500,000 cost-effective carbon mitigation credits from
14 carbon-free energy resources because such credits are
15 necessary to support current levels of carbon-free energy
16 generation and ensure the State meets its carbon dioxide
17 emissions reduction goals. The Agency shall not make a
18 partial award of a contract for carbon mitigation credits
19 covering a fractional amount of a carbon-free energy
20 resource's projected output.

21 (B) Each carbon-free energy resource that intends to
22 participate in a procurement shall be required to submit
23 to the Agency the following information for the resource
24 on or before the date established by the Agency:

25 (i) the in-service date and remaining useful life
26 of the carbon-free energy resource;

1 (ii) the amount of power generated annually for
2 each of the past 10 years, which shall be used to
3 determine the capability of each facility;

4 (iii) a commitment to be reflected in any contract
5 entered into pursuant to this subsection (d-10) to
6 continue operating the carbon-free energy resource at
7 a capacity factor of at least 88% annually on average
8 for the duration of the contract or contracts executed
9 under the procurement held under this subsection
10 (d-10), except in an instance described in
11 subparagraph (E) of paragraph (1) of subsection (d-5)
12 of this Section or made impracticable as a result of
13 compliance with law or regulation;

14 (iv) financial need and the risk of loss of the
15 environmental benefits of such resource, which shall
16 include the following information:

17 (I) the carbon-free energy resource's cost
18 projections, expressed on a per megawatt-hour
19 basis, over the next 5 delivery years, which shall
20 include the following: operation and maintenance
21 expenses; fully allocated overhead costs, which
22 shall be allocated using the methodology developed
23 by the Institute for Nuclear Power Operations;
24 fuel expenditures; nonfuel capital expenditures;
25 spent fuel expenditures; a return on working
26 capital; the cost of operational and market risks

1 that could be avoided by ceasing operation; and
2 any other costs necessary for continued
3 operations, provided that "necessary" means, for
4 purposes of this subitem (I), that the costs could
5 reasonably be avoided only by ceasing operations
6 of the carbon-free energy resource; and

7 (II) the carbon-free energy resource's revenue
8 projections, including energy, capacity, ancillary
9 services, any other direct State support, known or
10 anticipated federal attribute credits, known or
11 anticipated tax credits, and any other direct
12 federal support.

13 The information described in this subparagraph (B) may
14 be submitted on a confidential basis and shall be treated
15 and maintained by the Agency, the procurement
16 administrator, and the Commission as confidential and
17 proprietary and exempt from disclosure under subparagraphs
18 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
19 Information Act. The Office of the Attorney General shall
20 have access to, and maintain the confidentiality of, such
21 information pursuant to Section 6.5 of the Attorney
22 General Act.

23 (C) The Agency shall solicit bids for the contracts
24 described in this subsection (d-10) from carbon-free
25 energy resources that have satisfied the requirements of
26 subparagraph (B) of this paragraph (3). The contracts

1 (bb) the projected energy price for the
2 PJM Interconnection, LLC Northern Illinois Hub
3 for the applicable delivery year determined
4 according to subitem (aa) of item (iii) of
5 subparagraph (B) of paragraph (1) of
6 subsection (d-5).

7 (II) the Base Residual Auction Capacity Price
8 for the ComEd zone as determined by PJM
9 Interconnection, LLC, divided by 24 hours per day,
10 for the applicable delivery year for the first 3
11 delivery years, and then any subsequent delivery
12 years unless the PJM Interconnection, LLC applies
13 the Minimum Offer Price Rule to participating
14 carbon-free energy resources because they supply
15 carbon mitigation credits pursuant to this Section
16 at which time, upon notice by the carbon-free
17 energy resource to the Commission and subject to
18 the Commission's confirmation, the value under
19 this subitem shall be zero, as further described
20 in the carbon mitigation credit procurement plan;
21 and

22 (III) any value of monetized federal tax
23 credits, direct payments, or similar subsidy
24 provided to the carbon-free energy resource from
25 any unit of government that is not already
26 reflected in energy prices.

1 If the price-per-megawatt-hour calculation
2 performed under item (iii) of this subparagraph (C)
3 for a given delivery year results in a net positive
4 value, then the electric utility counterparty to the
5 contract shall multiply such net value by the
6 applicable contract quantity and remit the amount to
7 the supplier.

8 To protect retail customers from retail rate
9 impacts that may arise upon the initiation of carbon
10 policy changes, if the price-per-megawatt-hour
11 calculation performed under item (iii) of this
12 subparagraph (C) for a given delivery year results in
13 a net negative value, then the supplier counterparty
14 to the contract shall multiply such net value by the
15 applicable contract quantity and remit such amount to
16 the electric utility counterparty. The electric
17 utility shall reflect such amounts remitted by
18 suppliers as a credit on its retail customer bills as
19 soon as practicable.

20 (iv) To ensure that retail customers in Northern
21 Illinois do not pay more for carbon mitigation credits
22 than the value such credits provide, and
23 notwithstanding the provisions of this subsection
24 (d-10), the Agency shall not accept bids for contracts
25 that exceed a customer protection cap equal to the
26 baseline costs of carbon-free energy resources.

1 The baseline costs for the applicable year shall
2 be the following:

3 (I) For the delivery year beginning June 1,
4 2022, the baseline costs shall be an amount equal
5 to \$30.30 per megawatt-hour.

6 (II) For the delivery year beginning June 1,
7 2023, the baseline costs shall be an amount equal
8 to \$32.50 per megawatt-hour.

9 (III) For the delivery year beginning June 1,
10 2024, the baseline costs shall be an amount equal
11 to \$33.43 per megawatt-hour.

12 (IV) For the delivery year beginning June 1,
13 2025, the baseline costs shall be an amount equal
14 to \$33.50 per megawatt-hour.

15 (V) For the delivery year beginning June 1,
16 2026, the baseline costs shall be an amount equal
17 to \$34.50 per megawatt-hour.

18 An Environmental Protection Agency consultant
19 forecast, included in a report issued April 14, 2021,
20 projects that a carbon-free energy resource has the
21 opportunity to earn on average approximately \$30.28
22 per megawatt-hour, for the sale of energy and capacity
23 during the time period between 2022 and 2027.
24 Therefore, the sale of carbon mitigation credits
25 provides the opportunity to receive an additional
26 amount per megawatt-hour in addition to the projected

1 prices for energy and capacity.

2 Although actual energy and capacity prices may
3 vary from year-to-year, the General Assembly finds
4 that this customer protection cap will help ensure
5 that the cost of carbon mitigation credits will be
6 less than its value, based upon the social cost of
7 carbon identified in the Technical Support Document
8 issued in February 2021 by the U.S. Interagency
9 Working Group on Social Cost of Greenhouse Gases and
10 the PJM Interconnection, LLC carbon dioxide marginal
11 emission rate for 2020, and that a carbon-free energy
12 resource receiving payment for carbon mitigation
13 credits receives no more than necessary to keep those
14 units in operation.

15 (D) No later than 7 days after the effective date of
16 this amendatory Act of the 102nd General Assembly, the
17 Agency shall publish its proposed carbon mitigation credit
18 procurement plan. The Plan shall provide that winning bids
19 shall be selected by taking into consideration which
20 resources best match public interest criteria that
21 include, but are not limited to, minimizing carbon dioxide
22 emissions that result from electricity consumed in
23 Illinois and minimizing sulfur dioxide, nitrogen oxide,
24 and particulate matter emissions that adversely affect the
25 citizens of this State. The selection of winning bids
26 shall also take into account the incremental environmental

1 benefits resulting from the procurement or procurements,
2 such as any existing environmental benefits that are
3 preserved by a procurement held under this subsection
4 (d-10) and would cease to exist if the procurement were
5 not held, including the preservation of carbon-free energy
6 resources. For those bidders having the same public
7 interest criteria score, the relative ranking of such
8 bidders shall be determined by price. The Plan shall
9 describe in detail how each public interest factor shall
10 be considered and weighted in the bid selection process to
11 ensure that the public interest criteria are applied to
12 the procurement. The Plan shall, to the extent practical
13 and permissible by federal law, ensure that successful
14 bidders make commercially reasonable efforts to apply for
15 federal tax credits, direct payments, or similar subsidy
16 programs that support carbon-free generation and for which
17 the successful bidder is eligible. Upon publishing of the
18 carbon mitigation credit procurement plan, copies of the
19 plan shall be posted and made publicly available on the
20 Agency's website. All interested parties shall have 7 days
21 following the date of posting to provide comment to the
22 Agency on the plan. All comments shall be posted to the
23 Agency's website. Following the end of the comment period,
24 but no more than 19 days later than the effective date of
25 this amendatory Act of the 102nd General Assembly, the
26 Agency shall revise the plan as necessary based on the

1 comments received and file its carbon mitigation credit
2 procurement plan with the Commission.

3 (E) If the Commission determines that the plan is
4 likely to result in the procurement of cost-effective
5 carbon mitigation credits, then the Commission shall,
6 after notice and hearing and opportunity for comment, but
7 no later than 42 days after the Agency filed the plan,
8 approve the plan or approve it with modification. For
9 purposes of this subsection (d-10), "cost-effective" means
10 carbon mitigation credits that are procured from
11 carbon-free energy resources at prices that are within the
12 limits specified in this paragraph (3). As part of the
13 Commission's review and acceptance or rejection of the
14 procurement results, the Commission shall, in its public
15 notice of successful bidders:

16 (i) identify how the selected carbon-free energy
17 resources satisfy the public interest criteria
18 described in this paragraph (3) of minimizing carbon
19 dioxide emissions that result from electricity
20 consumed in Illinois and minimizing sulfur dioxide,
21 nitrogen oxide, and particulate matter emissions that
22 adversely affect the citizens of this State;

23 (ii) specifically address how the selection of
24 carbon-free energy resources takes into account the
25 incremental environmental benefits resulting from the
26 procurement, including any existing environmental

1 benefits that are preserved by the procurements held
2 under this amendatory Act of the 102nd General
3 Assembly and would have ceased to exist if the
4 procurements had not been held, such as the
5 preservation of carbon-free energy resources;

6 (iii) quantify the environmental benefit of
7 preserving the carbon-free energy resources procured
8 pursuant to this subsection (d-10), including the
9 following:

10 (I) an assessment value of avoided greenhouse
11 gas emissions measured as the product of the
12 carbon-free energy resources' output over the
13 contract term, using generally accepted
14 methodologies for the valuation of avoided
15 emissions; and

16 (II) an assessment of costs of replacement
17 with other carbon-free energy resources and
18 renewable energy resources, including wind and
19 photovoltaic generation, based upon an assessment
20 of the prices paid for renewable energy credits
21 through programs and procurements conducted
22 pursuant to subsection (c) of Section 1-75 of this
23 Act, and the additional storage necessary to
24 produce the same or similar capability of matching
25 customer usage patterns.

26 (F) The procurements described in this paragraph (3),

1 including, but not limited to, the execution of all
2 contracts procured, shall be completed no later than
3 December 3, 2021. The procurement and plan approval
4 processes required by this paragraph (3) shall be
5 conducted in conjunction with the procurement and plan
6 approval processes required by Section 16-111.5 of the
7 Public Utilities Act, to the extent practicable. However,
8 the Agency and Commission may, as appropriate, modify the
9 various dates and timelines under this subparagraph and
10 subparagraphs (D) and (E) of this paragraph (3) to meet
11 the December 3, 2021 contract execution deadline.
12 Following the completion of such procurements, and
13 consistent with this paragraph (3), the Agency shall
14 calculate the payments to be made under each contract in a
15 timely fashion.

16 (F-1) Costs incurred by the electric utility pursuant
17 to a contract authorized by this subsection (d-10) shall
18 be deemed prudently incurred and reasonable in amount, and
19 the electric utility shall be entitled to full cost
20 recovery pursuant to a tariff or tariffs filed with the
21 Commission.

22 (G) The counterparty electric utility shall retire all
23 carbon mitigation credits used to comply with the
24 requirements of this subsection (d-10).

25 (H) If a carbon-free energy resource is sold to
26 another owner, the rights, obligations, and commitments

1 under this subsection (d-10) shall continue to the
2 subsequent owner.

3 (I) This subsection (d-10) shall become inoperative on
4 January 1, 2028.

5 (e) The draft procurement plans are subject to public
6 comment, as required by Section 16-111.5 of the Public
7 Utilities Act.

8 (f) The Agency shall submit the final procurement plan to
9 the Commission. The Agency shall revise a procurement plan if
10 the Commission determines that it does not meet the standards
11 set forth in Section 16-111.5 of the Public Utilities Act.

12 (g) The Agency shall assess fees to each affected utility
13 to recover the costs incurred in preparation of the annual
14 procurement plan for the utility.

15 (h) The Agency shall assess fees to each bidder to recover
16 the costs incurred in connection with a competitive
17 procurement process.

18 (i) A renewable energy credit, carbon emission credit,
19 zero emission credit, or carbon mitigation credit can only be
20 used once to comply with a single portfolio or other standard
21 as set forth in subsection (c), subsection (d), or subsection
22 (d-5) of this Section, respectively. A renewable energy
23 credit, carbon emission credit, zero emission credit, or
24 carbon mitigation credit cannot be used to satisfy the
25 requirements of more than one standard. If more than one type
26 of credit is issued for the same megawatt hour of energy, only

1 one credit can be used to satisfy the requirements of a single
2 standard. After such use, the credit must be retired together
3 with any other credits issued for the same megawatt hour of
4 energy.

5 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;
6 102-662, eff. 9-15-21.)

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