



Sen. David Koehler

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1 AMENDMENT TO SENATE BILL 1485

2 AMENDMENT NO. _____. Amend Senate Bill 1485 by replacing
3 line 24 on page 261 through line 6 on page 267 with the
4 following:

5 "(b-5) This subsection may be cited as the Carbon Dioxide
6 Emissions Reduction Act.

7 (1) The General Assembly finds that it is necessary to
8 form a group of diverse stakeholders to collect information
9 and provide analysis regarding greenhouse gas emissions,
10 including, specifically carbon dioxide (CO2) emissions, in
11 Illinois, consider options for reducing CO2 emissions, and
12 consider the impact of the State's compliance with any
13 final effective federal rule regulating or limiting the
14 emission of CO2 from existing generating units in the
15 electric generating power sector.

16 (A) Within 60 days after the effective date of this
17 amendatory Act of the 99th General Assembly, the
18 Environmental Protection Agency shall establish an

1 Illinois Green House Gas (GHG) Council ("Council").
2 The purpose of the Council is to develop any required
3 State plan to reduce greenhouse gases or CO2
4 specifically, pursuant to the Clean Air Act. The
5 Council shall be chaired by the Director of the
6 Illinois Environmental Protection Agency and will
7 include one designated representative from each of the
8 following: the Department of Commerce and Economic
9 Opportunity; the Illinois Commerce Commission; the
10 Illinois Power Agency; the Illinois Finance Authority;
11 the Department of Agriculture; and the Department of
12 Natural Resources.

13 (B) A Green House Gas (GHG) Advisory Committee,
14 consisting of 15 non-governmental entity members,
15 shall also be appointed within 60 days after the
16 effective date of this amendatory Act of the 99th
17 General Assembly, to provide input and advice to the
18 Council. The Advisory Committee shall include 2
19 members appointed by the Senate President, 2 members
20 appointed by the Senate Minority Leader, 2 members
21 appointed by the Speaker of the House, 2 members
22 appointed by the House Minority Leader and 3 members
23 appointed by the Governor, and together shall include,
24 at minimum, one member from each of the following
25 sectors: labor unions; two from the coal-fired
26 electric generating industry; the coal mining

1 industry; non-governmental environmental
2 organizations; renewable energy industry; natural
3 gas-fired electric generating industry; the nuclear
4 electric generating industry; and the electric supply
5 industry. Advisory Committee membership appointments
6 shall be effective for one year and may be renewed each
7 year the Committee is required to meet.

8 (C) Members of both the Council and Advisory
9 Committee shall meet regularly, but no less than once
10 every other month, until the purpose of this subsection
11 is achieved. The Members shall serve without
12 compensation and staff assistance shall be provided by
13 Council members.

14 (D) The information collected and the reports
15 prepared by or for the Council and the Advisory
16 Committee shall be used to prepare recommendations
17 concerning the governance structure required to comply
18 with any final and effective federal GHG or CO2
19 reduction rule. In its decision making, the Council
20 must consider the social, economic, administrative,
21 and budgetary impacts of legislation, including
22 rulemaking under existing legislative authorities, to
23 regulate greenhouse gas emissions, including CO2
24 emissions, in Illinois. In order to achieve this
25 objective, the Council shall:

26 (i) Direct the collection of the following

1 information and data prior to developing a State
2 plan framework:

3 (a) An inventory of CO2 emission sources
4 from the power sector and from other sectors,
5 including, but not limited to, industrial
6 sectors, commercial establishments,
7 residential establishments, mobile sources,
8 agricultural, and natural sources. This
9 inventory must demonstrate, to the extent
10 possible, a baseline of CO2 emissions.

11 (b) An inventory of energy generated
12 (MWHrs) and used in the State categorized by
13 resource and resource type. This inventory
14 shall include energy sold for consumption in
15 Illinois by generators not located in Illinois
16 and for consumption in other states by
17 generators located in Illinois. This inventory
18 should include, to the extent available, the
19 number and source of renewable energy credits
20 purchased to comply with Illinois renewable
21 portfolio standards.

22 (c) To the extent available, a list from
23 energy generators of projected retirements of
24 generation and any planned replacement with,
25 or new low or zero-emitting resources.

26 (d) To the extent available, future

1 resource plans from energy generation units
2 that deliver energy to load without using the
3 transmission system or any distribution
4 facilities (on-site generators).

5 (ii) Direct the completion of the following
6 reports before developing a State plan framework:

7 (a) A report by the Illinois Commerce
8 Commission regarding the State's and the grid
9 operators' ability to build infrastructure and
10 expand transmission to expand the use of
11 renewable or low-emitting resources and the
12 impact of such construction on residential,
13 commercial, and industrial electric rates.

14 (b) A report by the Illinois Commerce
15 Commission, in cooperation with the Illinois
16 Power Agency, Department of Commerce and
17 Economic Opportunity, and Illinois
18 Environmental Protection Agency evaluating
19 market conditions and the differences in
20 capacity prices paid to owners of electric
21 generation units located in PJM
22 Interconnection, LLC and Midcontinent
23 Independent Systems Operator market regions in
24 Illinois and to evaluate the ability of those
25 capacity markets and prices to provide
26 adequate revenues to owners to support

1 investments necessary for compliance with any
2 required State plan.

3 (c) A report by the Department of Commerce
4 and Economic Opportunity regarding the
5 potential for job impacts through the year
6 2030, including a discussion of geographic
7 areas in the State that would be most affected
8 by changes in energy generation and delivery.

9 (d) A report by the Illinois Environmental
10 Protection Agency that outlines the carbon
11 dioxide reductions achievable from fossil fuel
12 fired steam electric generating units,
13 including those reductions from specific heat
14 rate improvements, considering the age of the
15 units, the remaining useful life of the
16 existing units and prior significant capital
17 investment and voluntary retirements.

18 (e) A report by the Illinois Environmental
19 Protection Agency discussing the quantity of
20 CO2 reductions and measures to demonstrate to
21 the United States Environmental Protection
22 Agency the CO2 reductions that have occurred
23 between 2005 and 2020 due to circumstances such
24 as plant retirements, conversions, and
25 renewable energy growth and recommending how
26 to carry forward credit for such actions.

1 (iii) Identify whether additional legislation
2 is needed to address the following issues:

3 (a) Credit for the remaining useful life
4 of affected electric generating units.

5 (b) Enforcing unit-specific emission
6 reduction requirements or authorizing emission
7 trading programs for any affected electric
8 generating unit or other affected entity in the
9 State plan.

10 (c) Establishing an offset program,
11 including methods for monitoring,
12 verification, and acceptance to comply with
13 the federal rule.

14 (d) Changing existing Illinois law
15 regarding generation resource planning,
16 adequacy, and reliability, including
17 provisions to address energy delivery
18 emergencies created by resource scarcity
19 (including reliability issues), extreme
20 weather events, natural disasters, or similar
21 issues.

22 (e) Changing existing Illinois renewable
23 portfolio standards and energy efficiency
24 programs.

25 (f) Establishing ratepayer protection
26 measures.

1 specified in item (ii) of subparagraph (D) of
2 paragraph (1) of subsection (b-5).

3 (c) Additional legislation that is
4 necessary to implement a State plan as
5 identified pursuant to item (iii) of
6 subparagraph (D) of paragraph (1) of
7 subsection (b-5), and a schedule for
8 development and enactment.

9 (d) Existing carbon dioxide emission and
10 sources of emissions in Illinois.

11 (e) Options for reducing CO2 emissions to
12 a level that complies with federal
13 requirements.

14 (f) Electricity rates paid by Illinois
15 consumers.

16 (g) Ability to achieve Illinois renewable
17 portfolio standards.

18 (h) Impact on Illinois coal mining
19 industry.

20 (i) Impact to ethanol production in
21 Illinois.

22 (j) Impact to natural gas distribution in
23 Illinois.

24 (k) Impact to coal fired generation in
25 Illinois.

26 (l) Impact to nuclear generation in

1 Illinois.

2 (m) The ability to implement
3 cost-effective additional demand response
4 programs.

5 (n) The ability to implement
6 cost-effective additional energy efficiency
7 programs.

8 (o) The ability of sources to implement
9 cost-effective carbon reduction measures.

10 (p) The remaining useful life of affected
11 electric generating units.

12 (q) An offset program, including
13 consideration of programs in and out-of-state
14 including, but not limited to:

15 (i) transportation system
16 modifications;

17 (ii) rebates;

18 (iii) electric vehicle charging
19 stations;

20 (iv) agriculture programs, such as
21 manure and other organic material use for
22 electricity generation or soil carbon
23 sequestration;

24 (v) return of developed land to
25 natural carbon sinks;

26 (vi) green infrastructure;

1 (vii) stormwater management projects;

2 and

3 (viii) forestation programs.

4 (r) Impact of the plan on disadvantaged
5 communities and rural communities.

6 (s) State-based financial incentives to
7 encourage the repowering of fossil fuel fired
8 electricity generating units to less
9 CO2-intensive power sources.

10 (t) Legal, tax, permitting, or similar
11 barriers to the development of low or
12 zero-carbon emitting generation resources.

13 (u) The advantages and disadvantages of a
14 rate-based compliance plan.

15 (v) The advantages and disadvantages of a
16 mass-based compliance plan.

17 (w) The advantages and disadvantages of
18 linking to other state plans.

19 (x) Compliance with House Resolution 782
20 from the 98th General Assembly, providing
21 preference to and support to the owners of
22 existing coal-fired steam electric power
23 plants with remaining useful lives.

24 (y) Any other consideration required by
25 any federal program regulating or limiting
26 carbon dioxide emissions under the Clean Air

1 Act, or other information deemed relevant by
2 the Council or Advisory Committee.

3 (E) The Council and Advisory Committee shall
4 present a plan framework and proposed rulemaking
5 language in written report form to the Director by no
6 later than 10 months before the federally required date
7 for any State plan. If the Council and Advisory
8 Committee identify additional legislation needed to
9 implement the plan, the Council and Advisory Committee
10 must also present a written summary description of such
11 legislation to the Director by the same date.

12 (F) Relying on the State plan framework developed
13 by the Council and Advisory Committee, the Director
14 shall recommend actions to be taken with a final
15 effective federal rule. The Director's
16 recommendations, including all supporting documents
17 and reports, will be published on the Agency's website.
18 Notwithstanding any other law to the contrary, no State
19 agency or department shall propose for adoption of a
20 State plan regulating or limiting CO2 emissions or
21 greenhouse gases unless and until: (1) there is a final
22 and effective federal rule requiring such a State plan;
23 and (2) any required legislative authorizations are
24 enacted."