

AN ACT concerning regulation.

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

Section 5. The Public Utilities Act is amended by changing
Section 9-241 as follows:

(220 ILCS 5/9-241) (from Ch. 111 2/3, par. 9-241)

Sec. 9-241. Nondiscrimination.

(a) No public utility shall, as to rates or other charges, services, facilities or in other respect, make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No public utility shall establish or maintain any unreasonable difference as to rates or other charges, services, facilities, or in any other respect, either as between localities or as between classes of service.

(b) An electric utility in a county with a population of 3,000,000 or more shall not establish or maintain any unreasonable difference as to rates or other charges, services, contractual terms, or facilities for access to or the use of its utility infrastructure by another person or for any other purpose. Notwithstanding any other provision of law, the Commission and its staff shall interpret this Section in accordance with Article XVI of this Act.

(c) Nothing in this Section shall be construed as limiting the authority of the Commission to permit the establishment of economic development rates as incentives to economic development either in enterprise zones as designated by the State of Illinois or in other areas of a utility's service area. Such rates should be available to existing businesses which demonstrate an increase to existing load as well as new businesses which create new load for a utility so as to create a more balanced utilization of generating capacity. The Commission shall ensure that such rates are established at a level which provides a net benefit to customers within a public utility's service area.

(d) On or before January 1, 2023, the Commission shall conduct a comprehensive study to assess whether low-income discount rates for electric and natural gas residential customers are appropriate and the potential design and implementation of any such rates. The Commission shall include its findings, together with the appropriate recommendations, in a report to be provided to the General Assembly. Upon completion of the study, the Commission shall have the authority to permit or require electric and natural gas utilities to file a tariff establishing low-income discount rates.

Such study shall assess, at a minimum, the following:

- (1) customer eligibility requirements, including income-based eligibility and eligibility based on

participation in or eligibility for certain public assistance programs;

(2) appropriate rate structures, including consideration of tiered discounts for different income levels;

(3) appropriate recovery mechanisms, including the consideration of volumetric charges and customer charges;

(4) appropriate verification mechanisms;

(5) measures to ensure customer confidentiality and data safeguards;

(6) outreach and consumer education procedures; and

(7) the impact that a low-income discount rate would have on the affordability of delivery service to low-income customers and customers overall.

(d-5) For the purposes of this subsection (d-5), "qualifying customer" means a residential customer of a utility serving more than 100,000 customers in the State that has a low-income discount program for residential customers (i) who has been deemed eligible for assistance under the Low-Income Home Energy Assistance Program (LIHEAP) or who receives energy assistance under the Energy Assistance Act and (ii) whose household income does not exceed 300% of the federal poverty level.

Notwithstanding the contents of the report required under subsection (d) and any other provision of this Act, the Commission may approve a low-income discount for electric and

natural gas residential customers that applies to the entirety of a qualifying customer's bill, including, but not limited to, a qualifying customer's delivery service charges, energy supply charges, and any other applicable charges. The low-income discount under this subsection (d-5) shall not apply to, or otherwise reduce, any State or municipal taxes or any nonbypassable charge approved by the Commission or defined in a public utility's tariff and included in the qualifying customer's bill. An electric or natural gas utility may fund its low-income discounts under this subsection (d-5) through a surcharge on both its residential and non-residential customers' electric and natural gas bills. Any charges, surcharges, or cost recovery mechanisms authorized or approved by the Commission under this Section shall be assessed solely on a fixed, per-customer basis and shall not be designed, implemented, or recovered on a volumetric, usage-based, demand-based, or throughput basis, whether directly or indirectly. Charges authorized under this Section may vary by customer class or rate classification.

Any electric or natural gas public utility serving more than 100,000 customers in the State that does not have a low-income discount or that elects to implement a low-income discount that complies with the requirements of this subsection (d-5) on and after the effective date of this amendatory Act of the 104th General Assembly shall, within 30 days after the effective date of this amendatory Act of the

104th General Assembly, file a new or amended tariff with the Commission to implement the new low-income discount or bring the utility's low-income discount into compliance with this subsection (d-5). The Commission shall issue a final order approving, or approving with modifications aligning the tariff with the requirements of this subsection (d-5), the utility's tariff within 90 days after receipt of the utility's filing. The utility shall implement the changes necessary to put the approved low-income discount into effect no later than 12 months after the issuance of the Commission's final order approving the low-income discount. If the utility needs more than 12 months to implement the necessary changes, the utility shall have, upon filing a notice with the Commission, an additional 12 months to implement the changes necessary to put the approved low-income discount into effect. Any tariff from a utility establishing a low-income discount that is in effect as of the effective date of this amendatory Act of the 104th General Assembly shall remain in effect until the utility implements an updated low-income discount that satisfies the requirements of this subsection (d-5). A utility shall be entitled to recover prudent and reasonable costs incurred in complying with this subsection (d-5).

In reviewing and approving any low-income discount under this subsection (d-5), the Commission shall take into consideration the effect of the low-income discount on, and shall endeavor to maximize, the allocation and receipt of

federal LIHEAP grants, funds under Section 13 of the Energy Assistance Act, and any other State and federal energy assistance funds that are available to the State. The low-income discounts authorized under this subsection (d-5) may include, but are not limited to, tiered discounts or a Percentage of Income Payment Plan (PIPP) program. For any low-income discounts approved by the Commission after the effective date of this amendatory Act of the 104th General Assembly, the calculation of the low-income discount to be applied to a qualifying customer's bill shall be applied after any federal or State energy assistance funds are allocated and applied to the qualifying customer's bill.

Nothing in this subsection (d-5) shall be interpreted to limit, modify, or nullify any low-income discount rate that is in effect for a regulated water utility as of the effective date of this amendatory Act of the 104th General Assembly or prohibit Commission approval of any future proposal for a low-income discount rate for such regulated water utility.

(e) The Commission shall adopt rules requiring utility companies to produce information, in the form of a mailing, and other approved methods of distribution, to its consumers, to inform the consumers of available rebates, discounts, credits, and other cost-saving mechanisms that can help them lower their monthly utility bills, and send out such information semi-annually, unless otherwise provided by this Article.

(f) Prior to October 1, 1989, no public utility providing electrical or gas service shall consider the use of solar or other nonconventional renewable sources of energy by a customer as a basis for establishing higher rates or charges for any service or commodity sold to such customer; nor shall a public utility subject any customer utilizing such energy source or sources to any other prejudice or disadvantage on account of such use. No public utility shall without the consent of the Commission, charge or receive any greater compensation in the aggregate for a lesser commodity, product, or service than for a greater commodity, product or service of like character.

The Commission, in order to expedite the determination of rate questions, or to avoid unnecessary and unreasonable expense, or to avoid unjust or unreasonable discrimination between classes of customers, or, whenever in the judgment of the Commission public interest so requires, may, for rate making and accounting purposes, or either of them, consider one or more municipalities either with or without the adjacent or intervening rural territory as a regional unit where the same public utility serves such region under substantially similar conditions, and may within such region prescribe uniform rates for consumers or patrons of the same class.

Any public utility, with the consent and approval of the Commission, may as a basis for the determination of the charges made by it classify its service according to the

amount used, the time when used, the purpose for which used, and other relevant factors.

(Source: P.A. 102-662, eff. 9-15-21; 103-679, eff. 7-19-24.)

Section 10. The Energy Assistance Act is amended by changing Sections 6 and 13 as follows:

(305 ILCS 20/6) (from Ch. 111 2/3, par. 1406)

Sec. 6. Eligibility, conditions of participation, and energy assistance.

(a) Any person who is a resident of the State of Illinois and whose household income is not greater than an amount determined annually by the Department, in consultation with the Policy Advisory Council, may apply for assistance pursuant to this Act in accordance with regulations promulgated by the Department. In setting the annual eligibility level, the Department shall consider the amount of available funding and may not set a limit higher than 150% of the federal nonfarm poverty level as established by the federal Office of Management and Budget or 60% of the State median income for the current State fiscal year as established by the U.S. Department of Health and Human Services; ~~except that for the period from the effective date of this amendatory Act of the 101st General Assembly through June 30, 2021, the Department may establish limits not higher than 200% of that poverty level.~~ In setting the annual eligibility level for the use of

State funds from the Supplemental Low-Income Energy Assistance Fund under Section 13, the Department shall consider the amount of available funding and may not set a limit higher than 300% of the federal nonfarm poverty level as established by the federal Office of Management and Budget. The Department, in consultation with the Policy Advisory Council, may adjust the percentage of poverty level annually in accordance with federal guidelines and based on funding availability.

(b) Applicants who qualify for assistance pursuant to subsection (a) of this Section shall, subject to appropriation from the General Assembly and subject to availability of funds to the Department, receive energy assistance as provided by this Act. The Department, upon receipt of monies authorized pursuant to this Act for energy assistance, shall commit funds for each qualified applicant in an amount determined by the Department. In determining the amounts of assistance to be provided to or on behalf of a qualified applicant, the Department shall ensure that the highest amounts of assistance go to households with the greatest energy costs in relation to household income. The Department shall include factors such as energy costs, household size, household income, and region of the State when determining individual household benefits. In setting assistance levels, the Department shall attempt to provide assistance to approximately the same number of households who participated in the 1991 Residential Energy Assistance Partnership Program. Such assistance levels shall

be adjusted annually on the basis of funding availability and energy costs. In promulgating rules for the administration of this Section the Department shall assure that a minimum of 1/3 of funds available for benefits to eligible households with the lowest incomes and that elderly households, households with children under the age of 6 years old, and households with persons with disabilities are offered a priority application period.

(c) If the applicant is not a customer of record of an energy provider for energy services or an applicant for such service, such applicant shall receive a direct energy assistance payment in an amount established by the Department for all such applicants under this Act; provided, however, that such an applicant must have rental expenses for housing greater than 30% of household income.

(c-1) This subsection shall apply only in cases where: (1) the applicant is not a customer of record of an energy provider because energy services are provided by the owner of the unit as a portion of the rent; (2) the applicant resides in housing subsidized or developed with funds provided under the Rental Housing Support Program Act or under a similar locally funded rent subsidy program, or is the voucher holder who resides in a rental unit within the State of Illinois and whose monthly rent is subsidized by the tenant-based Housing Choice Voucher Program under Section 8 of the U.S. Housing Act of 1937; and (3) the rental expenses for housing are no more than 30% of

household income. In such cases, the household may apply for an energy assistance payment under this Act and the owner of the housing unit shall cooperate with the applicant by providing documentation of the energy costs for that unit. Any compensation paid to the energy provider who supplied energy services to the household shall be paid on behalf of the owner of the housing unit providing energy services to the household. The Department shall report annually to the General Assembly on the number of households receiving energy assistance under this subsection and the cost of such assistance.

(d) If the applicant is a customer of an energy provider, such applicant shall receive energy assistance in an amount established by the Department for all such applicants under this Act, such amount to be paid by the Department to the energy provider supplying winter energy service to such applicant. Such applicant shall:

(i) make all reasonable efforts to apply to any other appropriate source of public energy assistance; and

(ii) sign a waiver permitting the Department to receive income information from any public or private agency providing income or energy assistance and from any employer, whether public or private.

(e) Any qualified applicant pursuant to this Section may receive or have paid on such applicant's behalf an emergency assistance payment to enable such applicant to obtain access

to winter energy services. Any such payments shall be made in accordance with regulations of the Department.

(f) The Department may, if sufficient funds are available, provide additional benefits to certain qualified applicants:

(i) for the reduction of past due amounts owed to energy providers;

(ii) to assist the household in responding to excessively high summer temperatures or energy costs. Households containing elderly members, children, a person with a disability, or a person with a medical need for conditioned air shall receive priority for receipt of such benefits; and

(iii) for the installation of energy conservation measures, health and safety measures, healthy home measures, home improvement measures to help alleviate deferrals from weatherization activities, and renewable energy retrofits.

(Source: P.A. 102-16, eff. 6-17-21; 102-176, eff. 6-1-22; 102-699, eff. 4-19-22; 103-663, eff. 1-1-25.)

(305 ILCS 20/13)

Sec. 13. Supplemental Low-Income Energy Assistance Fund.

(a) The Supplemental Low-Income Energy Assistance Fund is hereby created as a special fund in the State Treasury. The Supplemental Low-Income Energy Assistance Fund is authorized to receive moneys from voluntary donations from individuals,

foundations, corporations, and other sources, moneys received pursuant to Section 17, and, by statutory deposit, the moneys collected pursuant to this Section. The Fund is also authorized to receive voluntary donations from individuals, foundations, corporations, and other sources. Subject to appropriation, the Department shall use moneys from the Supplemental Low-Income Energy Assistance Fund for: (i) payments to electric or gas public utilities, municipal electric or gas utilities, and electric cooperatives on behalf of their customers who are participants in the program authorized by Sections 4 and 18 of this Act; (ii) the provision of weatherization services, including, but not limited to, the installation of energy conservation measures, health and safety measures, healthy home measures, home improvement measures to alleviate the deferrals of certain projects, including, but not limited to, roofs and foundation repairs, and renewable energy retrofits; and (iii) administration of the Supplemental Low-Income Energy Assistance Fund. All other deposits outside of the Energy Assistance Charge as set forth in subsection (b) are not subject to the percentage restrictions related to administrative and weatherization expenses provided in this subsection. The yearly expenditures for weatherization may not exceed 10% of the amount collected during the year pursuant to this Section, except when unspent funds from the Supplemental Low-Income Energy Assistance Fund are reallocated from a previous year; any unspent balance of

the 10% weatherization allowance may be utilized for weatherization expenses in the year they are reallocated. The yearly administrative expenses of the Supplemental Low-Income Energy Assistance Fund may not exceed 15% ~~13%~~ of the amount collected during that year pursuant to this Section, except when unspent funds from the Supplemental Low-Income Energy Assistance Fund are reallocated from a previous year; any unspent balance of the 15% ~~13%~~ administrative allowance may be utilized for administrative expenses in the year they are reallocated. Of the 15% ~~13%~~ administrative allowance, no less than 9% ~~8%~~ shall be provided to Local Administrative Agencies for administrative expenses.

(b) Notwithstanding the provisions of Section 16-111 of the Public Utilities Act but subject to subsection (k) of this Section, each public utility, electric cooperative, as defined in Section 3.4 of the Electric Supplier Act, and municipal utility, as referenced in Section 3-105 of the Public Utilities Act, that is engaged in the delivery of electricity or the distribution of natural gas within the State of Illinois shall, effective January 1, 2021, assess each of its customer accounts a monthly Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund. The delivering public utility, municipal electric or gas utility, or electric or gas cooperative for a self-assessing purchaser remains subject to the collection of the fee imposed by this Section. The monthly charge shall be as follows:

(1) Base Energy Assistance Charge per month on each account for residential electrical service;

(2) Base Energy Assistance Charge per month on each account for residential gas service;

(3) Ten times the Base Energy Assistance Charge per month on each account for non-residential electric service which had less than 10 megawatts of peak demand during the previous calendar year;

(4) Ten times the Base Energy Assistance Charge per month on each account for non-residential gas service which had distributed to it less than 4,000,000 therms of gas during the previous calendar year;

(5) Three hundred and seventy-five times the Base Energy Assistance Charge per month on each account for non-residential electric service which had 10 megawatts or greater of peak demand during the previous calendar year; and

(6) Three hundred and seventy-five times the Base Energy Assistance Charge per month on each account for non-residential gas service which had 4,000,000 or more therms of gas distributed to it during the previous calendar year.

The Base Energy Assistance Charge shall be \$0.48 per month for the calendar year beginning January 1, 2022 and shall increase by \$0.16 per month for any calendar year, provided no less than 80% of the previous State fiscal year's available

Supplemental Low-Income Energy Assistance Fund funding was exhausted. The maximum Base Energy Assistance Charge shall not exceed \$0.80 ~~\$0.96~~ per month for any calendar year.

Beginning January 1, 2027, the Base Energy Assistance Charge shall be \$0.80 per month, with no additional step-up provisions, for each utility that is required by the Commission to implement a low-income discount program and shall be \$0.40 per month for each utility that is not required to implement a low-income discount program and that contributes to the Supplemental Low-Income Energy Assistance Fund.

The incremental change to such charges imposed by Public Act 99-933 and Public Act 102-16 ~~this amendatory Act of the 102nd General Assembly~~ shall not (i) be used for any purpose other than to directly assist customers and (ii) be applicable to utilities serving less than 100,000 customers in Illinois on January 1, 2021. ~~The incremental change to such charges imposed by this amendatory Act of the 102nd General Assembly are intended to increase utilization of the Percentage of Income Payment Plan (PIPP or PIP Plan) and shall be applied such that PIP Plan enrollment is at least doubled, as compared to 2020 enrollment, by 2024.~~

~~In addition, electric and gas utilities have committed, and shall contribute, a one-time payment of \$22 million to the Fund, within 10 days after the effective date of the tariffs established pursuant to Sections 16-111.8 and 19-145 of the~~

~~Public Utilities Act to be used for the Department's cost of implementing the programs described in Section 18 of this amendatory Act of the 96th General Assembly, the Arrearage Reduction Program described in Section 18, and the programs described in Section 8-105 of the Public Utilities Act. If a utility elects not to file a rider within 90 days after the effective date of this amendatory Act of the 96th General Assembly, then the contribution from such utility shall be made no later than February 1, 2010.~~

(c) For purposes of this Section:

(1) "residential electric service" means electric utility service for household purposes delivered to a dwelling of 2 or fewer units which is billed under a residential rate, or electric utility service for household purposes delivered to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(2) "residential gas service" means gas utility service for household purposes distributed to a dwelling of 2 or fewer units which is billed under a residential rate, or gas utility service for household purposes distributed to a dwelling unit or units which is billed under a residential rate and is registered by a separate meter for each dwelling unit;

(3) "non-residential electric service" means electric utility service which is not residential electric service;

and

(4) "non-residential gas service" means gas utility service which is not residential gas service.

(d) Within 30 days after the effective date of this amendatory Act of the 96th General Assembly, each public utility engaged in the delivery of electricity or the distribution of natural gas shall file with the Illinois Commerce Commission tariffs incorporating the Energy Assistance Charge in other charges stated in such tariffs, which shall become effective no later than the beginning of the first billing cycle following such filing.

(e) The Energy Assistance Charge assessed by electric and gas public utilities shall be considered a charge for public utility service.

(f) By the 20th day of the month following the month in which the charges imposed by the Section were collected, each public utility, municipal utility, and electric cooperative shall remit to the Department of Revenue all moneys received as payment of the Energy Assistance Charge on a return prescribed and furnished by the Department of Revenue showing such information as the Department of Revenue may reasonably require; provided, however, that a utility offering an Arrearage Reduction Program or Supplemental Arrearage Reduction Program pursuant to Section 18 of this Act shall be entitled to net those amounts necessary to fund and recover the costs of such Programs as authorized by that Section that

is no more than the incremental change in such Energy Assistance Charge authorized by Public Act 96-33. If a customer makes a partial payment, a public utility, municipal utility, or electric cooperative may elect either: (i) to apply such partial payments first to amounts owed to the utility or cooperative for its services and then to payment for the Energy Assistance Charge or (ii) to apply such partial payments on a pro-rata basis between amounts owed to the utility or cooperative for its services and to payment for the Energy Assistance Charge.

If any payment provided for in this Section exceeds the distributor's liabilities under this Act, as shown on an original return, the Department may authorize the distributor to credit such excess payment against liability subsequently to be remitted to the Department under this Act, in accordance with reasonable rules adopted by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the distributor, the distributor's discount shall be reduced by an amount equal to the difference between the discount as applied to the credit taken and that actually due, and that distributor shall be liable for penalties and interest on such difference.

(g) The Department of Revenue shall deposit into the Supplemental Low-Income Energy Assistance Fund all moneys remitted to it in accordance with subsection (f) of this Section. The utilities shall coordinate with the Department to

establish an equitable and practical methodology for implementing this subsection (g) beginning with the 2010 program year.

(h) On or before December 31, 2002, the Department shall prepare a report for the General Assembly on the expenditure of funds appropriated from the Low-Income Energy Assistance Block Grant Fund for the program authorized under Section 4 of this Act.

(i) The Department of Revenue may establish such rules as it deems necessary to implement this Section.

(j) The Department of Commerce and Economic Opportunity may establish such rules as it deems necessary to implement this Section.

(k) The charges imposed by this Section shall only apply to customers of municipal electric or gas utilities and electric or gas cooperatives if the municipal electric or gas utility or electric or gas cooperative makes an affirmative decision to impose the charge. If a municipal electric or gas utility or an electric cooperative makes an affirmative decision to impose the charge provided by this Section, the municipal electric or gas utility or electric cooperative shall inform the Department of Revenue in writing of such decision when it begins to impose the charge. If a municipal electric or gas utility or electric or gas cooperative does not assess this charge, the Department may not use funds from the Supplemental Low-Income Energy Assistance Fund to provide

benefits to its customers under the program authorized by Section 4 of this Act.

In its use of federal funds under this Act, the Department may not cause a disproportionate share of those federal funds to benefit customers of systems which do not assess the charge provided by this Section.

(Source: P.A. 102-16, eff. 6-17-21; 102-176, eff. 6-1-22; 102-671, eff. 11-30-21; 102-673, eff. 11-30-21; 102-699, eff. 4-19-22; 103-820, eff. 8-9-24.)

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