

TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

PART 710
COAL TO SOLAR AND ENERGY STORAGE INITIATIVE FUND GRANT PROGRAM

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17 AUTHORITY: Implementing Section 3855/1-75(c-5) of the Illinois Power Agency Act [20
18 ILCS 3855] and authorized by Section 605-95 of the Civil Administrative Code of Illinois [20
19 ILCS 605].

21 SOURCE: Adopted at 48 Ill. Reg. _____, effective _____.

23 **Section 710.10 Purpose**

25 The purpose of the Coal to Solar and Energy Storage Initiative Fund Grant Program is to support
26 installation of energy storage facilities at the sites of up to 3 qualifying electric generating
27 facilities located in the Midcontinent Independent System Operator, Inc., region in Illinois and
28 the sites of up to 2 qualifying electric generating facilities located in the PJM Interconnection,
29 LLC region in Illinois that meet the criteria set forth in 20 ILCS 3855/1-75(c-5)(10)(C) and in
30 this Part [20 ILCS 3855/1-75(c-5)(10)(C)].

32 **Section 710.20 Definitions**

- 34 "Agency" means the Illinois Power Agency.
- 36 "Act" means the Illinois Power Agency Act [20 ILCS 3855].
- 38 "Commission" means the Illinois Commerce Commission.
- 40 "Department" means the Illinois Department of Commerce and Economic
41 Opportunity.

43 "Environmental justice communities" means the definition of that term as used in
44 the long-term renewal resources procurement plan by the Illinois Power Agency
45 and its program administrator in the Illinois Solar for All Program
46 (<https://www.illinoissfa.com/environmental-justice-communities/>). Any changes
47 made to the Solar for All Program will be incorporated in accordance with 5 ILCS
48 100/5-75.

49
50 "GATA" means the Grant Accountability and Transparency Act [30 ILCS 708].

51
52 "GATA Rule" means the administrative rules of the Governor's Office of
53 Management and Budget found at 44 Ill. Adm. Code 7000.

54
55 "Grantee" means an applicant for a grant award under this program whose
56 proposal is funded by the Department.

57
58 "Midcontinent Independent System Operator, Inc. region" means the geographic
59 area in Illinois that is operated by the RTO, Midcontinent Independent System
60 Operator, Inc.

61
62 "PJM Interconnection, LLC region" means the geographic area in Illinois that is
63 operated by the RTO, PJM Interconnection, LLC.

64
65 "Program" means the Coal to Solar and Energy Storage Initiative Fund Grant
66 Program.

67
68 "*Project labor agreement*" means a pre-hire collective bargaining agreement that
69 covers all terms and conditions of employment on a specific construction project
70 and must include the following:

71
72 *provisions establishing the minimum hourly wage for each class of labor*
73 *organization employee;*

74
75 *provisions establishing the benefits and other compensation for each class*
76 *of labor organization employee;*

77
78 *provisions establishing that no strike or disputes will be engaged in by the*
79 *labor organization employees;*

80
81 *provisions establishing that no lockout or disputes will be engaged in by*
82 *the general contractor building the project; and*

83
84 *provisions requiring the parties to the agreement to work together to*
85 *establish diversity threshold requirements and to ensure best efforts to*

86 *meet diversity targets, improve diversity at the applicable job site, create*
87 *diverse apprenticeship opportunities, and create opportunities to employ*
88 *former coal-fired power plant workers.*

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90 *A labor organization and the general contractor building the project shall*
91 *have the authority to include other terms and conditions as they deem*
92 *necessary. [20 ILCS 3855/1-10, 1-75(c-5)(10)(C)(12)]*

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94 "Regional Transmission Organization" or "RTO" means the independent systems
95 operator that administers and oversees the wholesale electricity markets in which
96 the State participates. In Illinois, the two RTOs are the Midcontinent Independent
97 System Operator, Inc. and PJM Interconnection, LLC. For information on the
98 geographic regions covered by each RTO see [https://www.ferc.gov/power-sales-](https://www.ferc.gov/power-sales-and-markets/rtos-and-isos)
99 [and-markets/rtos-and-isos](https://www.ferc.gov/power-sales-and-markets/rtos-and-isos).

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101 "Retired" or "retirement" means to have fully ceased generating electricity at the
102 facility.

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104 "State" means the State of Illinois.

105
106 "Uniform Guidance" means the Uniform Administrative Requirements, Cost
107 Principles, and Audit Requirements for Federal Awards, 2 CFR 200.

108 109 **Section 710.30 Funding Source**

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111 The grant awards described in this Part are contingent upon the availability of funding in the
112 Coal to Solar Energy Storage Initiative Fund [20 ILCS 3855/1-75(c-5)(10)(A)], which is funded
113 by the Coal to Solar Energy Storage Initiative Charge [20 ILCS 3855/1-75(c-5)(9)]. *The*
114 *Department shall utilize up to \$280,500,000 in the Coal to Solar and Energy Storage Initiative*
115 *Fund for grants to qualified applicants. [20 ILCS 3855/1-75(c-5)(10)(C)]*

116 117 **Section 710.40 Grantee and Project Eligibility Requirements**

118
119 a) The following types of entities are eligible to apply for a grant award under the
120 program:

121
122 1) An owner of an electric generating facility that meets the requirements
123 listed in subsections (b) and (c) and that:

124
125 A) has an active GATA registration and is qualified on the GATA
126 Grantee Portal (<https://grants.illinois.gov/portal/>) at the time the
127 application is submitted; and
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- B) is considered a regarded entity by the Internal Revenue Service (26 U.S.C. 1361(b)(3)) for federal income tax purposes.
 - 2) A subsidiary or special purpose entity of an owner of an electric generating unit, but only if this subsidiary or entity:
 - A) includes with its application a written statement from the owner of the electric generating unit that demonstrates the requirements of subsections (b) and (c) will be met and describes the applicant's relationship to the owner company;
 - B) provides documentation of the corporate structure demonstrating the applicant's relationship to the owner of the electric generating unit;
 - C) meets the requirements listed in subsection (c);
 - D) has an active GATA registration and is qualified on the GATA Grantee Portal at the time the application is submitted;
 - E) is considered a regarded entity by the Internal Revenue Service for federal income tax purposes; and
 - F) can meet all requirements of 20 ILCS 3855/1-75(c-5)(10)(C) as if it were the owner of an electric generating unit.
 - 3) An affiliate of a company that owns an electric generating unit, but only if the affiliate applicant:
 - A) includes with its application a written statement from the owner company that demonstrates the requirements of subsections (b) and (c) will be met and describes the applicant's relationship to the owner company;
 - B) provides documentation of the corporate structure demonstrating the applicant's relationship to the owner of the electric generating unit;
 - C) meets the requirements listed in subsection (c);
 - D) has an active GATA registration and is qualified on the GATA Grantee Portal at the time the application is submitted;

- 172 E) is considered a regarded entity by the Internal Revenue Service for
173 federal income tax purposes; and
174
- 175 F) provides documentation that an entity with an ownership interest in
176 the affiliate meets the requirements of 20 ILCS 3855/1-75(c-
177 5)(10)(C).
178
- 179 b) To qualify for a grant award, the electric generating facility site which is the
180 subject of the application:
181
- 182 1) must be located in the Midcontinent Independent System Operator, Inc.
183 region in Illinois or in the PJM Interconnection, LLC region in Illinois;
184
- 185 2) *has, or had prior to retirement, an electric generating capacity of at least*
186 *150 megawatts at the site of the proposed energy storage facility;*
187
- 188 3) *burns (or burned prior to retirement) coal as its primary source of fuel;*
189
- 190 4) was retired after January 1, 2016, if it is retired at the time of application;
191
- 192 5) *was at one time owned, in whole or in part, by a public utility as defined in*
193 *Section 3-105 of the Public Utilities Act [220 ILCS 5/3-105];*
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- 195 6) *is not owned by:*
196
- 197 A) *an electric cooperative as defined in Section 3-119 of the Public*
198 *Utilities Act [220 ILCS 5/3-119]; or*
199
- 200 B) *an entity described in subsection (b)(1) of Section 3-105 of the*
201 *Public Utilities Act [220 ILCS 5/3-105(b)(1)]; or*
202
- 203 C) *an association or consortium of or an entity owned by entities*
204 *described in subsections (b)(6)(A) or (B); and*
205
- 206 7) *has an owner of the electric generating facility that has not been selected*
207 *by the Agency pursuant to 20 ILCS 3855/1-75(c-5) to enter into a contract*
208 *to sell renewable energy credits to one or more electric utilities from a*
209 *new renewable energy facility located or to be located at or adjacent to*
210 *the site at which the electric generating facility is located.*
211
- 212 c) The proposed project must meet the following requirements:
213

- 214 1) *The proposed energy storage facility at the site will have energy storage*
215 *capacity of at least 37 megawatts;*
216
- 217 2) *The applicant commits to place the energy storage facility into commercial*
218 *operation on either June 1, 2023, June 1, 2024, or June 1, 2025, with such*
219 *date subject to adjustment as needed due to any delays in completing the*
220 *grant contracting process, in finalizing interconnection agreements and in*
221 *installing interconnection facilities, and in obtaining necessary*
222 *governmental permits and approvals;*
223
- 224 3) *The applicant agrees that the new energy storage facility will be*
225 *constructed or installed by a qualified entity or entities consistent with the*
226 *requirements of subsection (g) of Section 16-128A of the Public Utilities*
227 *Act [220 ILCS 5/16-128A(g)] and any rules adopted under that Section;*
228
- 229 4) *The applicant agrees that personnel operating the energy storage facility*
230 *will have the requisite skills, knowledge, training, experience, and*
231 *competence, which may be demonstrated by completion or current*
232 *participation and ultimate completion by employees of an accredited or*
233 *otherwise recognized apprenticeship program for the employee's*
234 *particular craft, trade, or skill, including through training and education*
235 *courses and opportunities offered by the applicant to employees of the*
236 *coal-fueled electric generating facility or by previous employment*
237 *experience performing the employee's particular work skill or function;*
238
- 239 5) *The applicant commits that not less than the prevailing wage, as*
240 *determined pursuant to the Prevailing Wage Act [820 ILCS 130], will be*
241 *paid to the applicant's employees engaged in construction activities*
242 *associated with the new energy storage facility and to the employees of the*
243 *applicant's contractors engaged in construction activities associated with*
244 *the new energy storage facility, and that, on or before the commercial*
245 *operation date of the new energy storage facility, the applicant shall file a*
246 *report with the Department certifying that the requirements of this*
247 *subsection have been met; and*
248
- 249 6) *The applicant commits that if selected to receive a grant, it will negotiate a*
250 *project labor agreement for the construction of the new energy storage*
251 *facility that includes provisions requiring the parties to the agreement to*
252 *work together to establish diversity threshold requirements and to ensure*
253 *best efforts to meet diversity targets, improve diversity at the applicable*
254 *job site, create diverse apprenticeship opportunities, and create*
255 *opportunities to employ former coal-fired power plant workers. [20 ILCS*
256 *3855/1-75(c-5)(10)(C)]*

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Section 710.50 Form of Grant Applications

- a) The Department will publish, for at least 30 calendar days, a Notice of Funding Opportunity on the GATA Grantee Portal (<https://grants.illinois.gov/portal/>).
- b) The applicants will be required to submit an application package to the Department, which will include the following:
 - 1) Uniform grant application;
 - 2) Uniform budget template;
 - 3) Conflict of interest disclosure form;
 - 4) Mandatory disclosures form;
 - 5) Project narrative, which shall include the following information:
 - A) A justification for developing an energy storage facility at the proposed site, including:
 - i) The reason the location is being proposed other than meeting the requirements stated in the Act. The justification should include, but is not limited to, a description with supporting documentation from PJM Interconnection, LLC or Midcontinent Independent System Operator, Inc. of utility grid needs or challenges that would be addressed by an energy storage facility at the proposed site;
 - ii) How the applicant will engage with the local community during and after construction and how the energy storage project will help the local community;
 - iii) A description of a plan or commitment to ecological site improvement (e.g., installation of native pollinator plantings equivalent to minimum standards defined in the Illinois Department of Natural Resources "Solar Site Pollinator Scorecard");
 - B) A description of the applicant's ability to successfully complete the project for which funds are intended, including:

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- i) A description of the applicant's experience in the development of energy storage facilities, how many energy storage facilities the applicant currently has in commercial operation and how many are currently under construction. The applicant or major contractor partner should provide at least three client references for energy storage facilities that are complete and operating, sized 5 megawatt hours (MWh) or larger.
 - ii) Anticipated timelines for construction and expected date for commercial operation launch. The owner of the proposed energy storage facility must commit to placing the energy storage facility into commercial operation on either June 1, 2023, June 1, 2024 or June 1, 2025, with this date subject to adjustment as needed.
 - iii) Expected capacity of the energy storage facility in megawatts at the site of the proposed energy storage facility.
 - iv) A technology description that defines the energy storage type (e.g., battery, hydrogen fuel cell) and summarizing the key components and the design of the overall system.
 - v) A summary of additional key technical characteristics, including:
 - Energy storage capacity or the maximum amount of stored energy, in megawatt hours (MWh).
 - Storage duration or the amount of time stored energy can discharge at the rated power capacity before depleting the system's energy capacity, in hours.
 - Expected system life, in years, based on anticipated operating conditions.
 - Estimated energy storage in the first 12 months of system operation, including, Alternating Current (AC) energy (in MWh) for system charging and AC

342 energy (in MWh) discharging from the system to
343 the grid.

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345 • Estimated annual system degradation rate, as a
346 percentage, based on annual reduction in the
347 system's energy capacity.

348
349 vi) Documentation, including production technical
350 specification sheets, that provides the basis for key
351 technical characteristics described in this subsection.
352

353 C) A description of the applicant's ability and strategy to meet the
354 commitments and agreements listed as criteria for receipt of a grant
355 in 20 ILCS 3855/1-75(c-5)(10)(C). The applicant should:
356

357 i) Explain the applicant's plan for ensuring the energy storage
358 facility will be constructed or installed by a qualified entity
359 or entities consistent with the requirements of the Public
360 Utilities Act [220 ILCS 5/16-128A(g)] and any rules
361 adopted under that Section;
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363 ii) Describe existing relationships with workforce training
364 partners and plans to meet training and hiring objectives of
365 the program, particularly how they relate to achieving the
366 program's diversity goals and providing employment
367 opportunities for former employees of the coal-fueled
368 electric generating facility;
369

370 iii) Describe previous efforts the applicant took to negotiate
371 project labor agreements for the construction of projects
372 overseen by the applicant, including efforts to meet
373 diversity targets, improve diversity at job sites, create
374 diverse apprenticeship opportunities, and create
375 opportunities to employ former coal-fired power plant
376 workers; and
377

378 iv) Describe how it will meet the requirement of paying at least
379 the prevailing wage, pursuant to the Prevailing Wage Act
380 [820 ILCS 130], to the applicant's employees and
381 contractor's employees engaged in construction of the
382 energy storage facilities;
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- 384 D) Certification of eligibility, which shall be in the form of a signed
385 letter by the applicant on company letterhead which certifies that
386 the applicant and its proposed project meet the criteria listed in
387 Section 710.40(b) and (c). All certifications made by the applicant
388 must also be certified by the electric generating unit owner if they
389 are not the same entity. If a grant applicant is not the owner of the
390 electric generating unit, the applicant shall submit to the
391 Department proof of corporate structure showing the applicant's
392 relationship to the owner of the facility; and
393
- 394 6) Any additional documentation to demonstrate or support the information
395 submitted by the applicant for the proposed project.
396
- 397 c) Applicants may apply for a grant for more than one project but must submit a
398 separate application for each proposed energy storage facility location.
399

400 **Section 710.60 Grant Award Selection**

401
402 Grants will be awarded by the Department to grantees following a merit review by DCEO and
403 pursuant to GATA requirements (44 Ill. Adm. Code 7000.350). The Department will award up
404 to five total grants that support the installation and operation of energy storage facilities at the
405 sites of up to three qualifying electric generating facilities located in the Midcontinent
406 Independent System Operator, Inc. region in Illinois and the sites of up to two qualifying electric
407 generating facilities located in the PJM Interconnection, LLC region in Illinois. In evaluating
408 applications, the Department will consider the criteria listed below:
409

- 410 a) Whether the applicant and the proposed energy storage facility site meet the
411 eligibility criteria (Section 710.40);
412
- 413 b) The need to develop an energy storage facility at the proposed site. This will be
414 based on:
415
- 416 1) A demonstration of how the applicant will engage effectively with the
417 local community during and after construction;
418
- 419 2) A justification for the specific project location of the energy storage
420 project beyond meeting the qualifications established by the Act (e.g.,
421 located at a site with generating capacity of at least 150 megawatts; sites
422 burned or is burning coal as its primary source of fuel);
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- 424 3) Providing documents from Midcontinent Independent System Operator,
425 Inc. or PJM Interconnection, LLC, indicating proposed project may be
426 interconnected to the regional transmission grid, as applicable; and

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- 4) A demonstration of a plan and commitment to ecological site improvement;
 - c) A demonstration of the ability to successfully complete the energy storage facility project. This will be based on the following criteria:
 - 1) Successful prior experience in the development of energy storage facilities;
 - 2) Significant energy storage performance based on estimated annual MWh energy storage capacity and total estimated MWh energy storage capacity over the life of the energy storage system as follows:
 - A) Energy storage capacity, or the maximum amount of stored energy, in MWh;
 - B) Storage duration in hours;
 - C) Expected system life in years based on anticipated operating conditions;
 - D) Estimated energy storage in the first twelve months of system operation; and
 - E) Estimated annual system degradation rate, as a percentage;
 - 3) The ability to provide realistic timelines for construction and the expected date for commercial operation launch, which comply with the requirements of 20 ILCS 3855/1-75(c-5)(10)(C)(8);
 - 4) Energy storage capacity of at least 37 megawatts at the proposed energy storage facility site; and
 - 5) The ability to meet the requirements of 20 ILCS 3855/1-75(c-5)(10)(C) and this Part, as demonstrated in the technology description.
 - d) A demonstration of the ability to meet the commitments and agreements listed in 20 ILCS 3855/1-75(c-5)(10)(C) and in this Part (Section 710.40). Evaluation will be based on the following criteria:
 - 1) The applicant's plan for ensuring the energy storage facility will be constructed or installed by a qualified entity or entities consistent with the

470 requirements of subsection (g) of Section 16-128A of the Public Utilities
 471 Act [220 ILCS 5/16-128A(g)] and any rules adopted under that Section.
 472 Applicants should be able to demonstrate the effectiveness of the plan;
 473

474 2) Existing and proposed relationships with workforce training partners and
 475 plans to meet training and hiring objectives of the program, particularly
 476 how they relate to achieving the program's diversity goals and providing
 477 employment opportunities for employees of the coal-fueled electric
 478 generating facility. The applicant should be able to identify current
 479 relationships with workforce training partners and provide a quality plan
 480 to ensure that personnel operating the energy storage facility will have the
 481 skills, knowledge, training and experience to complete the program, as
 482 well as efforts to ensure diverse hiring and opportunities for employees of
 483 coal plants; and
 484

485 3) Previous efforts the applicant has had in negotiating project labor
 486 agreements for the construction of projects overseen by the applicant and
 487 the details describing efforts to meet diversity targets, improve diversity at
 488 job sites, provide diverse apprenticeship opportunities, and provide
 489 opportunities to employ former coal-fired power plant workers. The
 490 applicant should describe past experiences negotiating project labor
 491 agreements and the effectiveness of past experience in improving diversity
 492 and apprenticeship opportunities.
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494 **Section 710.70 Grant Agreements and Grant Administration**

495 a) Grant Agreements and Payment Disbursements

496 1) Applicants selected to receive a grant will enter into a grant agreement
 497 with the Department, which specifies the terms and conditions of the
 498 award. Grant awards will be administered in a manner that complies with
 499 all applicable State and federal requirements including, but not limited to,
 500 GATA, the Uniform Guidance and the Act and this Part. The Department
 501 reserves the right to suspend or terminate a grant agreement, recoup grant
 502 funds received under this Part or withhold any future year funding for non-
 503 compliance with the provisions in the grant agreement or non-compliance
 504 with applicable State and federal laws pursuant to the requirements of the
 505 Grantee Compliance Enforcement System, 44 Ill. Adm. Code 7000.80.
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509 2) Grant payments shall be made by the Department to a grantee only once
 510 the grantee's energy storage facility has been placed into commercial
 511 operation. Therefore, grantees must be able to pay for energy storage
 512 facility construction costs. *The Department shall make the grant*

513 *payments to the grantee in equal annual amounts for 10 years following*
514 *the date the grantee's energy storage facility is placed into commercial*
515 *operation. The annual grant payments to a qualifying energy storage*
516 *facility shall be \$110,000 per megawatt of energy storage capacity, with*
517 *total annual grant payments not to exceed \$28,050,000 in any year. [20*
518 *ILCS 3855/1-75(c)(10)(C)] Total program expenditures throughout the*
519 *life of the program may not exceed \$280,500,000.*

520
521 A) Grant award amounts will be based on the energy storage capacity
522 provided by the grantee in its application. The Department reserves
523 the right to reduce the grant award amount or modify the award
524 amount if it determines after installation, based on information
525 provided by the grantee, that the actual energy storage capacity is
526 less than the grantee's proposed energy storage capacity.

527
528 B) As part of the grant agreement requirements, grantees will be
529 required to submit a commissioning plan that must be approved by
530 the Department, which will set forth the requirements for when the
531 energy storage facility is considered successfully placed into
532 commercial operation and will include verification of the facility
533 specifications and evidence that the facility is operational.

534
535 3) Grant agreements *shall specify the date or dates in each year on which the*
536 *annual grant payments shall be paid. [20 ILCS 3855/1-75(c)(10)(D)]*
537

538 b) Grant Performance, Administration, Monitoring and Reporting Requirements
539 Grantees shall comply with all GATA and Department requirements set forth in
540 the grant agreement for grant performance, administration, audits, monitoring and
541 reporting.
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543 1) Grant performance goals and performance and expenditure reporting will
544 be based on the specific grant project activities of each grant award and
545 will follow GATA requirements (44 Ill. Adm. Code 7000.410), which can
546 include periodic financial and performance reports at least annually and
547 financial and performance close-out reports after the end of the grant term
548 (See 44 Ill. Adm. Code 7000.440). The deadlines for all required reports
549 will be set forth in the grant agreement. In addition to the performance
550 and financial reports, grantees will be required to submit the following to
551 the Department by the deadlines set in the grant agreement:
552

553 A) Documentation demonstrating the new energy storage facility is
554 being constructed or installed by a qualified entity or entities
555 consistent with the requirements of subsection (g) of Section 16-

- 556 128A of the Public Utilities Act [220 ILCS 5/16-128A(g)] and any
557 rules adopted under that Section.
558
- 559 B) Documentation demonstrating that personnel operating the energy
560 storage facility will have the requisite skills, knowledge, training,
561 experience and competence.
562
- 563 C) A report certifying that the prevailing wage is being paid to
564 employees engaged in construction activities associated with the
565 new energy storage facility. This includes the energy storage
566 facility owner's employees and employees of the owner's
567 contractors. This report must be submitted before the commercial
568 operation date of the new energy storage facility and before any
569 disbursement of funds.
570
- 571 D) A report detailing a project labor agreement once one is executed
572 with the entities constructing the new energy storage facility. The
573 report will provide evidence that diversity threshold requirements
574 were achieved and detail pathways to meet diversity targets,
575 improve diversity at the applicable job site, create diverse
576 apprenticeship opportunities, and create opportunities to employ
577 former coal-fired power plant workers.
578
- 579 E) A copy of the grantee's diversity, equity and inclusion plan filed
580 with the Illinois Commerce Commission (See subsection (c)) and
581 any revisions thereto. The grantee will be required to submit to the
582 Department the annual report the grantee files with the Illinois
583 Commerce Commission detailing the grantee's progress in
584 implementing its plan and achieving its goals.
585
- 586 F) Documentation or other evidence after installation of the energy
587 storage facility that the energy storage facility is able to meet the
588 provided storage capacity, which was the basis for the grant award
589 amount.
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- 591 G) An annual report that provides the storage system performance
592 data to the Department electronically. The grantee will annually
593 provide data on:
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- 595 i) Alternating Current energy consumption for storage system
596 charging; and
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- ii) Alternating Current energy discharge from the system to the grid.
 - H) Electronic data submissions will provide energy consumption data and energy discharge data in time-and-date-stamped increments of fifteen minutes or less throughout the annual reporting period.
 - 2) Grant audits shall be based on the standards set forth in the GATA Rule (44 Ill. Adm. Code 7000.90).
 - 3) Grantees must monitor their grant activities and those of any subrecipients and contractors to assure compliance with applicable State and federal requirements and to assure their performance expectations are being achieved. The Department will monitor the activities of grantees to assure compliance with all requirements and performance expectations of the award. Grantees shall timely submit all required reports, and shall supply, upon the Department's request, documents and information relevant to the award. The Department may monitor activities through site visits.
 - 4) All grant recipients shall have an affirmative duty to notify the Department of any changes in corporate structure that affect one or several of these conditions:
 - A) The ownership interest of the electric generating unit owner;
 - B) The relationship between the electric generating unit owner and the grant recipient, if the grant recipient is not the unit owner; or
 - C) The ability of the grantee to complete its requirements in the grant agreement.
 - 5) Grant recipients will be prohibited from interconnecting the energy storage facility project supported by this Program with any new renewable energy facility or energy storage facility located at the same site or an adjacent site and which is selected by the Illinois Power Agency pursuant to Section 1-75(c-5) of the Illinois Power Agency Act [20 ILCS 3855] to enter into a contract to sell renewable energy credits to one or more electric utilities from the new renewable energy facility.
 - c) Diversity, Equity and Inclusion Plans
 - 1) Each grantee selected by the Department to receive a grant or grants to support the construction and operation of a new energy storage facility or

641 facilities in accordance with this Part shall, within 60 days following
 642 execution of a grant agreement with the Department, submit to the Illinois
 643 Commerce Commission, in a format determined by the Commission, a
 644 diversity, equity, and inclusion plan setting forth the grantee's numeric
 645 goals for the diversity composition of its new energy storage facility,
 646 which shall be referred to for purposes of this subsection (c)(1) as the
 647 project, and the grantee's action plan and schedule for achieving those
 648 goals.

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 650 2) For purposes of this subsection (c)(2), diversity composition shall be
 651 based on the percentage, which shall be a minimum of 25% of eligible
 652 expenditures for contract awards for materials and services (which shall be
 653 defined in the plan) to business enterprises owned by minority persons,
 654 women, or persons with disabilities as defined in Section 2 of the Business
 655 Enterprise for Minorities, Women, and Persons with Disabilities Act [30
 656 ILCS 575/2], to LGBTQ business enterprises, to veteran-owned business
 657 enterprises, and to business enterprises located in environmental justice
 658 communities. The diversity composition goals of the plan may include
 659 eligible expenditures in areas for vendor or supplier opportunities in
 660 addition to development and construction of the project, and may exclude
 661 from eligible expenditures materials and services with limited market
 662 availability, limited production and availability from suppliers in the
 663 United States, such as solar panels and storage batteries, and material and
 664 services that are subject to critical energy infrastructure or cybersecurity
 665 requirements or restrictions. The plan may provide that the diversity
 666 composition goals may be met through tier 1 (prime contractor) or tier 2
 667 (subcontractor) expenditures or a combination thereof for the project.

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 669 3) The plan shall provide for, but not be limited to:

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 671 A) Internal initiatives, including multi-tier initiatives, by the grantee,
 672 or by its engineering, procurement and construction contractor if
 673 one is used for the project, which, for purposes of this subsection
 674 (c)(3)(A), shall be referred to as the EPC contractor, to enable
 675 diverse businesses to be considered fairly for selection to provide
 676 materials and services;

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 678 B) Requirements for the grantee or its EPC contractor to proactively
 679 solicit and utilize diverse businesses to provide materials and
 680 services; and

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 682 C) Requirements for the grantee or its EPC contractor to hire a diverse
 683 workforce for the project.

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- 4) The plan shall include a description of the grantee's diversity recruiting efforts both for the project and for other areas of the grantee's business operations. The plan shall provide for the imposition of financial penalties on the grantee's EPC contractor for failure to exercise best efforts to comply with and execute the EPC contractor's diversity obligations under the plan. The plan may provide for the grantee to set aside a portion of the work on the project to serve as an incubation program for qualified businesses, as specified in the plan, owned by minority persons, women, persons with disabilities, LGBTQ persons, and veterans, and businesses located in environmental justice communities, seeking to enter the renewable energy industry.

- 5) The grantee may submit a revised or updated plan to the Commission from time to time as circumstances warrant. The grantee shall file annual reports with the Commission by June 1, commencing June 1, 2023 or the earliest based on receipt of a grant, detailing the grantee's progress in implementing its plan and achieving its goals and any modifications the grantee has made to its plan to better achieve its diversity, equity and inclusion goals. The grantee shall file a final report on the fifth June 1 following the commercial operation date of the new energy storage facility, but the grantee shall thereafter continue to be subject to applicable reporting requirements of Section 5-117 of the Public Utilities Act [220 ILCS 5/5-117].

- d) **Records Retention**
Grantees shall maintain, for the period of time set forth in the GATA rules (44 Ill. Adm. Code 7000.430(a) and (b)) adequate books, all financial records and supporting documents, statistical records, and all other records pertinent to the program. If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken. Grantees shall be responsible for ensuring that contractors and subrecipients comply with the retention requirements.