



Rep. Dave Vella

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10400HB1056ham001

LRB104 03146 AAS 24176 a

1 AMENDMENT TO HOUSE BILL 1056

2 AMENDMENT NO. _____. Amend House Bill 1056 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-10 and 1-75 and by adding Section 1-127.5
6 as follows:

7 (20 ILCS 3855/1-10)

8 Sec. 1-10. Definitions.

9 "Agency" means the Illinois Power Agency.

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

1 respect of the project.

2 "Authority" means the Illinois Finance Authority.

3 "Brownfield site photovoltaic project" means photovoltaics
4 that are either:

5 (1) interconnected to an electric utility as defined
6 in this Section, a municipal utility as defined in this
7 Section, a public utility as defined in Section 3-105 of
8 the Public Utilities Act, or an electric cooperative as
9 defined in Section 3-119 of the Public Utilities Act and
10 located at a site that is regulated by any of the following
11 entities under the following programs:

12 (A) the United States Environmental Protection
13 Agency under the federal Comprehensive Environmental
14 Response, Compensation, and Liability Act of 1980, as
15 amended;

16 (B) the United States Environmental Protection
17 Agency under the Corrective Action Program of the
18 federal Resource Conservation and Recovery Act, as
19 amended;

20 (C) the Illinois Environmental Protection Agency
21 under the Illinois Site Remediation Program; or

22 (D) the Illinois Environmental Protection Agency
23 under the Illinois Solid Waste Program; or

24 (2) located at the site of a coal mine that has
25 permanently ceased coal production, permanently halted any
26 re-mining operations, and is no longer accepting any coal

1 combustion residues; has both completed all clean-up and
2 remediation obligations under the federal Surface Mining
3 and Reclamation Act of 1977 and all applicable Illinois
4 rules and any other clean-up, remediation, or ongoing
5 monitoring to safeguard the health and well-being of the
6 people of the State of Illinois, as well as demonstrated
7 compliance with all applicable federal and State
8 environmental rules and regulations, including, but not
9 limited, to 35 Ill. Adm. Code Part 845 and any rules for
10 historic fill of coal combustion residuals, including any
11 rules finalized in Subdocket A of Illinois Pollution
12 Control Board docket R2020-019.

13 "Clean coal facility" means an electric generating
14 facility that uses primarily coal as a feedstock and that
15 captures and sequesters carbon dioxide emissions at the
16 following levels: at least 50% of the total carbon dioxide
17 emissions that the facility would otherwise emit if, at the
18 time construction commences, the facility is scheduled to
19 commence operation before 2016, at least 70% of the total
20 carbon dioxide emissions that the facility would otherwise
21 emit if, at the time construction commences, the facility is
22 scheduled to commence operation during 2016 or 2017, and at
23 least 90% of the total carbon dioxide emissions that the
24 facility would otherwise emit if, at the time construction
25 commences, the facility is scheduled to commence operation
26 after 2017. The power block of the clean coal facility shall

1 not exceed allowable emission rates for sulfur dioxide,
2 nitrogen oxides, carbon monoxide, particulates and mercury for
3 a natural gas-fired combined-cycle facility the same size as
4 and in the same location as the clean coal facility at the time
5 the clean coal facility obtains an approved air permit. All
6 coal used by a clean coal facility shall have high volatile
7 bituminous rank and greater than 1.7 pounds of sulfur per
8 million Btu content, unless the clean coal facility does not
9 use gasification technology and was operating as a
10 conventional coal-fired electric generating facility on June
11 1, 2009 (the effective date of Public Act 95-1027).

12 "Clean coal SNG brownfield facility" means a facility that
13 (1) has commenced construction by July 1, 2015 on an urban
14 brownfield site in a municipality with at least 1,000,000
15 residents; (2) uses a gasification process to produce
16 substitute natural gas; (3) uses coal as at least 50% of the
17 total feedstock over the term of any sourcing agreement with a
18 utility and the remainder of the feedstock may be either
19 petroleum coke or coal, with all such coal having a high
20 bituminous rank and greater than 1.7 pounds of sulfur per
21 million Btu content unless the facility reasonably determines
22 that it is necessary to use additional petroleum coke to
23 deliver additional consumer savings, in which case the
24 facility shall use coal for at least 35% of the total feedstock
25 over the term of any sourcing agreement; and (4) captures and
26 sequesters at least 85% of the total carbon dioxide emissions

1 that the facility would otherwise emit.

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

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

17 "Commission" means the Illinois Commerce Commission.

18 "Community renewable generation project" means an electric
19 generating facility that:

20 (1) is powered by wind, solar thermal energy,
21 photovoltaic cells or panels, biodiesel, crops and
22 untreated and unadulterated organic waste biomass, and
23 hydropower that does not involve new construction of dams;

24 (2) is interconnected at the distribution system level
25 of an electric utility as defined in this Section, a
26 municipal utility as defined in this Section that owns or

1 operates electric distribution facilities, a public
2 utility as defined in Section 3-105 of the Public
3 Utilities Act, or an electric cooperative, as defined in
4 Section 3-119 of the Public Utilities Act;

5 (3) credits the value of electricity generated by the
6 facility to the subscribers of the facility; and

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

9 "Costs incurred in connection with the development and
10 construction of a facility" means:

11 (1) the cost of acquisition of all real property,
12 fixtures, and improvements in connection therewith and
13 equipment, personal property, and other property, rights,
14 and easements acquired that are deemed necessary for the
15 operation and maintenance of the facility;

16 (2) financing costs with respect to bonds, notes, and
17 other evidences of indebtedness of the Agency;

18 (3) all origination, commitment, utilization,
19 facility, placement, underwriting, syndication, credit
20 enhancement, and rating agency fees;

21 (4) engineering, design, procurement, consulting,
22 legal, accounting, title insurance, survey, appraisal,
23 escrow, trustee, collateral agency, interest rate hedging,
24 interest rate swap, capitalized interest, contingency, as
25 required by lenders, and other financing costs, and other
26 expenses for professional services; and

1 (5) the costs of plans, specifications, site study and
2 investigation, installation, surveys, other Agency costs
3 and estimates of costs, and other expenses necessary or
4 incidental to determining the feasibility of any project,
5 together with such other expenses as may be necessary or
6 incidental to the financing, insuring, acquisition, and
7 construction of a specific project and starting up,
8 commissioning, and placing that project in operation.

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

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

14 "Department" means the Department of Commerce and Economic
15 Opportunity.

16 "Director" means the Director of the Illinois Power
17 Agency.

18 "Demand-response" means measures that decrease peak
19 electricity demand or shift demand from peak to off-peak
20 periods.

21 "Distributed renewable energy generation device" means a
22 device that is:

23 (1) powered by wind, solar thermal energy,
24 photovoltaic cells or panels, biodiesel, crops and
25 untreated and unadulterated organic waste biomass, tree
26 waste, and hydropower that does not involve new

1 construction of dams, waste heat to power systems, or
2 qualified combined heat and power systems;

3 (2) interconnected at the distribution system level of
4 either an electric utility as defined in this Section, a
5 municipal utility as defined in this Section that owns or
6 operates electric distribution facilities, or a rural
7 electric cooperative as defined in Section 3-119 of the
8 Public Utilities Act;

9 (3) located on the customer side of the customer's
10 electric meter and is primarily used to offset that
11 customer's electricity load; and

12 (4) (blank).

13 "Energy efficiency" means measures that reduce the amount
14 of electricity or natural gas consumed in order to achieve a
15 given end use. "Energy efficiency" includes voltage
16 optimization measures that optimize the voltage at points on
17 the electric distribution voltage system and thereby reduce
18 electricity consumption by electric customers' end use
19 devices. "Energy efficiency" also includes measures that
20 reduce the total Btus of electricity, natural gas, and other
21 fuels needed to meet the end use or uses.

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

24 "Equity investment eligible community" or "eligible
25 community" are synonymous and mean the geographic areas
26 throughout Illinois which would most benefit from equitable

1 investments by the State designed to combat discrimination.
2 Specifically, the eligible communities shall be defined as the
3 following areas:

4 (1) R3 Areas as established pursuant to Section 10-40
5 of the Cannabis Regulation and Tax Act, where residents
6 have historically been excluded from economic
7 opportunities, including opportunities in the energy
8 sector; and

9 (2) environmental justice communities, as defined by
10 the Illinois Power Agency pursuant to the Illinois Power
11 Agency Act, where residents have historically been subject
12 to disproportionate burdens of pollution, including
13 pollution from the energy sector.

14 "Equity eligible persons" or "eligible persons" means
15 persons who would most benefit from equitable investments by
16 the State designed to combat discrimination, specifically:

17 (1) persons who graduate from or are current or former
18 participants in the Clean Jobs Workforce Network Program,
19 the Clean Energy Contractor Incubator Program, the
20 Illinois Climate Works Preapprenticeship Program,
21 Returning Residents Clean Jobs Training Program, or the
22 Clean Energy Primes Contractor Accelerator Program, and
23 the solar training pipeline and multi-cultural jobs
24 program created in paragraphs (a) (1) and (a) (3) of Section
25 16-208.12 of the Public Utilities Act;

26 (2) persons who are graduates of or currently enrolled

1 in the foster care system;

2 (3) persons who were formerly incarcerated;

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

5 "Equity eligible contractor" means a business that is
6 majority-owned by eligible persons, or a nonprofit or
7 cooperative that is majority-governed by eligible persons, or
8 is a natural person that is an eligible person offering
9 personal services as an independent contractor.

10 "Facility" means an electric generating unit or a
11 co-generating unit that produces electricity along with
12 related equipment necessary to connect the facility to an
13 electric transmission or distribution system.

14 "General contractor" means the entity or organization with
15 main responsibility for the building of a construction project
16 and who is the party signing the prime construction contract
17 for the project.

18 "Governmental aggregator" means one or more units of local
19 government that individually or collectively procure
20 electricity to serve residential retail electrical loads
21 located within its or their jurisdiction.

22 "High voltage direct current converter station" means the
23 collection of equipment that converts direct current energy
24 from a high voltage direct current transmission line into
25 alternating current using Voltage Source Conversion technology
26 and that is interconnected with transmission or distribution

1 assets located in Illinois.

2 "High voltage direct current renewable energy credit"
3 means a renewable energy credit associated with a renewable
4 energy resource where the renewable energy resource has
5 entered into a contract to transmit the energy associated with
6 such renewable energy credit over high voltage direct current
7 transmission facilities.

8 "High voltage direct current transmission facilities"
9 means the collection of installed equipment that converts
10 alternating current energy in one location to direct current
11 and transmits that direct current energy to a high voltage
12 direct current converter station using Voltage Source
13 Conversion technology. "High voltage direct current
14 transmission facilities" includes the high voltage direct
15 current converter station itself and associated high voltage
16 direct current transmission lines. Notwithstanding the
17 preceding, after September 15, 2021 (the effective date of
18 Public Act 102-662), an otherwise qualifying collection of
19 equipment does not qualify as high voltage direct current
20 transmission facilities unless its developer entered into a
21 project labor agreement, is capable of transmitting
22 electricity at 525kv with an Illinois converter station
23 located and interconnected in the region of the PJM
24 Interconnection, LLC, and the system does not operate as a
25 public utility, as that term is defined in Section 3-105 of the
26 Public Utilities Act.

1 "Hydropower" means any method of electricity generation or
2 storage that results from the flow of water, including
3 impoundment facilities, diversion facilities, and pumped
4 storage facilities.

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

8 "Indexed renewable energy credit" means a tradable credit
9 that represents the environmental attributes of one megawatt
10 hour of energy produced from a renewable energy resource, the
11 price of which shall be calculated by subtracting the strike
12 price offered by a new utility-scale wind project or a new
13 utility-scale photovoltaic project from the index price in a
14 given settlement period.

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

18 "Local government" means a unit of local government as
19 defined in Section 1 of Article VII of the Illinois
20 Constitution.

21 "Modernized" or "retooled" means the construction, repair,
22 maintenance, or significant expansion of turbines and existing
23 hydropower dams.

24 "Municipality" means a city, village, or incorporated
25 town.

26 "Municipal utility" means a public utility owned and

1 operated by any subdivision or municipal corporation of this
2 State.

3 "Nameplate capacity" means the aggregate inverter
4 nameplate capacity in kilowatts AC.

5 "Person" means any natural person, firm, partnership,
6 corporation, either domestic or foreign, company, association,
7 limited liability company, joint stock company, or association
8 and includes any trustee, receiver, assignee, or personal
9 representative thereof.

10 "Project" means the planning, bidding, and construction of
11 a facility.

12 "Project labor agreement" means a pre-hire collective
13 bargaining agreement that covers all terms and conditions of
14 employment on a specific construction project and must include
15 the following:

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

18 (2) provisions establishing the benefits and other
19 compensation for each class of labor organization
20 employee;

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

23 (4) provisions establishing that no lockout or
24 disputes will be engaged in by the general contractor
25 building the project; and

26 (5) provisions for minorities and women, as defined

1 under the Business Enterprise for Minorities, Women, and
2 Persons with Disabilities Act, setting forth goals for
3 apprenticeship hours to be performed by minorities and
4 women and setting forth goals for total hours to be
5 performed by underrepresented minorities and women.

6 A labor organization and the general contractor building
7 the project shall have the authority to include other terms
8 and conditions as they deem necessary.

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

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

19 "Real property" means any interest in land together with
20 all structures, fixtures, and improvements thereon, including
21 lands under water and riparian rights, any easements,
22 covenants, licenses, leases, rights-of-way, uses, and other
23 interests, together with any liens, judgments, mortgages, or
24 other claims or security interests related to real property.

25 "Renewable energy credit" means a tradable credit that
26 represents the environmental attributes of one megawatt hour

1 of energy produced from a renewable energy resource.

2 "Renewable energy resources" includes energy and its
3 associated renewable energy credit or renewable energy credits
4 from wind, solar thermal energy, photovoltaic cells and
5 panels, biodiesel, anaerobic digestion, crops and untreated
6 and unadulterated organic waste biomass, and hydropower that
7 does not involve new construction of dams, waste heat to power
8 systems, or qualified combined heat and power systems. For
9 purposes of this Act, landfill gas produced in the State is
10 considered a renewable energy resource. "Renewable energy
11 resources" does not include the incineration or burning of
12 tires, garbage, general household, institutional, and
13 commercial waste, industrial lunchroom or office waste,
14 landscape waste, railroad crossties, utility poles, or
15 construction or demolition debris, other than untreated and
16 unadulterated waste wood. "Renewable energy resources" also
17 includes high voltage direct current renewable energy credits
18 and the associated energy converted to alternating current by
19 a high voltage direct current converter station to the extent
20 that: (1) the generator of such renewable energy resource
21 contracted with a third party to transmit the energy over the
22 high voltage direct current transmission facilities, and (2)
23 the third-party contracting for delivery of renewable energy
24 resources over the high voltage direct current transmission
25 facilities have ownership rights over the unretired associated
26 high voltage direct current renewable energy credit.

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

3 "Revenue bond" means any bond, note, or other evidence of
4 indebtedness issued by the Authority, the principal and
5 interest of which is payable solely from revenues or income
6 derived from any project or activity of the Agency.

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

16 "Service area" has the same definition as found in Section
17 16-102 of the Public Utilities Act.

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

21 "Sourcing agreement" means (i) in the case of an electric
22 utility, an agreement between the owner of a clean coal
23 facility and such electric utility, which agreement shall have
24 terms and conditions meeting the requirements of paragraph (3)
25 of subsection (d) of Section 1-75, (ii) in the case of an
26 alternative retail electric supplier, an agreement between the

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

9 "Strike price" means a contract price for energy and
10 renewable energy credits from a new utility-scale wind project
11 or a new utility-scale photovoltaic project.

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

22 "Subscription" means an interest in a community renewable
23 generation project expressed in kilowatts, which is sized
24 primarily to offset part or all of the subscriber's
25 electricity usage.

26 "Substitute natural gas" or "SNG" means a gas manufactured

1 by gasification of hydrocarbon feedstock, which is
2 substantially interchangeable in use and distribution with
3 conventional natural gas.

4 "Total resource cost test" or "TRC test" means a standard
5 that is met if, for an investment in energy efficiency or
6 demand-response measures, the benefit-cost ratio is greater
7 than one. The benefit-cost ratio is the ratio of the net
8 present value of the total benefits of the program to the net
9 present value of the total costs as calculated over the
10 lifetime of the measures. A total resource cost test compares
11 the sum of avoided electric utility costs, representing the
12 benefits that accrue to the system and the participant in the
13 delivery of those efficiency measures and including avoided
14 costs associated with reduced use of natural gas or other
15 fuels, avoided costs associated with reduced water
16 consumption, and avoided costs associated with reduced
17 operation and maintenance costs, as well as other quantifiable
18 societal benefits, to the sum of all incremental costs of
19 end-use measures that are implemented due to the program
20 (including both utility and participant contributions), plus
21 costs to administer, deliver, and evaluate each demand-side
22 program, to quantify the net savings obtained by substituting
23 the demand-side program for supply resources. In calculating
24 avoided costs of power and energy that an electric utility
25 would otherwise have had to acquire, reasonable estimates
26 shall be included of financial costs likely to be imposed by

1 future regulations and legislation on emissions of greenhouse
2 gases. In discounting future societal costs and benefits for
3 the purpose of calculating net present values, a societal
4 discount rate based on actual, long-term Treasury bond yields
5 should be used. Notwithstanding anything to the contrary, the
6 TRC test shall not include or take into account a calculation
7 of market price suppression effects or demand reduction
8 induced price effects.

9 "Utility-scale solar project" means an electric generating
10 facility that:

11 (1) generates electricity using photovoltaic cells;
12 and

13 (2) has a nameplate capacity that is greater than
14 5,000 kilowatts; if a utility-scale solar project has
15 integrated operations with one or more other utility-scale
16 solar projects, the nameplate capacity shall be determined
17 as provided under Section 1-127.5.

18 "Utility-scale wind project" means an electric generating
19 facility that:

20 (1) generates electricity using wind; and

21 (2) has a nameplate capacity that is greater than
22 5,000 kilowatts.

23 "Waste Heat to Power Systems" means systems that capture
24 and generate electricity from energy that would otherwise be
25 lost to the atmosphere without the use of additional fuel.

26 "Zero emission credit" means a tradable credit that

1 represents the environmental attributes of one megawatt hour
2 of energy produced from a zero emission facility.

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

7 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;
8 103-380, eff. 1-1-24.)

9 (20 ILCS 3855/1-75)

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

13 (a) The Planning and Procurement Bureau shall each year,
14 beginning in 2008, develop procurement plans and conduct
15 competitive procurement processes in accordance with the
16 requirements of Section 16-111.5 of the Public Utilities Act
17 for the eligible retail customers of electric utilities that
18 on December 31, 2005 provided electric service to at least
19 100,000 customers in Illinois. Beginning with the delivery
20 year commencing on June 1, 2017, the Planning and Procurement
21 Bureau shall develop plans and processes for the procurement
22 of zero emission credits from zero emission facilities in
23 accordance with the requirements of subsection (d-5) of this
24 Section. Beginning on the effective date of this amendatory
25 Act of the 102nd General Assembly, the Planning and

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

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

1 Act.

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

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

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

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

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

25 (D) expertise in wholesale electricity market
26 rules, including those established by the Federal

1 Energy Regulatory Commission and regional transmission
2 organizations;

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

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

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

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

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

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

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

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

26 (E) expertise in credit and contract protocols;

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

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

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

21 (A) failure to satisfy qualification criteria;

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

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

25 The Agency shall remove experts or expert consulting
26 firms from the lists within 10 days if there is a

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

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

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

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

26 (b) The experts or expert consulting firms retained by the

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

14 (c) Renewable portfolio standard.

15 (1) (A) The Agency shall develop a long-term renewable
16 resources procurement plan that shall include procurement
17 programs and competitive procurement events necessary to
18 meet the goals set forth in this subsection (c). The
19 initial long-term renewable resources procurement plan
20 shall be released for comment no later than 160 days after
21 June 1, 2017 (the effective date of Public Act 99-906).
22 The Agency shall review, and may revise on an expedited
23 basis, the long-term renewable resources procurement plan
24 at least every 2 years, which shall be conducted in
25 conjunction with the procurement plan under Section
26 16-111.5 of the Public Utilities Act to the extent

1 practicable to minimize administrative expense. No later
2 than 120 days after the effective date of this amendatory
3 Act of the 103rd General Assembly, the Agency shall
4 release for comment a revision to the long-term renewable
5 resources procurement plan, updating elements of the most
6 recently approved plan as needed to comply with this
7 amendatory Act of the 103rd General Assembly, and any
8 long-term renewable resources procurement plan update
9 published by the Agency but not yet approved by the
10 Illinois Commerce Commission shall be withdrawn. The
11 long-term renewable resources procurement plans shall be
12 subject to review and approval by the Commission under
13 Section 16-111.5 of the Public Utilities Act.

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

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

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

26 For the delivery year beginning June 1, 2018, the

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

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

26 For each delivery year, the Agency shall first

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

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

11 (i) At least 10,000,000 renewable energy credits
12 delivered annually by the end of the 2021 delivery
13 year, and increasing ratably to reach 45,000,000
14 renewable energy credits delivered annually from new
15 wind and solar projects, from repowered wind projects,
16 or from retooled hydropower facilities by the end of
17 delivery year 2030 such that the goals in subparagraph
18 (B) of this paragraph (1) are met entirely by
19 procurements of renewable energy credits from new wind
20 and photovoltaic projects. Of that amount, to the
21 extent possible, the Agency shall endeavor to procure
22 45% from new and repowered wind and hydropower
23 projects and shall procure at least 55% from
24 photovoltaic projects. Of the amount to be procured
25 from photovoltaic projects, the Agency shall procure:
26 at least 50% from solar photovoltaic projects using

1 the program outlined in subparagraph (K) of this
2 paragraph (1) from distributed renewable energy
3 generation devices or community renewable generation
4 projects; at least 47% from utility-scale solar
5 projects; at least 3% from brownfield site
6 photovoltaic projects that are not community renewable
7 generation projects. The Agency may propose
8 adjustments to these percentages, including
9 establishing percentage-based goals for the
10 procurement of renewable energy credits from
11 modernized or retooled hydropower facilities and
12 repowered wind projects, through its long-term
13 renewable resources plan described in subparagraph (A)
14 of this paragraph (1) as necessary based on developer
15 interest, market conditions, budget considerations,
16 resource adequacy needs, or other factors.

17 In developing the long-term renewable resources
18 procurement plan, the Agency shall consider other
19 approaches, in addition to competitive procurements,
20 that can be used to procure renewable energy credits
21 from brownfield site photovoltaic projects and thereby
22 help return blighted or contaminated land to
23 productive use while enhancing public health and the
24 well-being of Illinois residents, including those in
25 environmental justice communities, as defined using
26 existing methodologies and findings used by the Agency

1 and its Administrator in its Illinois Solar for All
2 Program. The Agency shall also consider other
3 approaches, in addition to competitive procurements,
4 to procure renewable energy credits from new and
5 existing hydropower facilities to support the
6 development and maintenance of these facilities. The
7 Agency shall explore options to convert existing dams
8 but shall not consider approaches to develop new dams
9 where they do not already exist. To encourage the
10 continued operation of utility-scale wind projects,
11 the Agency shall consider and may propose other
12 approaches in addition to competitive procurements to
13 procure renewable energy credits from repowered wind
14 projects.

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

21 (iii) For purposes of this Section:

22 "New wind projects" means wind renewable energy
23 facilities that are energized after June 1, 2017 for
24 the delivery year commencing June 1, 2017.

25 "New photovoltaic projects" means photovoltaic
26 renewable energy facilities that are energized after

1 June 1, 2017. Photovoltaic projects developed under
2 Section 1-56 of this Act shall not apply towards the
3 new photovoltaic project requirements in this
4 subparagraph (C).

5 "Repowered wind projects" means utility-scale wind
6 projects featuring the removal, replacement, or
7 expansion of turbines at an existing project site, as
8 defined in the long-term renewable resources
9 procurement plan, after the effective date of this
10 amendatory Act of the 103rd General Assembly.
11 Renewable energy credit contract awards used to
12 support repowered wind projects shall only cover the
13 incremental increase in facility electricity
14 production resultant from repowering.

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

1 (D) Renewable energy credits shall be cost effective.
2 For purposes of this subsection (c), "cost effective"
3 means that the costs of procuring renewable energy
4 resources do not cause the limit stated in subparagraph
5 (E) of this paragraph (1) to be exceeded and, for
6 renewable energy credits procured through a competitive
7 procurement event, do not exceed benchmarks based on
8 market prices for like products in the region. For
9 purposes of this subsection (c), "like products" means
10 contracts for renewable energy credits from the same or
11 substantially similar technology, same or substantially
12 similar vintage (new or existing), the same or
13 substantially similar quantity, and the same or
14 substantially similar contract length and structure.
15 Benchmarks shall reflect development, financing, or
16 related costs resulting from requirements imposed through
17 other provisions of State law, including, but not limited
18 to, requirements in subparagraphs (P) and (Q) of this
19 paragraph (1) and the Renewable Energy Facilities
20 Agricultural Impact Mitigation Act. Confidential
21 benchmarks shall be developed by the procurement
22 administrator, in consultation with the Commission staff,
23 Agency staff, and the procurement monitor and shall be
24 subject to Commission review and approval. If price
25 benchmarks for like products in the region are not
26 available, the procurement administrator shall establish

1 price benchmarks based on publicly available data on
2 regional technology costs and expected current and future
3 regional energy prices. The benchmarks in this Section
4 shall not be used to curtail or otherwise reduce
5 contractual obligations entered into by or through the
6 Agency prior to June 1, 2017 (the effective date of Public
7 Act 99-906).

8 (E) For purposes of this subsection (c), the required
9 procurement of cost-effective renewable energy resources
10 for a particular year commencing prior to June 1, 2017
11 shall be measured as a percentage of the actual amount of
12 electricity (megawatt-hours) supplied by the electric
13 utility to eligible retail customers in the delivery year
14 ending immediately prior to the procurement, and, for
15 delivery years commencing on and after June 1, 2017, the
16 required procurement of cost-effective renewable energy
17 resources for a particular year shall be measured as a
18 percentage of the actual amount of electricity
19 (megawatt-hours) delivered by the electric utility in the
20 delivery year ending immediately prior to the procurement,
21 to all retail customers in its service territory. For
22 purposes of this subsection (c), the amount paid per
23 kilowatthour means the total amount paid for electric
24 service expressed on a per kilowatthour basis. For
25 purposes of this subsection (c), the total amount paid for
26 electric service includes without limitation amounts paid

1 for supply, transmission, capacity, distribution,
2 surcharges, and add-on taxes.

3 Notwithstanding the requirements of this subsection
4 (c), and except as provided in subparagraph (E-5) of
5 paragraph (1) of this subsection (c), the total of
6 renewable energy resources procured under the procurement
7 plan for any single year shall be subject to the
8 limitations of this subparagraph (E). Such procurement
9 shall be reduced for all retail customers based on the
10 amount necessary to limit the annual estimated average net
11 increase due to the costs of these resources included in
12 the amounts paid by eligible retail customers in
13 connection with electric service to no more than 4.25% of
14 the amount paid per kilowatthour by those customers during
15 the year ending May 31, 2009. To arrive at a maximum dollar
16 amount of renewable energy resources to be procured for
17 the particular delivery year, the resulting per
18 kilowatthour amount shall be applied to the actual amount
19 of kilowatthours of electricity delivered, or applicable
20 portion of such amount as specified in paragraph (1) of
21 this subsection (c), as applicable, by the electric
22 utility in the delivery year immediately prior to the
23 procurement to all retail customers in its service
24 territory. The calculations required by this subparagraph
25 (E) shall be made only once for each delivery year at the
26 time that the renewable energy resources are procured.

1 Once the determination as to the amount of renewable
2 energy resources to procure is made based on the
3 calculations set forth in this subparagraph (E) and the
4 contracts procuring those amounts are executed between the
5 seller and applicable electric utility, no subsequent rate
6 impact determinations shall be made and no adjustments to
7 those contract amounts shall be allowed. As provided in
8 subparagraph (E-5) of paragraph (1) of this subsection
9 (c), the seller shall be entitled to full, prompt, and
10 uninterrupted payment under the applicable contract
11 notwithstanding the application of this subparagraph (E),
12 and all costs incurred under such contracts shall be fully
13 recoverable by the electric utility as provided in this
14 Section.

15 (E-5) If, for a particular delivery year, the
16 limitation on the amount of renewable energy resources to
17 be procured, as calculated pursuant to subparagraph (E) of
18 paragraph (1) of this subsection (c), would result in an
19 insufficient collection of funds to fully pay amounts due
20 to a seller under existing contracts executed under this
21 Section or executed under Section 1-56 of this Act, then
22 the following provisions shall apply to ensure full and
23 uninterrupted payment is made to such seller or sellers:

24 (i) If the electric utility has retained unspent
25 funds in an interest-bearing account as prescribed in
26 subsection (k) of Section 16-108 of the Public

1 Utilities Act, then the utility shall use those funds
2 to remit full payment to the sellers to ensure prompt
3 and uninterrupted payment of existing contractual
4 obligation.

5 (ii) If the funds described in item (i) of this
6 subparagraph (E-5) are insufficient to satisfy all
7 existing contractual obligations, then the electric
8 utility shall, nonetheless, remit full payment to the
9 sellers to ensure prompt and uninterrupted payment of
10 existing contractual obligations, provided that the
11 full costs shall be recoverable by the utility in
12 accordance with part (ee) of item (iv) of this
13 subsection (E-5).

14 (iii) The Agency shall promptly notify the
15 Commission that existing contractual obligations are
16 reasonably expected to exceed the maximum collection
17 authorized under subparagraph (E) of paragraph (1) of
18 this subsection (c) for the applicable delivery year.
19 The Agency shall also explain and confirm how the
20 operation of items (i) and (ii) of this subparagraph
21 (E-5) ensures that the electric utility will continue
22 to make prompt and uninterrupted payment under
23 existing contractual obligations. The Agency shall
24 provide this information to the Commission through a
25 notice filed in the Commission docket approving the
26 Agency's operative Long-Term Renewable Resources

1 Procurement Plan that includes the applicable delivery
2 year.

3 (iv) The Agency shall suspend or reduce new
4 contract awards for the procurement of renewable
5 energy credits until an Agency determination is made
6 under subparagraph (E) that additional procurements
7 would not cause the rate impact limitation of
8 subparagraph (E) to be exceeded. At least once
9 annually after the notice provided for in item (iii)
10 of this subparagraph (E-5) is made, the Agency shall
11 analyze existing contract obligations, projected
12 prices for indexed renewable energy credit contracts
13 executed under item (v) of subparagraph (G) of
14 paragraph (1) of subsection (c) of Section 1-75 of
15 this Act, and expected collections authorized under
16 subparagraph (E) to determine whether and to what
17 extent the limitations of subparagraph (E) would be
18 exceeded by additional renewable energy credit
19 procurement contract awards.

20 (aa) If the Agency determines that additional
21 renewable energy credit procurement contract
22 awards could be made without exceeding the
23 limitations of subparagraph (E), then the
24 procurements shall be authorized at a scale
25 determined not to exceed the limitations of
26 subparagraph (E) in a manner consistent with the

1 priorities of this Section.

2 (bb) If the Agency determines that additional
3 renewable energy credit procurement contract
4 awards cannot be made without exceeding the
5 limitations of subparagraph (E), then the Agency
6 shall suspend any new contract awards for the
7 procurement of renewable energy credits until a
8 new rate impact determination is made under
9 subparagraph (E).

10 (cc) Agency determinations made under this
11 item (iv) shall be detailed and comprehensive and,
12 if not made through the Agency's Long-Term
13 Renewable Resources Procurement Plan, shall be
14 filed as a compliance filing in the most recent
15 docketed proceeding approving the Agency's
16 Long-Term Renewable Resources Procurement Plan.

17 (dd) With respect to the procurement of
18 renewable energy credits authorized through
19 programs administered under subsection (b) of
20 Section 1-56 and subparagraphs (K) through (M) of
21 paragraph (1) of subsection (k) of Section 1-75 of
22 this Act, the award of contracts for the
23 procurement of renewable energy credits shall be
24 suspended or reduced only at the conclusion of the
25 program year in which the notice provided for
26 under item (iii) of this subparagraph (E-5) is

1 made.

2 (ee) The contract shall provide that, so long
3 as at least one of: (i) the cost recovery
4 mechanisms referenced in subsection (k) of Section
5 16-108 and subsection (l) of Section 16-111.5 of
6 the Public Utilities Act remains in full force
7 without limitation or (ii) the utility is
8 otherwise authorized and or entitled to full,
9 prompt, and uninterrupted recovery of its costs
10 through any other mechanism, then such seller
11 shall be entitled to full, prompt, and
12 uninterrupted payment under the applicable
13 contract notwithstanding the application of this
14 subparagraph (E).

15 (F) If the limitation on the amount of renewable
16 energy resources procured in subparagraph (E) of this
17 paragraph (1) prevents the Agency from meeting all of the
18 goals in this subsection (c), the Agency's long-term plan
19 shall prioritize compliance with the requirements of this
20 subsection (c) regarding renewable energy credits in the
21 following order:

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

24 (i-5) funding for the Illinois Solar for All
25 Program, as described in subparagraph (O) of this
26 paragraph (1);

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

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

7 (G) The following provisions shall apply to the
8 Agency's procurement of renewable energy credits under
9 this subsection (c):

10 (i) Notwithstanding whether a long-term renewable
11 resources procurement plan has been approved, the
12 Agency shall conduct an initial forward procurement
13 for renewable energy credits from new utility-scale
14 wind projects within 160 days after June 1, 2017 (the
15 effective date of Public Act 99-906). For the purposes
16 of this initial forward procurement, the Agency shall
17 solicit 15-year contracts for delivery of 1,000,000
18 renewable energy credits delivered annually from new
19 utility-scale wind projects to begin delivery on June
20 1, 2019, if available, but not later than June 1, 2021,
21 unless the project has delays in the establishment of
22 an operating interconnection with the applicable
23 transmission or distribution system as a result of the
24 actions or inactions of the transmission or
25 distribution provider, or other causes for force
26 majeure as outlined in the procurement contract, in

1 which case, not later than June 1, 2022. Payments to
2 suppliers of renewable energy credits shall commence
3 upon delivery. Renewable energy credits procured under
4 this initial procurement shall be included in the
5 Agency's long-term plan and shall apply to all
6 renewable energy goals in this subsection (c).

7 (ii) Notwithstanding whether a long-term renewable
8 resources procurement plan has been approved, the
9 Agency shall conduct an initial forward procurement
10 for renewable energy credits from new utility-scale
11 solar projects and brownfield site photovoltaic
12 projects within one year after June 1, 2017 (the
13 effective date of Public Act 99-906). For the purposes
14 of this initial forward procurement, the Agency shall
15 solicit 15-year contracts for delivery of 1,000,000
16 renewable energy credits delivered annually from new
17 utility-scale solar projects and brownfield site
18 photovoltaic projects to begin delivery on June 1,
19 2019, if available, but not later than June 1, 2021,
20 unless the project has delays in the establishment of
21 an operating interconnection with the applicable
22 transmission or distribution system as a result of the
23 actions or inactions of the transmission or
24 distribution provider, or other causes for force
25 majeure as outlined in the procurement contract, in
26 which case, not later than June 1, 2022. The Agency may

1 structure this initial procurement in one or more
2 discrete procurement events. Payments to suppliers of
3 renewable energy credits shall commence upon delivery.
4 Renewable energy credits procured under this initial
5 procurement shall be included in the Agency's
6 long-term plan and shall apply to all renewable energy
7 goals in this subsection (c).

8 (iii) 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 conduct at least one subsequent forward procurement
13 for renewable energy credits from new utility-scale
14 wind projects, new utility-scale solar projects, and
15 new brownfield site photovoltaic projects within 240
16 days after the effective date of this amendatory Act
17 of the 102nd General Assembly in quantities necessary
18 to meet the requirements of subparagraph (C) of this
19 paragraph (1) through the delivery year beginning June
20 1, 2021.

21 (iv) 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 open capacity for each category in the Adjustable
26 Block program within 90 days after the effective date

1 of this amendatory Act of the 102nd General Assembly
2 manner:

3 (1) The Agency shall open the first block of
4 annual capacity for the category described in item
5 (i) of subparagraph (K) of this paragraph (1). The
6 first block of annual capacity for item (i) shall
7 be for at least 75 megawatts of total nameplate
8 capacity. The price of the renewable energy credit
9 for this block of capacity shall be 4% less than
10 the price of the last open block in this category.
11 Projects on a waitlist shall be awarded contracts
12 first in the order in which they appear on the
13 waitlist. Notwithstanding anything to the
14 contrary, for those renewable energy credits that
15 qualify and are procured under this subitem (1) of
16 this item (iv), the renewable energy credit
17 delivery contract value shall be paid in full,
18 based on the estimated generation during the first
19 15 years of operation, by the contracting
20 utilities at the time that the facility producing
21 the renewable energy credits is interconnected at
22 the distribution system level of the utility and
23 verified as energized and in compliance by the
24 Program Administrator. The electric utility shall
25 receive and retire all renewable energy credits
26 generated by the project for the first 15 years of

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

5 (2) The Agency shall open the first block of
6 annual capacity for the category described in item
7 (ii) of subparagraph (K) of this paragraph (1).
8 The first block of annual capacity for item (ii)
9 shall be for at least 75 megawatts of total
10 nameplate capacity.

11 (A) The price of the renewable energy
12 credit for any project on a waitlist for this
13 category before the opening of this block
14 shall be 4% less than the price of the last
15 open block in this category. Projects on the
16 waitlist shall be awarded contracts first in
17 the order in which they appear on the
18 waitlist. Any projects that are less than or
19 equal to 25 kilowatts in size on the waitlist
20 for this capacity shall be moved to the
21 waitlist for paragraph (1) of this item (iv).
22 Notwithstanding anything to the contrary,
23 projects that were on the waitlist prior to
24 opening of this block shall not be required to
25 be in compliance with the requirements of
26 subparagraph (Q) of this paragraph (1) of this

1 subsection (c). Notwithstanding anything to
2 the contrary, for those renewable energy
3 credits procured from projects that were on
4 the waitlist for this category before the
5 opening of this block 20% of the renewable
6 energy credit delivery contract value, based
7 on the estimated generation during the first
8 15 years of operation, shall be paid by the
9 contracting utilities at the time that the
10 facility producing the renewable energy
11 credits is interconnected at the distribution
12 system level of the utility and verified as
13 energized by the Program Administrator. The
14 remaining portion shall be paid ratably over
15 the subsequent 4-year period. The electric
16 utility shall receive and retire all renewable
17 energy credits generated by the project during
18 the first 15 years of operation. Renewable
19 energy credits generated by the project
20 thereafter shall not be transferred under the
21 renewable energy credit delivery contract with
22 the counterparty electric utility.

23 (B) The price of renewable energy credits
24 for any project not on the waitlist for this
25 category before the opening of the block shall
26 be determined and published by the Agency.

1 Projects not on a waitlist as of the opening
2 of this block shall be subject to the
3 requirements of subparagraph (Q) of this
4 paragraph (1), as applicable. Projects not on
5 a waitlist as of the opening of this block
6 shall be subject to the contract provisions
7 outlined in item (iii) of subparagraph (L) of
8 this paragraph (1). The Agency shall strive to
9 publish updated prices and an updated
10 renewable energy credit delivery contract as
11 quickly as possible.

12 (3) For opening the first 2 blocks of annual
13 capacity for projects participating in item (iii)
14 of subparagraph (K) of paragraph (1) of subsection
15 (c), projects shall be selected exclusively from
16 those projects on the ordinal waitlists of
17 community renewable generation projects
18 established by the Agency based on the status of
19 those ordinal waitlists as of December 31, 2020,
20 and only those projects previously determined to
21 be eligible for the Agency's April 2019 community
22 solar project selection process.

23 The first 2 blocks of annual capacity for item
24 (iii) shall be for 250 megawatts of total
25 nameplate capacity, with both blocks opening
26 simultaneously under the schedule outlined in the

1 paragraphs below. Projects shall be selected as
2 follows:

3 (A) The geographic balance of selected
4 projects shall follow the Group classification
5 found in the Agency's Revised Long-Term
6 Renewable Resources Procurement Plan, with 70%
7 of capacity allocated to projects on the Group
8 B waitlist and 30% of capacity allocated to
9 projects on the Group A waitlist.

10 (B) Contract awards for waitlisted
11 projects shall be allocated proportionate to
12 the total nameplate capacity amount across
13 both ordinal waitlists associated with that
14 applicant firm or its affiliates, subject to
15 the following conditions.

16 (i) Each applicant firm having a
17 waitlisted project eligible for selection
18 shall receive no less than 500 kilowatts
19 in awarded capacity across all groups, and
20 no approved vendor may receive more than
21 20% of each Group's waitlist allocation.

22 (ii) Each applicant firm, upon
23 receiving an award of program capacity
24 proportionate to its waitlisted capacity,
25 may then determine which waitlisted
26 projects it chooses to be selected for a

1 contract award up to that capacity amount.

2 (iii) Assuming all other program
3 requirements are met, applicant firms may
4 adjust the nameplate capacity of applicant
5 projects without losing waitlist
6 eligibility, so long as no project is
7 greater than 2,000 kilowatts in size.

8 (iv) Assuming all other program
9 requirements are met, applicant firms may
10 adjust the expected production associated
11 with applicant projects, subject to
12 verification by the Program Administrator.

13 (C) After a review of affiliate
14 information and the current ordinal waitlists,
15 the Agency shall announce the nameplate
16 capacity award amounts associated with
17 applicant firms no later than 90 days after
18 the effective date of this amendatory Act of
19 the 102nd General Assembly.

20 (D) Applicant firms shall submit their
21 portfolio of projects used to satisfy those
22 contract awards no less than 90 days after the
23 Agency's announcement. The total nameplate
24 capacity of all projects used to satisfy that
25 portfolio shall be no greater than the
26 Agency's nameplate capacity award amount

1 associated with that applicant firm. An
2 applicant firm may decline, in whole or in
3 part, its nameplate capacity award without
4 penalty, with such unmet capacity rolled over
5 to the next block opening for project
6 selection under item (iii) of subparagraph (K)
7 of this subsection (c). Any projects not
8 included in an applicant firm's portfolio may
9 reapply without prejudice upon the next block
10 reopening for project selection under item
11 (iii) of subparagraph (K) of this subsection
12 (c).

13 (E) The renewable energy credit delivery
14 contract shall be subject to the contract and
15 payment terms outlined in item (iv) of
16 subparagraph (L) of this subsection (c).
17 Contract instruments used for this
18 subparagraph shall contain the following
19 terms:

20 (i) Renewable energy credit prices
21 shall be fixed, without further adjustment
22 under any other provision of this Act or
23 for any other reason, at 10% lower than
24 prices applicable to the last open block
25 for this category, inclusive of any adders
26 available for achieving a minimum of 50%

1 of subscribers to the project's nameplate
2 capacity being residential or small
3 commercial customers with subscriptions of
4 below 25 kilowatts in size;

5 (ii) A requirement that a minimum of
6 50% of subscribers to the project's
7 nameplate capacity be residential or small
8 commercial customers with subscriptions of
9 below 25 kilowatts in size;

10 (iii) Permission for the ability of a
11 contract holder to substitute projects
12 with other waitlisted projects without
13 penalty should a project receive a
14 non-binding estimate of costs to construct
15 the interconnection facilities and any
16 required distribution upgrades associated
17 with that project of greater than 30 cents
18 per watt AC of that project's nameplate
19 capacity. In developing the applicable
20 contract instrument, the Agency may
21 consider whether other circumstances
22 outside of the control of the applicant
23 firm should also warrant project
24 substitution rights.

25 The Agency shall publish a finalized
26 updated renewable energy credit delivery

1 contract developed consistent with these terms
2 and conditions no less than 30 days before
3 applicant firms must submit their portfolio of
4 projects pursuant to item (D).

5 (F) To be eligible for an award, the
6 applicant firm shall certify that not less
7 than prevailing wage, as determined pursuant
8 to the Illinois Prevailing Wage Act, was or
9 will be paid to employees who are engaged in
10 construction activities associated with a
11 selected project.

12 (4) The Agency shall open the first block of
13 annual capacity for the category described in item
14 (iv) of subparagraph (K) of this paragraph (1).
15 The first block of annual capacity for item (iv)
16 shall be for at least 50 megawatts of total
17 nameplate capacity. Renewable energy credit prices
18 shall be fixed, without further adjustment under
19 any other provision of this Act or for any other
20 reason, at the price in the last open block in the
21 category described in item (ii) of subparagraph
22 (K) of this paragraph (1). Pricing for future
23 blocks of annual capacity for this category may be
24 adjusted in the Agency's second revision to its
25 Long-Term Renewable Resources Procurement Plan.
26 Projects in this category shall be subject to the

1 contract terms outlined in item (iv) of
2 subparagraph (L) of this paragraph (1).

3 (5) The Agency shall open the equivalent of 2
4 years of annual capacity for the category
5 described in item (v) of subparagraph (K) of this
6 paragraph (1). The first block of annual capacity
7 for item (v) shall be for at least 10 megawatts of
8 total nameplate capacity. Notwithstanding the
9 provisions of item (v) of subparagraph (K) of this
10 paragraph (1), for the purpose of this initial
11 block, the agency shall accept new project
12 applications intended to increase the diversity of
13 areas hosting community solar projects, the
14 business models of projects, and the size of
15 projects, as described by the Agency in its
16 long-term renewable resources procurement plan
17 that is approved as of the effective date of this
18 amendatory Act of the 102nd General Assembly.
19 Projects in this category shall be subject to the
20 contract terms outlined in item (iii) of
21 subsection (L) of this paragraph (1).

22 (6) The Agency shall open the first blocks of
23 annual capacity for the category described in item
24 (vi) of subparagraph (K) of this paragraph (1),
25 with allocations of capacity within the block
26 generally matching the historical share of block

1 capacity allocated between the category described
2 in items (i) and (ii) of subparagraph (K) of this
3 paragraph (1). The first two blocks of annual
4 capacity for item (vi) shall be for at least 75
5 megawatts of total nameplate capacity. The price
6 of renewable energy credits for the blocks of
7 capacity shall be 4% less than the price of the
8 last open blocks in the categories described in
9 items (i) and (ii) of subparagraph (K) of this
10 paragraph (1). Pricing for future blocks of annual
11 capacity for this category may be adjusted in the
12 Agency's second revision to its Long-Term
13 Renewable Resources Procurement Plan. Projects in
14 this category shall be subject to the applicable
15 contract terms outlined in items (ii) and (iii) of
16 subparagraph (L) of this paragraph (1).

17 (v) Upon the effective date of this amendatory Act
18 of the 102nd General Assembly, for all competitive
19 procurements and any procurements of renewable energy
20 credit from new utility-scale wind and new
21 utility-scale photovoltaic projects, the Agency shall
22 procure indexed renewable energy credits and direct
23 respondents to offer a strike price.

24 (1) The purchase price of the indexed
25 renewable energy credit payment shall be
26 calculated for each settlement period. That

1 payment, for any settlement period, shall be equal
2 to the difference resulting from subtracting the
3 strike price from the index price for that
4 settlement period. If this difference results in a
5 negative number, the indexed REC counterparty
6 shall owe the seller the absolute value multiplied
7 by the quantity of energy produced in the relevant
8 settlement period. If this difference results in a
9 positive number, the seller shall owe the indexed
10 REC counterparty this amount multiplied by the
11 quantity of energy produced in the relevant
12 settlement period.

13 (2) Parties shall cash settle every month,
14 summing up all settlements (both positive and
15 negative, if applicable) for the prior month.

16 (3) To ensure funding in the annual budget
17 established under subparagraph (E) for indexed
18 renewable energy credit procurements for each year
19 of the term of such contracts, which must have a
20 minimum tenure of 20 calendar years, the
21 procurement administrator, Agency, Commission
22 staff, and procurement monitor shall quantify the
23 annual cost of the contract by utilizing an
24 industry-standard, third-party forward price curve
25 for energy at the appropriate hub or load zone,
26 including the estimated magnitude and timing of

1 the price effects related to federal carbon
2 controls. Each forward price curve shall contain a
3 specific value of the forecasted market price of
4 electricity for each annual delivery year of the
5 contract. For procurement planning purposes, the
6 impact on the annual budget for the cost of
7 indexed renewable energy credits for each delivery
8 year shall be determined as the expected annual
9 contract expenditure for that year, equaling the
10 difference between (i) the sum across all relevant
11 contracts of the applicable strike price
12 multiplied by contract quantity and (ii) the sum
13 across all relevant contracts of the forward price
14 curve for the applicable load zone for that year
15 multiplied by contract quantity. The contracting
16 utility shall not assume an obligation in excess
17 of the estimated annual cost of the contracts for
18 indexed renewable energy credits. Forward curves
19 shall be revised on an annual basis as updated
20 forward price curves are released and filed with
21 the Commission in the proceeding approving the
22 Agency's most recent long-term renewable resources
23 procurement plan. If the expected contract spend
24 is higher or lower than the total quantity of
25 contracts multiplied by the forward price curve
26 value for that year, the forward price curve shall

1 be updated by the procurement administrator, in
2 consultation with the Agency, Commission staff,
3 and procurement monitors, using then-currently
4 available price forecast data and additional
5 budget dollars shall be obligated or reobligated
6 as appropriate.

7 (4) To ensure that indexed renewable energy
8 credit prices remain predictable and affordable,
9 the Agency may consider the institution of a price
10 collar on REC prices paid under indexed renewable
11 energy credit procurements establishing floor and
12 ceiling REC prices applicable to indexed REC
13 contract prices. Any price collars applicable to
14 indexed REC procurements shall be proposed by the
15 Agency through its long-term renewable resources
16 procurement plan.

17 (vi) All procurements under this subparagraph (G),
18 including the procurement of renewable energy credits
19 from hydropower facilities, shall comply with the
20 geographic requirements in subparagraph (I) of this
21 paragraph (1) and shall follow the procurement
22 processes and procedures described in this Section and
23 Section 16-111.5 of the Public Utilities Act to the
24 extent practicable, and these processes and procedures
25 may be expedited to accommodate the schedule
26 established by this subparagraph (G).

1 (vii) On and after the effective date of this
2 amendatory Act of the 103rd General Assembly, for all
3 procurements of renewable energy credits from
4 hydropower facilities, the Agency shall establish
5 contract terms designed to optimize existing
6 hydropower facilities through modernization or
7 retooling and establish new hydropower facilities at
8 existing dams. Procurements made under this item (vii)
9 shall prioritize projects located in designated
10 environmental justice communities, as defined in
11 subsection (b) of Section 1-56 of this Act, or in
12 projects located in units of local government with
13 median incomes that do not exceed 82% of the median
14 income of the State.

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

20 (i) Within 45 days after June 1, 2017 (the
21 effective date of Public Act 99-906), an alternative
22 retail electric supplier or its successor shall submit
23 an informational filing to the Illinois Commerce
24 Commission certifying that, as of December 31, 2015,
25 the alternative retail electric supplier owned one or
26 more electric generating facilities that generates

1 renewable energy resources as defined in Section 1-10
2 of this Act, provided that such facilities are not
3 powered by wind or photovoltaics, and the facilities
4 generate one renewable energy credit for each
5 megawatthour of energy produced from the facility.

6 The informational filing shall identify each
7 facility that was eligible to satisfy the alternative
8 retail electric supplier's obligations under Section
9 16-115D of the Public Utilities Act as described in
10 this item (i).

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

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

1 to the utility's retail customers and the source of
2 the renewable energy credits identified in the
3 informational filing as described in item (i) of this
4 subparagraph (H), subject to the following
5 limitations:

6 For the delivery year beginning June 1, 2018,
7 the maximum amount of renewable energy credits to
8 be supplied by an alternative retail electric
9 supplier under this subparagraph (H) shall be 68%
10 multiplied by 25% multiplied by 14.5% multiplied
11 by the amount of metered electricity
12 (megawatt-hours) delivered by the alternative
13 retail electric supplier to Illinois retail
14 customers during the delivery year ending May 31,
15 2016.

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

1 thereafter to 25% by the delivery year beginning
2 June 1, 2025, and thereafter the 25% value shall
3 apply to each delivery year.

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

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

1 credit quantity for the delivery year beginning June
2 1, 2018 is 14.5% multiplied by the total amount of
3 metered electricity (megawatt-hours) delivered by the
4 alternative retail supplier in that delivery year,
5 provided that the 14.5% shall increase by 1.5% each
6 delivery year thereafter to 25% by the delivery year
7 beginning June 1, 2025, and thereafter the 25% value
8 shall apply to each delivery year.

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

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

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

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

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

1 received under the contract. Amounts returned under the
2 requirements of this subparagraph (J) shall be retained by
3 the utility and all of these amounts shall be used for the
4 procurement of additional renewable energy credits from
5 new wind or new photovoltaic resources as defined in this
6 subsection (c). The long-term plan shall provide that
7 these renewable energy credits shall be procured in the
8 next procurement event.

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

24 (K) The long-term renewable resources procurement plan
25 developed by the Agency in accordance with subparagraph
26 (A) of this paragraph (1) shall include an Adjustable

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

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

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

23 The Adjustable Block program shall include the
24 following categories in at least the following amounts:

25 (i) At least 20% from distributed renewable energy
26 generation devices with a nameplate capacity of no

1 more than 25 kilowatts.

2 (ii) At least 20% from distributed renewable
3 energy generation devices with a nameplate capacity of
4 more than 25 kilowatts and no more than 5,000
5 kilowatts. The Agency may create sub-categories within
6 this category to account for the differences between
7 projects for small commercial customers, large
8 commercial customers, and public or non-profit
9 customers.

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

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

26 (2) projects shall have subscriptions of 25 kW

1 or less for at least 50% of the facility's
2 nameplate capacity and the Agency shall price the
3 renewable energy credits with that as a factor;

4 (3) projects shall not be colocated with one
5 or more other community renewable generation
6 projects, as defined in the Agency's first revised
7 long-term renewable resources procurement plan
8 approved by the Commission on February 18, 2020,
9 such that the aggregate nameplate capacity exceeds
10 5,000 kilowatts; and

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

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

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

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

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

20 "Public schools" shall have the meaning set forth
21 in Section 1-3 of the School Code and includes public
22 institutions of higher education, as defined in the
23 Board of Higher Education Act.

24 (v) At least 5% from community-driven community
25 solar projects intended to provide more direct and
26 tangible connection and benefits to the communities

1 which they serve or in which they operate and,
2 additionally, to increase the variety of community
3 solar locations, models, and options in Illinois. As
4 part of its long-term renewable resources procurement
5 plan, the Agency shall develop selection criteria for
6 projects participating in this category. Nothing in
7 this Section shall preclude the Agency from creating a
8 selection process that maximizes community ownership
9 and community benefits in selecting projects to
10 receive renewable energy credits. Selection criteria
11 shall include:

12 (1) community ownership or community
13 wealth-building;

14 (2) additional direct and indirect community
15 benefit, beyond project participation as a
16 subscriber, including, but not limited to,
17 economic, environmental, social, cultural, and
18 physical benefits;

19 (3) meaningful involvement in project
20 organization and development by community members
21 or nonprofit organizations or public entities
22 located in or serving the community;

23 (4) engagement in project operations and
24 management by nonprofit organizations, public
25 entities, or community members; and

26 (5) whether a project is developed in response

1 to a site-specific RFP developed by community
2 members or a nonprofit organization or public
3 entity located in or serving the community.

4 Selection criteria may also prioritize projects
5 that:

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

14 (2) increase the diversity of locations of
15 community solar projects in Illinois, including by
16 locating in urban areas and population centers;

17 (3) are located in Equity Investment Eligible
18 Communities;

19 (4) are not greenfield projects;

20 (5) serve only local subscribers;

21 (6) have a nameplate capacity that does not
22 exceed 500 kW;

23 (7) are developed by an equity eligible
24 contractor; or

25 (8) otherwise meaningfully advance the goals
26 of providing more direct and tangible connection

1 and benefits to the communities which they serve
2 or in which they operate and increasing the
3 variety of community solar locations, models, and
4 options in Illinois.

5 For the purposes of this item (v):

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

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

22 "Community ownership" means an arrangement in
23 which an electric generating facility is, or over time
24 will be, in significant part, owned collectively by
25 members of the community to which an electric
26 generating facility provides benefits; members of that

1 community participate in decisions regarding the
2 governance, operation, maintenance, and upgrades of
3 and to that facility; and members of that community
4 benefit from regular use of that facility.

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

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

1 previous delivery years.

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

20 Contracts developed featuring capital advanced
21 prior to a project's energization shall feature
22 provisions to ensure both the successful development
23 of applicant projects and the delivery of the
24 renewable energy credits for the full term of the
25 contract, including ongoing collateral requirements
26 and other provisions deemed necessary by the Agency,

1 and may include energization timelines longer than for
2 comparable project types. The percentage or amount of
3 capital advanced prior to project energization shall
4 not operate to increase the overall contract value,
5 however contracts executed under this subparagraph may
6 feature renewable energy credit prices higher than
7 those offered to similar projects participating in
8 other categories. Capital advanced prior to
9 energization shall serve to reduce the ratable
10 payments made after energization under items (ii) and
11 (iii) of subparagraph (L) or payments made for each
12 renewable energy credit delivery under item (iv) of
13 subparagraph (L).

14 (vii) The remaining capacity shall be allocated by
15 the Agency in order to respond to market demand. The
16 Agency shall allocate any discretionary capacity prior
17 to the beginning of each delivery year.

18 To the extent there is uncontracted capacity from any
19 block in any of categories (i) through (vi) at the end of a
20 delivery year, the Agency shall redistribute that capacity
21 to one or more other categories giving priority to
22 categories with projects on a waitlist. The redistributed
23 capacity shall be added to the annual capacity in the
24 subsequent delivery year, and the price for renewable
25 energy credits shall be the price for the new delivery
26 year. Redistributed capacity shall not be considered

1 redistributed when determining whether the goals in this
2 subsection (K) have been met.

3 Notwithstanding anything to the contrary, as the
4 Agency increases the capacity in item (vi) to 40% over
5 time, the Agency may reduce the capacity of items (i)
6 through (v) proportionate to the capacity of the
7 categories of projects in item (vi), to achieve a balance
8 of project types.

9 The Adjustable Block program shall be designed to
10 ensure that renewable energy credits are procured from
11 projects in diverse locations and are not concentrated in
12 a few regional areas.

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

19 (i) (Blank).

20 (ii) For those renewable energy credits that
21 qualify and are procured under item (i) of
22 subparagraph (K) of this paragraph (1), and any
23 similar category projects that are procured under item
24 (vi) of subparagraph (K) of this paragraph (1) that
25 qualify and are procured under item (vi), the contract
26 length shall be 15 years. The renewable energy credit

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

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

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

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

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

1 requirements placed on the projects, including, but
2 not limited to, labor standards.

3 (v) Each contract shall include provisions to
4 ensure the delivery of the estimated quantity of
5 renewable energy credits and ongoing collateral
6 requirements and other provisions deemed appropriate
7 by the Agency.

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

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

22 (viii) Nothing in this Section shall require the
23 utility to advance any payment or pay any amounts that
24 exceed the actual amount of revenues anticipated to be
25 collected by the utility under paragraph (6) of this
26 subsection (c) and subsection (k) of Section 16-108 of

1 the Public Utilities Act inclusive of eligible funds
2 collected in prior years and alternative compliance
3 payments for use by the utility.

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

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

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

1 process described in this subparagraph (M) are exempt from
2 the requirements of Section 20-10 of the Illinois
3 Procurement Code, under Section 20-10 of that Code. The
4 Agency shall strive to minimize administrative expenses in
5 the implementation of the Adjustable Block program.

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

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

1 and national conferences, and other work deemed necessary
2 by the Agency to position the State of Illinois as a
3 national leader in renewable energy incentive program
4 development and administration.

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

24 The Agency and its program administrators for both the
25 Adjustable Block program and the Illinois Solar for All
26 Program, consistent with the requirements of this

1 subsection (c) and subsection (b) of Section 1-56 of this
2 Act, shall propose the Adjustable Block program terms,
3 conditions, and requirements, including the prices to be
4 paid for renewable energy credits, where applicable, and
5 requirements applicable to participating entities and
6 project applications, through the development, review, and
7 approval of the Agency's long-term renewable resources
8 procurement plan described in this subsection (c) and
9 paragraph (5) of subsection (b) of Section 16-111.5 of the
10 Public Utilities Act. Terms, conditions, and requirements
11 for program participation shall include the following:

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

22 (ii) The Agency shall establish program
23 requirements and minimum contract terms to ensure
24 projects are properly installed and produce their
25 expected amounts of energy. Program requirements may
26 include on-site inspections and photo documentation of

1 projects under construction. The Agency may require
2 repairs, alterations, or additions to remedy any
3 material deficiencies discovered. Vendors who have a
4 disproportionately high number of deficient systems
5 may lose their eligibility to continue to receive
6 State-administered incentive funding through Agency
7 programs and procurements.

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

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

24 (v) Through a filing in the proceeding for the
25 approval of its long-term renewable energy resources
26 procurement plan, the Agency shall provide an annual

1 written report to the Illinois Commerce Commission
2 documenting the frequency and nature of complaints and
3 any enforcement actions taken in response to those
4 complaints.

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

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

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

1 renewable generation projects to be portable and
2 transferable. For purposes of this subparagraph (N),
3 "portable" means that subscriptions may be retained by the
4 subscriber even if the subscriber relocates or changes its
5 address within the same utility service territory; and
6 "transferable" means that a subscriber may assign or sell
7 subscriptions to another person within the same utility
8 service territory.

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

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

20 The Agency shall purchase renewable energy credits
21 from subscribed shares of photovoltaic community renewable
22 generation projects through the Adjustable Block program
23 described in subparagraph (K) of this paragraph (1) or
24 through the Illinois Solar for All Program described in
25 Section 1-56 of this Act. The electric utility shall
26 purchase any unsubscribed energy from community renewable

1 generation projects that are Qualifying Facilities ("QF")
2 under the electric utility's tariff for purchasing the
3 output from QFs under Public Utilities Regulatory Policies
4 Act of 1978.

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

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

1 delivery years beginning June 1, 2021, June 1, 2022, and
2 June 1, 2023, the long-term renewable resources
3 procurement plan may average the annual budgets over a
4 3-year period to account for program ramp-up. For the
5 delivery years beginning June 1, 2021, June 1, 2024, June
6 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
7 be provided to the Department of Commerce and Economic
8 Opportunity to implement the workforce development
9 programs and reporting as outlined in Section 16-108.12 of
10 the Public Utilities Act. In making the determinations
11 required under this subparagraph (O), the Commission shall
12 consider the experience and performance under the programs
13 and any evaluation reports. The Commission shall also
14 provide for an independent evaluation of those programs on
15 a periodic basis that are funded under this subparagraph
16 (O).

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

24 The Agency shall develop a method to optimize
25 procurement of renewable energy credits from proposed
26 utility-scale projects that are located in communities

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

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

20 (1) Each facility shall be subject to the
21 prevailing wage requirements included in the
22 Prevailing Wage Act. When a facility submits an
23 application for a renewable energy credit delivery
24 contract, the facility shall certify by sworn
25 affidavit that the project is subject to and shall
26 comply with the prevailing wage requirements set forth

1 in the Prevailing Wage Act. The Agency shall not
2 approve an application for a renewable energy credit
3 delivery contract unless the application includes an
4 affirmative certification of compliance with the
5 Prevailing Wage Act. The Agency shall require
6 verification that all construction performed on the
7 facility by the renewable energy credit delivery
8 contract holder, its contractors, or its
9 subcontractors relating to construction of the
10 facility is performed by construction employees
11 receiving an amount for that work equal to or greater
12 than the general prevailing rate, as that term is
13 defined in Section 3 of the Prevailing Wage Act.
14 Renewable energy generating facilities and approved
15 vendors shall certify to and document compliance with
16 the prevailing wage requirements by submitting every
17 Department of Labor certified transcript of payroll to
18 the Department of Labor and the Agency procurement or
19 program administrator. The program or procurement
20 administrator shall conduct a formal review of every
21 submitted certified transcript of payroll and any
22 compliance documentation for each project subject to a
23 renewable energy credit delivery contract at least
24 once per year. To ensure compliance with the
25 prevailing wage requirements, the Agency's program or
26 procurement administrator or the administrator's

1 designee shall have the authority to: (i) conduct
2 on-site inspections of any ongoing projects, (ii)
3 require access to work sites for the purpose of
4 monitoring compliance with prevailing wage
5 obligations, (iii) speak directly with employees
6 working or who have worked on the project to confirm
7 wage payments, (iv) request and access documentation
8 that demonstrates payment of wages, including, but not
9 limited to, certified transcripts of payroll, payment
10 records or wage statements, and fringe benefit
11 contribution records, and (v) obtain any additional
12 information deemed necessary by the Agency program or
13 procurement administrator to confirm full compliance
14 with the prevailing wage requirements. If deficiencies
15 are found, the program or procurement administrator
16 shall notify the renewable energy generating
17 facilities, approved vendors, and the Department of
18 Labor for further investigation and enforcement under
19 the Prevailing Wage Act. Compliance with the
20 Prevailing Wage Act shall be confirmed by the
21 Department of Labor. Compliance with the prevailing
22 wage requirements under the Prevailing Wage Act shall
23 be an ongoing material condition of the renewable
24 energy credit delivery contract awarded for any
25 facility listed in item (1) of this subparagraph (Q).
26 The Agency may take independent action, including the

1 withholding or termination of renewable energy credit
2 contract payments, in accordance with any guidelines
3 established by rule of the Agency, if a project
4 covered under a renewable energy credit contract is
5 found to have violated the Prevailing Wage Act. The
6 Agency shall establish, by rule, criteria and
7 procedures to determine the conditions under which the
8 renewable energy credit contract payments may be
9 withheld or terminated. For purposes of this item (1),
10 "house of worship" means property that is both (1)
11 used exclusively by a religious society or body of
12 persons as a place for religious exercise or religious
13 worship and (2) recognized as exempt from taxation
14 pursuant to Section 15-40 of the Property Tax Code.
15 This item (1) shall apply to any the following:

- 16 (i) all new utility-scale wind projects;
- 17 (ii) all new utility-scale photovoltaic
18 projects and repowered wind projects;
- 19 (iii) all new brownfield photovoltaic
20 projects;
- 21 (iv) all new photovoltaic community renewable
22 energy facilities that qualify for item (iii) of
23 subparagraph (K) of this paragraph (1);
- 24 (v) all new community driven community
25 photovoltaic projects that qualify for item (v) of
26 subparagraph (K) of this paragraph (1);

1 (vi) all new photovoltaic projects on public
2 school land that qualify for item (iv) of
3 subparagraph (K) of this paragraph (1);

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

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

20 (ix) all new, modernized, or retooled
21 hydropower facilities.

22 (2) Renewable energy credits procured from new
23 utility-scale wind projects, new utility-scale solar
24 projects, new brownfield solar projects, repowered
25 wind projects, and retooled hydropower facilities
26 pursuant to Agency procurement events occurring after

1 the effective date of this amendatory Act of the 102nd
2 General Assembly must be from facilities built by
3 general contractors that must enter into a project
4 labor agreement, as defined by this Act, prior to
5 construction. The project labor agreement shall be
6 filed with the Director in accordance with procedures
7 established by the Agency through its long-term
8 renewable resources procurement plan. Any information
9 submitted to the Agency in this item (2) shall be
10 considered commercially sensitive information. At a
11 minimum, the project labor agreement must provide the
12 names, addresses, and occupations of the owner of the
13 plant and the individuals representing the labor
14 organization employees participating in the project
15 labor agreement consistent with the Project Labor
16 Agreements Act. The agreement must also specify the
17 terms and conditions as defined by this Act.

18 (3) It is the intent of this Section to ensure that
19 economic development occurs across Illinois
20 communities, that emerging businesses may grow, and
21 that there is improved access to the clean energy
22 economy by persons who have greater economic burdens
23 to success. The Agency shall take into consideration
24 the unique cost of compliance of this subparagraph (Q)
25 that might be borne by equity eligible contractors,
26 shall include such costs when determining the price of

1 renewable energy credits in the Adjustable Block
2 program, and shall take such costs into consideration
3 in a nondiscriminatory manner when comparing bids for
4 competitive procurements. The Agency shall consider
5 costs associated with compliance whether in the
6 development, financing, or construction of projects.
7 The Agency shall periodically review the assumptions
8 in these costs and may adjust prices, in compliance
9 with subparagraph (M) of this paragraph (1).

10 (R) In its long-term renewable resources procurement
11 plan, the Agency shall establish a self-direct renewable
12 portfolio standard compliance program for eligible
13 self-direct customers that purchase renewable energy
14 credits from utility-scale wind and solar projects through
15 long-term agreements for purchase of renewable energy
16 credits as described in this Section. Such long-term
17 agreements may include the purchase of energy or other
18 products on a physical or financial basis and may involve
19 an alternative retail electric supplier as defined in
20 Section 16-102 of the Public Utilities Act. This program
21 shall take effect in the delivery year commencing June 1,
22 2023.

23 (1) For the purposes of this subparagraph:

24 "Eligible self-direct customer" means any retail
25 customers of an electric utility that serves 3,000,000
26 or more retail customers in the State and whose total

1 highest 30-minute demand was more than 10,000
2 kilowatts, or any retail customers of an electric
3 utility that serves less than 3,000,000 retail
4 customers but more than 500,000 retail customers in
5 the State and whose total highest 15-minute demand was
6 more than 10,000 kilowatts.

7 "Retail customer" has the meaning set forth in
8 Section 16-102 of the Public Utilities Act and
9 multiple retail customer accounts under the same
10 corporate parent may aggregate their account demands
11 to meet the 10,000 kilowatt threshold. The criteria
12 for determining whether this subparagraph is
13 applicable to a retail customer shall be based on the
14 12 consecutive billing periods prior to the start of
15 the year in which the application is filed.

16 (2) For renewable energy credits to count toward
17 the self-direct renewable portfolio standard
18 compliance program, they must:

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

21 (ii) be sourced from one or more renewable
22 energy generating facilities that comply with the
23 geographic requirements as set forth in
24 subparagraph (I) of paragraph (1) of subsection
25 (c) as interpreted through the Agency's long-term
26 renewable resources procurement plan, or, where

1 applicable, the geographic requirements that
2 governed utility-scale renewable energy credits at
3 the time the eligible self-direct customer entered
4 into the applicable renewable energy credit
5 purchase agreement;

6 (iii) be procured through long-term contracts
7 with term lengths of at least 10 years either
8 directly with the renewable energy generating
9 facility or through a bundled power purchase
10 agreement, a virtual power purchase agreement, an
11 agreement between the renewable generating
12 facility, an alternative retail electric supplier,
13 and the customer, or such other structure as is
14 permissible under this subparagraph (R);

15 (iv) be equivalent in volume to at least 40%
16 of the eligible self-direct customer's usage,
17 determined annually by the eligible self-direct
18 customer's usage during the previous delivery
19 year, measured to the nearest megawatt-hour;

20 (v) be retired by or on behalf of the large
21 energy customer;

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

24 (vii) if the contracts for renewable energy
25 credits are entered into after the effective date
26 of this amendatory Act of the 102nd General

1 Assembly, the new utility-scale wind projects or
2 new utility-scale solar projects must comply with
3 the requirements established in subparagraphs (P)
4 and (Q) of paragraph (1) of this subsection (c)
5 and subsection (c-10).

6 (3) The self-direct renewable portfolio standard
7 compliance program shall be designed to allow eligible
8 self-direct customers to procure new renewable energy
9 credits from new utility-scale wind projects or new
10 utility-scale photovoltaic projects. The Agency shall
11 annually determine the amount of utility-scale
12 renewable energy credits it will include each year
13 from the self-direct renewable portfolio standard
14 compliance program, subject to receiving qualifying
15 applications. In making this determination, the Agency
16 shall evaluate publicly available analyses and studies
17 of the potential market size for utility-scale
18 renewable energy long-term purchase agreements by
19 commercial and industrial energy customers and make
20 that report publicly available. If demand for
21 participation in the self-direct renewable portfolio
22 standard compliance program exceeds availability, the
23 Agency shall ensure participation is evenly split
24 between commercial and industrial users to the extent
25 there is sufficient demand from both customer classes.
26 Each renewable energy credit procured pursuant to this

1 subparagraph (R) by a self-direct customer shall
2 reduce the total volume of renewable energy credits
3 the Agency is otherwise required to procure from new
4 utility-scale projects pursuant to subparagraph (C) of
5 paragraph (1) of this subsection (c) on behalf of
6 contracting utilities where the eligible self-direct
7 customer is located. The self-direct customer shall
8 file an annual compliance report with the Agency
9 pursuant to terms established by the Agency through
10 its long-term renewable resources procurement plan to
11 be eligible for participation in this program.
12 Customers must provide the Agency with their most
13 recent electricity billing statements or other
14 information deemed necessary by the Agency to
15 demonstrate they are an eligible self-direct customer.

16 (4) The Commission shall approve a reduction in
17 the volumetric charges collected pursuant to Section
18 16-108 of the Public Utilities Act for approved
19 eligible self-direct customers equivalent to the
20 anticipated cost of renewable energy credit deliveries
21 under contracts for new utility-scale wind and new
22 utility-scale solar entered for each delivery year
23 after the large energy customer begins retiring
24 eligible new utility scale renewable energy credits
25 for self-compliance. The self-direct credit amount
26 shall be determined annually and is equal to the

1 estimated portion of the cost authorized by
2 subparagraph (E) of paragraph (1) of this subsection
3 (c) that supported the annual procurement of
4 utility-scale renewable energy credits in the prior
5 delivery year using a methodology described in the
6 long-term renewable resources procurement plan,
7 expressed on a per kilowatthour basis, and does not
8 include (i) costs associated with any contracts
9 entered into before the delivery year in which the
10 customer files the initial compliance report to be
11 eligible for participation in the self-direct program,
12 and (ii) costs associated with procuring renewable
13 energy credits through existing and future contracts
14 through the Adjustable Block Program, subsection (c-5)
15 of this Section 1-75, and the Solar for All Program.
16 The Agency shall assist the Commission in determining
17 the current and future costs. The Agency must
18 determine the self-direct credit amount for new and
19 existing eligible self-direct customers and submit
20 this to the Commission in an annual compliance filing.
21 The Commission must approve the self-direct credit
22 amount by June 1, 2023 and June 1 of each delivery year
23 thereafter.

24 (5) Customers described in this subparagraph (R)
25 shall apply, on a form developed by the Agency, to the
26 Agency to be designated as a self-direct eligible

1 customer. Once the Agency determines that a
2 self-direct customer is eligible for participation in
3 the program, the self-direct customer will remain
4 eligible until the end of the term of the contract.
5 Thereafter, application may be made not less than 12
6 months before the filing date of the long-term
7 renewable resources procurement plan described in this
8 Act. At a minimum, such application shall contain the
9 following:

10 (i) the customer's certification that, at the
11 time of the customer's application, the customer
12 qualifies to be a self-direct eligible customer,
13 including documents demonstrating that
14 qualification;

15 (ii) the customer's certification that the
16 customer has entered into or will enter into by
17 the beginning of the applicable procurement year,
18 one or more bilateral contracts for new wind
19 projects or new photovoltaic projects, including
20 supporting documentation;

21 (iii) certification that the contract or
22 contracts for new renewable energy resources are
23 long-term contracts with term lengths of at least
24 10 years, including supporting documentation;

25 (iv) certification of the quantities of
26 renewable energy credits that the customer will

1 purchase each year under such contract or
2 contracts, including supporting documentation;

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

8 (vi) certification that the customer intends
9 to maintain the contract for the duration of the
10 length of the contract.

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

25 (2) (Blank).

26 (3) (Blank).

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

3 (5) Beginning with the 2010 delivery year and ending
4 June 1, 2017, an electric utility subject to this
5 subsection (c) shall apply the lesser of the maximum
6 alternative compliance payment rate or the most recent
7 estimated alternative compliance payment rate for its
8 service territory for the corresponding compliance period,
9 established pursuant to subsection (d) of Section 16-115D
10 of the Public Utilities Act to its retail customers that
11 take service pursuant to the electric utility's hourly
12 pricing tariff or tariffs. The electric utility shall
13 retain all amounts collected as a result of the
14 application of the alternative compliance payment rate or
15 rates to such customers, and, beginning in 2011, the
16 utility shall include in the information provided under
17 item (1) of subsection (d) of Section 16-111.5 of the
18 Public Utilities Act the amounts collected under the
19 alternative compliance payment rate or rates for the prior
20 year ending May 31. Notwithstanding any limitation on the
21 procurement of renewable energy resources imposed by item
22 (2) of this subsection (c), the Agency shall increase its
23 spending on the purchase of renewable energy resources to
24 be procured by the electric utility for the next plan year
25 by an amount equal to the amounts collected by the utility
26 under the alternative compliance payment rate or rates in

1 the prior year ending May 31.

2 (6) The electric utility shall be entitled to recover
3 all of its costs associated with the procurement of
4 renewable energy credits under plans approved under this
5 Section and Section 16-111.5 of the Public Utilities Act.
6 These costs shall include associated reasonable expenses
7 for implementing the procurement programs, including, but
8 not limited to, the costs of administering and evaluating
9 the Adjustable Block program, through an automatic
10 adjustment clause tariff in accordance with subsection (k)
11 of Section 16-108 of the Public Utilities Act.

12 (7) Renewable energy credits procured from new
13 photovoltaic projects or new distributed renewable energy
14 generation devices under this Section after June 1, 2017
15 (the effective date of Public Act 99-906) must be procured
16 from devices installed by a qualified person in compliance
17 with the requirements of Section 16-128A of the Public
18 Utilities Act and any rules or regulations adopted
19 thereunder.

20 In meeting the renewable energy requirements of this
21 subsection (c), to the extent feasible and consistent with
22 State and federal law, the renewable energy credit
23 procurements, Adjustable Block solar program, and
24 community renewable generation program shall provide
25 employment opportunities for all segments of the
26 population and workforce, including minority-owned and

1 female-owned business enterprises, and shall not,
2 consistent with State and federal law, discriminate based
3 on race or socioeconomic status.

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

8 (1) In addition to the procurement of renewable energy
9 credits pursuant to long-term renewable resources
10 procurement plans in accordance with subsection (c) of
11 this Section and Section 16-111.5 of the Public Utilities
12 Act, the Agency shall conduct procurement events in
13 accordance with this subsection (c-5) for the procurement
14 by electric utilities that served more than 300,000 retail
15 customers in this State as of January 1, 2019 of renewable
16 energy credits from new renewable energy facilities to be
17 installed at or adjacent to the sites of electric
18 generating facilities that, as of January 1, 2016, burned
19 coal as their primary fuel source and meet the other
20 criteria specified in this subsection (c-5). For purposes
21 of this subsection (c-5), "new renewable energy facility"
22 means a new utility-scale solar project as defined in this
23 Section 1-75. The renewable energy credits procured
24 pursuant to this subsection (c-5) may be included or
25 counted for purposes of compliance with the amounts of
26 renewable energy credits required to be procured pursuant

1 to subsection (c) of this Section to the extent that there
2 are otherwise shortfalls in compliance with such
3 requirements. The procurement of renewable energy credits
4 by electric utilities pursuant to this subsection (c-5)
5 shall be funded solely by revenues collected from the Coal
6 to Solar and Energy Storage Initiative Charge provided for
7 in this subsection (c-5) and subsection (i-5) of Section
8 16-108 of the Public Utilities Act, shall not be funded by
9 revenues collected through any of the other funding
10 mechanisms provided for in subsection (c) of this Section,
11 and shall not be subject to the limitation imposed by
12 subsection (c) on charges to retail customers for costs to
13 procure renewable energy resources pursuant to subsection
14 (c), and shall not be subject to any other requirements or
15 limitations of subsection (c).

16 (2) The Agency shall conduct 2 procurement events to
17 select owners of electric generating facilities meeting
18 the eligibility criteria specified in this subsection
19 (c-5) to enter into long-term contracts to sell renewable
20 energy credits to electric utilities serving more than
21 300,000 retail customers in this State as of January 1,
22 2019. The first procurement event shall be conducted no
23 later than March 31, 2022, unless the Agency elects to
24 delay it, until no later than May 1, 2022, due to its
25 overall volume of work, and shall be to select owners of
26 electric generating facilities located in this State and

1 south of federal Interstate Highway 80 that meet the
2 eligibility criteria specified in this subsection (c-5).
3 The second procurement event shall be conducted no sooner
4 than September 30, 2022 and no later than October 31, 2022
5 and shall be to select owners of electric generating
6 facilities located anywhere in this State that meet the
7 eligibility criteria specified in this subsection (c-5).
8 The Agency shall establish and announce a time period,
9 which shall begin no later than 30 days prior to the
10 scheduled date for the procurement event, during which
11 applicants may submit applications to be selected as
12 suppliers of renewable energy credits pursuant to this
13 subsection (c-5). The eligibility criteria for selection
14 as a supplier of renewable energy credits pursuant to this
15 subsection (c-5) shall be as follows:

16 (A) The applicant owns an electric generating
17 facility located in this State that: (i) as of January
18 1, 2016, burned coal as its primary fuel to generate
19 electricity; and (ii) has, or had prior to retirement,
20 an electric generating capacity of at least 150
21 megawatts. The electric generating facility can be
22 either: (i) retired as of the date of the procurement
23 event; or (ii) still operating as of the date of the
24 procurement event.

25 (B) The applicant is not (i) an electric
26 cooperative as defined in Section 3-119 of the Public

1 Utilities Act, or (ii) an entity described in
2 subsection (b)(1) of Section 3-105 of the Public
3 Utilities Act, or an association or consortium of or
4 an entity owned by entities described in (i) or (ii);
5 and the coal-fueled electric generating facility was
6 at one time owned, in whole or in part, by a public
7 utility as defined in Section 3-105 of the Public
8 Utilities Act.

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

1 electric generating capacity, and (ii) an energy
2 storage facility having a storage capacity equal to at
3 least 0.5 megawatts and at most one megawatt.

4 (D) The applicant agrees that the new renewable
5 energy facility and the energy storage facility will
6 be constructed or installed by a qualified entity or
7 entities in compliance with the requirements of
8 subsection (g) of Section 16-128A of the Public
9 Utilities Act and any rules adopted thereunder.

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

24 (F) The applicant commits that not less than the
25 prevailing wage, as determined pursuant to the
26 Prevailing Wage Act, will be paid to the applicant's

1 employees engaged in construction activities
2 associated with the new renewable energy facility and
3 the new energy storage facility and to the employees
4 of applicant's contractors engaged in construction
5 activities associated with the new renewable energy
6 facility and the new energy storage facility, and
7 that, on or before the commercial operation date of
8 the new renewable energy facility, the applicant shall
9 file a report with the Agency certifying that the
10 requirements of this subparagraph (F) have been met.

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

22 (H) The applicant commits to enter into a contract
23 or contracts for the applicable duration to provide
24 specified numbers of renewable energy credits each
25 year from the new renewable energy facility to
26 electric utilities that served more than 300,000

1 retail customers in this State as of January 1, 2019,
2 at a price of \$30 per renewable energy credit. The
3 price per renewable energy credit shall be fixed at
4 \$30 for the applicable duration and the renewable
5 energy credits shall not be indexed renewable energy
6 credits as provided for in item (v) of subparagraph
7 (G) of paragraph (1) of subsection (c) of Section 1-75
8 of this Act. The applicable duration of each contract
9 shall be 20 years, unless the applicant is physically
10 interconnected to the PJM Interconnection, LLC
11 transmission grid and had a generating capacity of at
12 least 1,200 megawatts as of January 1, 2021, in which
13 case the applicable duration of the contract shall be
14 15 years.

15 (I) The applicant's application is certified by an
16 officer of the applicant and by an officer of the
17 applicant's ultimate parent company, if any.

18 (3) An applicant may submit applications to contract
19 to supply renewable energy credits from more than one new
20 renewable energy facility to be constructed at or adjacent
21 to one or more qualifying electric generating facilities
22 owned by the applicant. The Agency may select new
23 renewable energy facilities to be located at or adjacent
24 to the sites of more than one qualifying electric
25 generation facility owned by an applicant to contract with
26 electric utilities to supply renewable energy credits from

1 such facilities.

2 (4) The Agency shall assess fees to each applicant to
3 recover the Agency's costs incurred in receiving and
4 evaluating applications, conducting the procurement event,
5 developing contracts for sale, delivery and purchase of
6 renewable energy credits, and monitoring the
7 administration of such contracts, as provided for in this
8 subsection (c-5), including fees paid to a procurement
9 administrator retained by the Agency for one or more of
10 these purposes.

11 (5) The Agency shall select the applicants and the new
12 renewable energy facilities to contract with electric
13 utilities to supply renewable energy credits in accordance
14 with this subsection (c-5). In the first procurement
15 event, the Agency shall select applicants and new
16 renewable energy facilities to supply renewable energy
17 credits, at a price of \$30 per renewable energy credit,
18 aggregating to no less than 400,000 renewable energy
19 credits per year for the applicable duration, assuming
20 sufficient qualifying applications to supply, in the
21 aggregate, at least that amount of renewable energy
22 credits per year; and not more than 580,000 renewable
23 energy credits per year for the applicable duration. In
24 the second procurement event, the Agency shall select
25 applicants and new renewable energy facilities to supply
26 renewable energy credits, at a price of \$30 per renewable

1 energy credit, aggregating to no more than 625,000
2 renewable energy credits per year less the amount of
3 renewable energy credits each year contracted for as a
4 result of the first procurement event, for the applicable
5 durations. The number of renewable energy credits to be
6 procured as specified in this paragraph (5) shall not be
7 reduced based on renewable energy credits procured in the
8 self-direct renewable energy credit compliance program
9 established pursuant to subparagraph (R) of paragraph (1)
10 of subsection (c) of Section 1-75.

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

1 number of renewable energy credits per year to be supplied
2 by the applicant from the new renewable energy facility.

3 (7) The Agency shall submit its proposed selection of
4 applicants, new renewable energy facilities to be
5 constructed, and renewable energy credit amounts for each
6 procurement event to the Commission for approval. The
7 Commission shall, within 2 business days after receipt of
8 the Agency's proposed selections, approve the proposed
9 selections if it determines that the applicants and the
10 new renewable energy facilities to be constructed meet the
11 selection criteria set forth in this subsection (c-5) and
12 that the Agency seeks approval for contracts of applicable
13 durations aggregating to no more than the maximum amount
14 of renewable energy credits per year authorized by this
15 subsection (c-5) for the procurement event, at a price of
16 \$30 per renewable energy credit.

17 (8) The Agency, in conjunction with its procurement
18 administrator if one is retained, the electric utilities,
19 and potential applicants for contracts to produce and
20 supply renewable energy credits pursuant to this
21 subsection (c-5), shall develop a standard form contract
22 for the sale, delivery and purchase of renewable energy
23 credits pursuant to this subsection (c-5). Each contract
24 resulting from the first procurement event shall allow for
25 a commercial operation date for the new renewable energy
26 facility of either June 1, 2023 or June 1, 2024, with such

1 dates subject to adjustment as provided in this paragraph.
2 Each contract resulting from the second procurement event
3 shall provide for a commercial operation date on June 1
4 next occurring up to 48 months after execution of the
5 contract. Each contract shall provide that the owner shall
6 receive payments for renewable energy credits for the
7 applicable durations beginning with the commercial
8 operation date of the new renewable energy facility. The
9 form contract shall provide for adjustments to the
10 commercial operation and payment start dates as needed due
11 to any delays in completing the procurement and
12 contracting processes, in finalizing interconnection
13 agreements and installing interconnection facilities, and
14 in obtaining other necessary governmental permits and
15 approvals. The form contract shall be, to the maximum
16 extent possible, consistent with standard electric
17 industry contracts for sale, delivery, and purchase of
18 renewable energy credits while taking into account the
19 specific requirements of this subsection (c-5). The form
20 contract shall provide for over-delivery and
21 under-delivery of renewable energy credits within
22 reasonable ranges during each 12-month period and penalty,
23 default, and enforcement provisions for failure of the
24 selling party to deliver renewable energy credits as
25 specified in the contract and to comply with the
26 requirements of this subsection (c-5). The standard form

1 contract shall specify that all renewable energy credits
2 delivered to the electric utility pursuant to the contract
3 shall be retired. The Agency shall make the proposed
4 contracts available for a reasonable period for comment by
5 potential applicants, and shall publish the final form
6 contract at least 30 days before the date of the first
7 procurement event.

8 (9) Coal to Solar and Energy Storage Initiative
9 Charge.

10 (A) By no later than July 1, 2022, each electric
11 utility that served more than 300,000 retail customers
12 in this State as of January 1, 2019 shall file a tariff
13 with the Commission for the billing and collection of
14 a Coal to Solar and Energy Storage Initiative Charge
15 in accordance with subsection (i-5) of Section 16-108
16 of the Public Utilities Act, with such tariff to be
17 effective, following review and approval or
18 modification by the Commission, beginning January 1,
19 2023. The tariff shall provide for the calculation and
20 setting of the electric utility's Coal to Solar and
21 Energy Storage Initiative Charge to collect revenues
22 estimated to be sufficient, in the aggregate, (i) to
23 enable the electric utility to pay for the renewable
24 energy credits it has contracted to purchase in the
25 delivery year beginning June 1, 2023 and each delivery
26 year thereafter from new renewable energy facilities

1 located at the sites of qualifying electric generating
2 facilities, and (ii) to fund the grant payments to be
3 made in each delivery year by the Department of
4 Commerce and Economic Opportunity, or any successor
5 department or agency, which shall be referred to in
6 this subsection (c-5) as the Department, pursuant to
7 paragraph (10) of this subsection (c-5). The electric
8 utility's tariff shall provide for the billing and
9 collection of the Coal to Solar and Energy Storage
10 Initiative Charge on each kilowatthour of electricity
11 delivered to its delivery services customers within
12 its service territory and shall provide for an annual
13 reconciliation of revenues collected with actual
14 costs, in accordance with subsection (i-5) of Section
15 16-108 of the Public Utilities Act.

16 (B) Each electric utility shall remit on a monthly
17 basis to the State Treasurer, for deposit in the Coal
18 to Solar and Energy Storage Initiative Fund provided
19 for in this subsection (c-5), the electric utility's
20 collections of the Coal to Solar and Energy Storage
21 Initiative Charge in the amount estimated to be needed
22 by the Department for grant payments pursuant to grant
23 contracts entered into by the Department pursuant to
24 paragraph (10) of this subsection (c-5).

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

26 (A) The Coal to Solar and Energy Storage

1 Initiative Fund is established as a special fund in
2 the State treasury. The Coal to Solar and Energy
3 Storage Initiative Fund is authorized to receive, by
4 statutory deposit, that portion specified in item (B)
5 of paragraph (9) of this subsection (c-5) of moneys
6 collected by electric utilities through imposition of
7 the Coal to Solar and Energy Storage Initiative Charge
8 required by this subsection (c-5). The Coal to Solar
9 and Energy Storage Initiative Fund shall be
10 administered by the Department to provide grants to
11 support the installation and operation of energy
12 storage facilities at the sites of qualifying electric
13 generating facilities meeting the criteria specified
14 in this paragraph (10).

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

25 (C) The Department shall utilize up to
26 \$280,500,000 in the Coal to Solar and Energy Storage

1 Initiative Fund for grants, assuming sufficient
2 qualifying applicants, to support installation of
3 energy storage facilities at the sites of up to 3
4 qualifying electric generating facilities located in
5 the Midcontinent Independent System Operator, Inc.,
6 region in Illinois and the sites of up to 2 qualifying
7 electric generating facilities located in the PJM
8 Interconnection, LLC region in Illinois that meet the
9 criteria set forth in this subparagraph (C). The
10 criteria for receipt of a grant pursuant to this
11 subparagraph (C) are as follows:

12 (1) the electric generating facility at the
13 site has, or had prior to retirement, an electric
14 generating capacity of at least 150 megawatts;

15 (2) the electric generating facility burns (or
16 burned prior to retirement) coal as its primary
17 source of fuel;

18 (3) if the electric generating facility is
19 retired, it was retired subsequent to January 1,
20 2016;

21 (4) the owner of the electric generating
22 facility has not been selected by the Agency
23 pursuant to this subsection (c-5) of this Section
24 to enter into a contract to sell renewable energy
25 credits to one or more electric utilities from a
26 new renewable energy facility located or to be

1 located at or adjacent to the site at which the
2 electric generating facility is located;

3 (5) the electric generating facility located
4 at the site was at one time owned, in whole or in
5 part, by a public utility as defined in Section
6 3-105 of the Public Utilities Act;

7 (6) the electric generating facility at the
8 site is not owned by (i) an electric cooperative
9 as defined in Section 3-119 of the Public
10 Utilities Act, or (ii) an entity described in
11 subsection (b)(1) of Section 3-105 of the Public
12 Utilities Act, or an association or consortium of
13 or an entity owned by entities described in items
14 (i) or (ii);

15 (7) the proposed energy storage facility at
16 the site will have energy storage capacity of at
17 least 37 megawatts;

18 (8) the owner commits to place the energy
19 storage facility into commercial operation on
20 either June 1, 2023, June 1, 2024, or June 1, 2025,
21 with such date subject to adjustment as needed due
22 to any delays in completing the grant contracting
23 process, in finalizing interconnection agreements
24 and in installing interconnection facilities, and
25 in obtaining necessary governmental permits and
26 approvals;

1 (9) the owner agrees that the new energy
2 storage facility will be constructed or installed
3 by a qualified entity or entities consistent with
4 the requirements of subsection (g) of Section
5 16-128A of the Public Utilities Act and any rules
6 adopted under that Section;

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

21 (11) the owner commits that not less than the
22 prevailing wage, as determined pursuant to the
23 Prevailing Wage Act, will be paid to the owner's
24 employees engaged in construction activities
25 associated with the new energy storage facility
26 and to the employees of the owner's contractors

1 engaged in construction activities associated with
2 the new energy storage facility, and that, on or
3 before the commercial operation date of the new
4 energy storage facility, the owner shall file a
5 report with the Department certifying that the
6 requirements of this subparagraph (11) have been
7 met; and

8 (12) the owner commits that if selected to
9 receive a grant, it will negotiate a project labor
10 agreement for the construction of the new energy
11 storage facility that includes provisions
12 requiring the parties to the agreement to work
13 together to establish diversity threshold
14 requirements and to ensure best efforts to meet
15 diversity targets, improve diversity at the
16 applicable job site, create diverse apprenticeship
17 opportunities, and create opportunities to employ
18 former coal-fired power plant workers.

19 The Department shall accept applications for this
20 grant program until March 31, 2022 and shall announce
21 the award of grants no later than June 1, 2022. The
22 Department shall make the grant payments to a
23 recipient in equal annual amounts for 10 years
24 following the date the energy storage facility is
25 placed into commercial operation. The annual grant
26 payments to a qualifying energy storage facility shall

1 be \$110,000 per megawatt of energy storage capacity,
2 with total annual grant payments pursuant to this
3 subparagraph (C) for qualifying energy storage
4 facilities not to exceed \$28,050,000 in any year.

5 (D) Grants of funding for energy storage
6 facilities pursuant to subparagraph (C) of this
7 paragraph (10), from the Coal to Solar and Energy
8 Storage Initiative Fund, shall be memorialized in
9 grant contracts between the Department and the
10 recipient. The grant contracts shall specify the date
11 or dates in each year on which the annual grant
12 payments shall be paid.

13 (E) All disbursements from the Coal to Solar and
14 Energy Storage Initiative Fund shall be made only upon
15 warrants of the Comptroller drawn upon the Treasurer
16 as custodian of the Fund upon vouchers signed by the
17 Director of the Department or by the person or persons
18 designated by the Director of the Department for that
19 purpose. The Comptroller is authorized to draw the
20 warrants upon vouchers so signed. The Treasurer shall
21 accept all written warrants so signed and shall be
22 released from liability for all payments made on those
23 warrants.

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

25 (A) Each applicant selected in a procurement event
26 to contract to supply renewable energy credits in

1 accordance with this subsection (c-5) and each owner
2 selected by the Department to receive a grant or
3 grants to support the construction and operation of a
4 new energy storage facility or facilities in
5 accordance with this subsection (c-5) shall, within 60
6 days following the Commission's approval of the
7 applicant to contract to supply renewable energy
8 credits or within 60 days following execution of a
9 grant contract with the Department, as applicable,
10 submit to the Commission a diversity, equity, and
11 inclusion plan setting forth the applicant's or
12 owner's numeric goals for the diversity composition of
13 its supplier entities for the new renewable energy
14 facility or new energy storage facility, as
15 applicable, which shall be referred to for purposes of
16 this paragraph (11) as the project, and the
17 applicant's or owner's action plan and schedule for
18 achieving those goals.

19 (B) For purposes of this paragraph (11), diversity
20 composition shall be based on the percentage, which
21 shall be a minimum of 25%, of eligible expenditures
22 for contract awards for materials and services (which
23 shall be defined in the plan) to business enterprises
24 owned by minority persons, women, or persons with
25 disabilities as defined in Section 2 of the Business
26 Enterprise for Minorities, Women, and Persons with

1 Disabilities Act, to LGBTQ business enterprises, to
2 veteran-owned business enterprises, and to business
3 enterprises located in environmental justice
4 communities. The diversity composition goals of the
5 plan may include eligible expenditures in areas for
6 vendor or supplier opportunities in addition to
7 development and construction of the project, and may
8 exclude from eligible expenditures materials and
9 services with limited market availability, limited
10 production and availability from suppliers in the
11 United States, such as solar panels and storage
12 batteries, and material and services that are subject
13 to critical energy infrastructure or cybersecurity
14 requirements or restrictions. The plan may provide
15 that the diversity composition goals may be met
16 through Tier 1 Direct or Tier 2 subcontracting
17 expenditures or a combination thereof for the project.

18 (C) The plan shall provide for, but not be limited
19 to: (i) internal initiatives, including multi-tier
20 initiatives, by the applicant or owner, or by its
21 engineering, procurement and construction contractor
22 if one is used for the project, which for purposes of
23 this paragraph (11) shall be referred to as the EPC
24 contractor, to enable diverse businesses to be
25 considered fairly for selection to provide materials
26 and services; (ii) requirements for the applicant or

1 owner or its EPC contractor to proactively solicit and
2 utilize diverse businesses to provide materials and
3 services; and (iii) requirements for the applicant or
4 owner or its EPC contractor to hire a diverse
5 workforce for the project. The plan shall include a
6 description of the applicant's or owner's diversity
7 recruiting efforts both for the project and for other
8 areas of the applicant's or owner's business
9 operations. The plan shall provide for the imposition
10 of financial penalties on the applicant's or owner's
11 EPC contractor for failure to exercise best efforts to
12 comply with and execute the EPC contractor's diversity
13 obligations under the plan. The plan may provide for
14 the applicant or owner to set aside a portion of the
15 work on the project to serve as an incubation program
16 for qualified businesses, as specified in the plan,
17 owned by minority persons, women, persons with
18 disabilities, LGBTQ persons, and veterans, and
19 businesses located in environmental justice
20 communities, seeking to enter the renewable energy
21 industry.

22 (D) The applicant or owner may submit a revised or
23 updated plan to the Commission from time to time as
24 circumstances warrant. The applicant or owner shall
25 file annual reports with the Commission detailing the
26 applicant's or owner's progress in implementing its

1 plan and achieving its goals and any modifications the
2 applicant or owner has made to its plan to better
3 achieve its diversity, equity and inclusion goals. The
4 applicant or owner shall file a final report on the
5 fifth June 1 following the commercial operation date
6 of the new renewable energy resource or new energy
7 storage facility, but the applicant or owner shall
8 thereafter continue to be subject to applicable
9 reporting requirements of Section 5-117 of the Public
10 Utilities Act.

11 (c-10) Equity accountability system. It is the purpose of
12 this subsection (c-10) to create an equity accountability
13 system, which includes the minimum equity standards for all
14 renewable energy procurements, the equity category of the
15 Adjustable Block Program, and the equity prioritization for
16 noncompetitive procurements, that is successful in advancing
17 priority access to the clean energy economy for businesses and
18 workers from communities that have been 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. Further, it is the purpose of this subsection to
23 ensure that this equity accountability system is successful in
24 advancing equity across Illinois by providing access to the
25 clean energy economy for businesses and workers from
26 communities that have been historically excluded from economic

1 opportunities in the energy sector, have been subject to
2 disproportionate levels of pollution, and have
3 disproportionately experienced negative public health
4 outcomes.

5 (1) Minimum equity standards. The Agency shall create
6 programs with the purpose of increasing access to and
7 development of equity eligible contractors, who are prime
8 contractors and subcontractors, across all of the programs
9 it manages. All applications for renewable energy credit
10 procurements shall comply with specific minimum equity
11 commitments. Starting in the delivery year immediately
12 following the next long-term renewable resources
13 procurement plan, at least 10% of the project workforce
14 for each entity participating in a procurement program
15 outlined in this subsection (c-10) must be done by equity
16 eligible persons or equity eligible contractors. The
17 Agency shall increase the minimum percentage each delivery
18 year thereafter by increments that ensure a statewide
19 average of 30% of the project workforce for each entity
20 participating in a procurement program is done by equity
21 eligible persons or equity eligible contractors by 2030.
22 The Agency shall propose a schedule of percentage
23 increases to the minimum equity standards in its draft
24 revised renewable energy resources procurement plan
25 submitted to the Commission for approval pursuant to
26 paragraph (5) of subsection (b) of Section 16-111.5 of the

1 Public Utilities Act. In determining these annual
2 increases, the Agency shall have the discretion to
3 establish different minimum equity standards for different
4 types of procurements and different regions of the State
5 if the Agency finds that doing so will further the
6 purposes of this subsection (c-10). The proposed schedule
7 of annual increases shall be revisited and updated on an
8 annual basis. Revisions shall be developed with
9 stakeholder input, including from equity eligible persons,
10 equity eligible contractors, clean energy industry
11 representatives, and community-based organizations that
12 work with such persons and contractors.

13 (A) At the start of each delivery year, the Agency
14 shall require a compliance plan from each entity
15 participating in a procurement program of subsection
16 (c) of this Section that demonstrates how they will
17 achieve compliance with the minimum equity standard
18 percentage for work completed in that delivery year.
19 If an entity applies for its approved vendor or
20 designee status between delivery years, the Agency
21 shall require a compliance plan at the time of
22 application.

23 (B) Halfway through each delivery year, the Agency
24 shall require each entity participating in a
25 procurement program to confirm that it will achieve
26 compliance in that delivery year, when applicable. The

1 Agency may offer corrective action plans to entities
2 that are not on track to achieve compliance.

3 (C) At the end of each delivery year, each entity
4 participating and completing work in that delivery
5 year in a procurement program of subsection (c) shall
6 submit a report to the Agency that demonstrates how it
7 achieved compliance with the minimum equity standards
8 percentage for that delivery year.

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

24 (E) The Agency shall pursue efficiencies achieved
25 by combining with other approved vendor or designee
26 reporting.

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

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

1 measures.

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

5 (A) The current status and number of equity
6 eligible contractors listed in the Energy Workforce
7 Equity Database designed in subsection (c-25),
8 including the number of equity eligible contractors
9 with current certifications as issued by the Agency.

10 (B) A mechanism for measuring, tracking, and
11 reporting project workforce at the approved vendor or
12 designee level, as applicable, which shall include a
13 measurement methodology and records to be made
14 available for audit by the Agency or the Program
15 Administrator.

16 (C) A program for approved vendors, designees,
17 eligible persons, and equity eligible contractors to
18 receive trainings, guidance, and other support from
19 the Agency or its designee regarding the equity
20 category outlined in item (vi) of subparagraph (K) of
21 paragraph (1) of subsection (c) and in meeting the
22 minimum equity standards of this subsection (c-10).

23 (D) A process for certifying equity eligible
24 contractors and equity eligible persons. The
25 certification process shall coordinate with the Energy
26 Workforce Equity Database set forth in subsection

1 (c-25) .

2 (E) An application for waiver of the minimum
3 equity standards of this subsection, which the Agency
4 shall have the discretion to grant in rare
5 circumstances. The Agency may grant such a waiver
6 where the applicant provides evidence of significant
7 efforts toward meeting the minimum equity commitment,
8 including: use of the Energy Workforce Equity
9 Database; efforts to hire or contract with entities
10 that hire eligible persons; and efforts to establish
11 contracting relationships with eligible contractors.
12 The Agency shall support applicants in understanding
13 the Energy Workforce Equity Database and other
14 resources for pursuing compliance of the minimum
15 equity standards. Waivers shall be project-specific,
16 unless the Agency deems it necessary to grant a waiver
17 across a portfolio of projects, and in effect for no
18 longer than one year. Any waiver extension or
19 subsequent waiver request from an applicant shall be
20 subject to the requirements of this Section and shall
21 specify efforts made to reach compliance. When
22 considering whether to grant a waiver, and to what
23 extent, the Agency shall consider the degree to which
24 similarly situated applicants have been able to meet
25 these minimum equity commitments. For repeated waiver
26 requests for specific lack of eligible persons or

1 eligible contractors available, the Agency shall make
2 recommendations to target recruitment to add such
3 eligible persons or eligible contractors to the
4 database.

5 (5) The Agency shall collect information about work on
6 projects or portfolios of projects subject to these
7 minimum equity standards to ensure compliance with this
8 subsection (c-10). Reporting in furtherance of this
9 requirement may be combined with other annual reporting
10 requirements. Such reporting shall include proof of
11 certification of each equity eligible contractor or equity
12 eligible person during the applicable time period.

13 (6) The Agency shall keep confidential all information
14 and communication that provides private or personal
15 information.

16 (7) Modifications to the equity accountability system.
17 As part of the update of the long-term renewable resources
18 procurement plan to be initiated in 2023, or sooner if the
19 Agency deems necessary, the Agency shall determine the
20 extent to which the equity accountability system described
21 in this subsection (c-10) has advanced the goals of this
22 amendatory Act of the 102nd General Assembly, including
23 through the inclusion of equity eligible persons and
24 equity eligible contractors in renewable energy credit
25 projects. If the Agency finds that the equity
26 accountability system has failed to meet those goals to

1 its fullest potential, the Agency may revise the following
2 criteria for future Agency procurements: (A) the
3 percentage of project workforce, or other appropriate
4 workforce measure, certified as equity eligible persons or
5 equity eligible contractors; (B) definitions for equity
6 investment eligible persons and equity investment eligible
7 community; and (C) such other modifications necessary to
8 advance the goals of this amendatory Act of the 102nd
9 General Assembly effectively. Such revised criteria may
10 also establish distinct equity accountability systems for
11 different types of procurements or different regions of
12 the State if the Agency finds that doing so will further
13 the purposes of such programs. Revisions shall be
14 developed with stakeholder input, including from equity
15 eligible persons, equity eligible contractors, and
16 community-based organizations that work with such persons
17 and contractors.

18 (c-15) Racial discrimination elimination powers and
19 process.

20 (1) Purpose. It is the purpose of this subsection to
21 empower the Agency and other State actors to remedy racial
22 discrimination in Illinois' clean energy economy as
23 effectively and expediently as possible, including through
24 the use of race-conscious remedies, such as race-conscious
25 contracting and hiring goals, as consistent with State and
26 federal law.

1 (2) Racial disparity and discrimination review
2 process.

3 (A) Within one year after awarding contracts using
4 the equity actions processes established in this
5 Section, the Agency shall publish a report evaluating
6 the effectiveness of the equity actions point criteria
7 of this Section in increasing participation of equity
8 eligible persons and equity eligible contractors. The
9 report shall disaggregate participating workers and
10 contractors by race and ethnicity. The report shall be
11 forwarded to the Governor, the General Assembly, and
12 the Illinois Commerce Commission and be made available
13 to the public.

14 (B) As soon as is practicable thereafter, the
15 Agency, in consultation with the Department of
16 Commerce and Economic Opportunity, Department of
17 Labor, and other agencies that may be relevant, shall
18 commission and publish a disparity and availability
19 study that measures the presence and impact of
20 discrimination on minority businesses and workers in
21 Illinois' clean energy economy. The Agency may hire
22 consultants and experts to conduct the disparity and
23 availability study, with the retention of those
24 consultants and experts exempt from the requirements
25 of Section 20-10 of the Illinois Procurement Code. The
26 Illinois Power Agency shall forward a copy of its

1 findings and recommendations to the Governor, the
2 General Assembly, and the Illinois Commerce
3 Commission. If the disparity and availability study
4 establishes a strong basis in evidence that there is
5 discrimination in Illinois' clean energy economy, the
6 Agency, Department of Commerce and Economic
7 Opportunity, Department of Labor, Department of
8 Corrections, and other appropriate agencies shall take
9 appropriate remedial actions, including race-conscious
10 remedial actions as consistent with State and federal
11 law, to effectively remedy this discrimination. Such
12 remedies may include modification of the equity
13 accountability system as described in subsection
14 (c-10).

15 (c-20) Program data collection.

16 (1) Purpose. Data collection, data analysis, and
17 reporting are critical to ensure that the benefits of the
18 clean energy economy provided to Illinois residents and
19 businesses are equitably distributed across the State. The
20 Agency shall collect data from program applicants in order
21 to track and improve equitable distribution of benefits
22 across Illinois communities for all procurements the
23 Agency conducts. The Agency shall use this data to, among
24 other things, measure any potential impact of racial
25 discrimination on the distribution of benefits and provide
26 information necessary to correct any discrimination

1 through methods consistent with State and federal law.

2 (2) Agency collection of program data. The Agency
3 shall collect demographic and geographic data for each
4 entity awarded contracts under any Agency-administered
5 program.

6 (3) Required information to be collected. The Agency
7 shall collect the following information from applicants
8 and program participants where applicable:

9 (A) demographic information, including racial or
10 ethnic identity for real persons employed, contracted,
11 or subcontracted through the program and owners of
12 businesses or entities that apply to receive renewable
13 energy credits from the Agency;

14 (B) geographic location of the residency of real
15 persons employed, contracted, or subcontracted through
16 the program and geographic location of the
17 headquarters of the business or entity that applies to
18 receive renewable energy credits from the Agency; and

19 (C) any other information the Agency determines is
20 necessary for the purpose of achieving the purpose of
21 this subsection.

22 (4) Publication of collected information. The Agency
23 shall publish, at least annually, information on the
24 demographics of program participants on an aggregate
25 basis.

26 (5) Nothing in this subsection shall be interpreted to

1 limit the authority of the Agency, or other agency or
2 department of the State, to require or collect demographic
3 information from applicants of other State programs.

4 (c-25) Energy Workforce Equity Database.

5 (1) The Agency, in consultation with the Department of
6 Commerce and Economic Opportunity, shall create an Energy
7 Workforce Equity Database, and may contract with a third
8 party to do so ("database program administrator"). If the
9 Department decides to contract with a third party, that
10 third party shall be exempt from the requirements of
11 Section 20-10 of the Illinois Procurement Code. The Energy
12 Workforce Equity Database shall be a searchable database
13 of suppliers, vendors, and subcontractors for clean energy
14 industries that is:

15 (A) publicly accessible;

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

17 (C) organized by company specialty or field;

18 (D) region-specific; and

19 (E) populated with information including, but not
20 limited to, contacts for suppliers, vendors, or
21 subcontractors who are minority and women-owned
22 business enterprise certified or who participate or
23 have participated in any of the programs described in
24 this Act.

25 (2) The Agency shall create an easily accessible,
26 public facing online tool using the database information

1 that includes, at a minimum, the following:

2 (A) a map of environmental justice and equity
3 investment eligible communities;

4 (B) job postings and recruiting opportunities;

5 (C) a means by which recruiting clean energy
6 companies can find and interact with current or former
7 participants of clean energy workforce training
8 programs;

9 (D) information on workforce training service
10 providers and training opportunities available to
11 prospective workers;

12 (E) renewable energy company diversity reporting;

13 (F) a list of equity eligible contractors with
14 their contact information, types of work performed,
15 and locations worked in;

16 (G) reporting on outcomes of the programs
17 described in the workforce programs of the Energy
18 Transition Act, including information such as, but not
19 limited to, retention rate, graduation rate, and
20 placement rates of trainees; and

21 (H) information about the Jobs and Environmental
22 Justice Grant Program, the Clean Energy Jobs and
23 Justice Fund, and other sources of capital.

24 (3) The Agency shall ensure the database is regularly
25 updated to ensure information is current and shall
26 coordinate with the Department of Commerce and Economic

1 Opportunity to ensure that it includes information on
2 individuals and entities that are or have participated in
3 the Clean Jobs Workforce Network Program, Clean Energy
4 Contractor Incubator Program, Returning Residents Clean
5 Jobs Training Program, or Clean Energy Primes Contractor
6 Accelerator Program.

7 (c-30) Enforcement of minimum equity standards. All
8 entities seeking renewable energy credits must submit an
9 annual report to demonstrate compliance with each of the
10 equity commitments required under subsection (c-10). If the
11 Agency concludes the entity has not met or maintained its
12 minimum equity standards required under the applicable
13 subparagraphs under subsection (c-10), the Agency shall deny
14 the entity's ability to participate in procurement programs in
15 subsection (c), including by withholding approved vendor or
16 designee status. The Agency may require the entity to enter
17 into a corrective action plan. An entity that is not
18 recertified for failing to meet required equity actions in
19 subparagraph (c-10) may reapply once they have a corrective
20 action plan and achieve compliance with the minimum equity
21 standards.

22 (d) Clean coal portfolio standard.

23 (1) The procurement plans shall include electricity
24 generated using clean coal. Each utility shall enter into
25 one or more sourcing agreements with the initial clean
26 coal facility, as provided in paragraph (3) of this

1 subsection (d), covering electricity generated by the
2 initial clean coal facility representing at least 5% of
3 each utility's total supply to serve the load of eligible
4 retail customers in 2015 and each year thereafter, as
5 described in paragraph (3) of this subsection (d), subject
6 to the limits specified in paragraph (2) of this
7 subsection (d). It is the goal of the State that by January
8 1, 2025, 25% of the electricity used in the State shall be
9 generated by cost-effective clean coal facilities. For
10 purposes of this subsection (d), "cost-effective" means
11 that the expenditures pursuant to such sourcing agreements
12 do not cause the limit stated in paragraph (2) of this
13 subsection (d) to be exceeded and do not exceed cost-based
14 benchmarks, which shall be developed to assess all
15 expenditures pursuant to such sourcing agreements covering
16 electricity generated by clean coal facilities, other than
17 the initial clean coal facility, by the procurement
18 administrator, in consultation with the Commission staff,
19 Agency staff, and the procurement monitor and shall be
20 subject to Commission review and approval.

21 A utility party to a sourcing agreement shall
22 immediately retire any emission credits that it receives
23 in connection with the electricity covered by such
24 agreement.

25 Utilities shall maintain adequate records documenting
26 the purchases under the sourcing agreement to comply with

1 this subsection (d) and shall file an accounting with the
2 load forecast that must be filed with the Agency by July 15
3 of each year, in accordance with subsection (d) of Section
4 16-111.5 of the Public Utilities Act.

5 A utility shall be deemed to have complied with the
6 clean coal portfolio standard specified in this subsection
7 (d) if the utility enters into a sourcing agreement as
8 required by this subsection (d).

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

23 Notwithstanding the requirements of this subsection
24 (d), the total amount paid under sourcing agreements with
25 clean coal facilities pursuant to the procurement plan for
26 any given year shall be reduced by an amount necessary to

1 limit the annual estimated average net increase due to the
2 costs of these resources included in the amounts paid by
3 eligible retail customers in connection with electric
4 service to:

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

8 (B) in 2011, the greater of an additional 0.5% of
9 the amount paid per kilowatthour by those customers
10 during the year ending May 31, 2010 or 1% of the amount
11 paid per kilowatthour by those customers during the
12 year ending May 31, 2009;

13 (C) in 2012, the greater of an additional 0.5% of
14 the amount paid per kilowatthour by those customers
15 during the year ending May 31, 2011 or 1.5% of the
16 amount paid per kilowatthour by those customers during
17 the year ending May 31, 2009;

18 (D) in 2013, the greater of an additional 0.5% of
19 the amount paid per kilowatthour by those customers
20 during the year ending May 31, 2012 or 2% of the amount
21 paid per kilowatthour by those customers during the
22 year ending May 31, 2009; and

23 (E) thereafter, the total amount paid under
24 sourcing agreements with clean coal facilities
25 pursuant to the procurement plan for any single year
26 shall be reduced by an amount necessary to limit the

1 estimated average net increase due to the cost of
2 these resources included in the amounts paid by
3 eligible retail customers in connection with electric
4 service to no more than the greater of (i) 2.015% of
5 the amount paid per kilowatthour by those customers
6 during the year ending May 31, 2009 or (ii) the
7 incremental amount per kilowatthour paid for these
8 resources in 2013. These requirements may be altered
9 only as provided by statute.

10 No later than June 30, 2015, the Commission shall
11 review the limitation on the total amount paid under
12 sourcing agreements, if any, with clean coal facilities
13 pursuant to this subsection (d) and report to the General
14 Assembly its findings as to whether that limitation unduly
15 constrains the amount of electricity generated by
16 cost-effective clean coal facilities that is covered by
17 sourcing agreements.

18 (3) Initial clean coal facility. In order to promote
19 development of clean coal facilities in Illinois, each
20 electric utility subject to this Section shall execute a
21 sourcing agreement to source electricity from a proposed
22 clean coal facility in Illinois (the "initial clean coal
23 facility") that will have a nameplate capacity of at least
24 500 MW when commercial operation commences, that has a
25 final Clean Air Act permit on June 1, 2009 (the effective
26 date of Public Act 95-1027), and that will meet the

1 definition of clean coal facility in Section 1-10 of this
2 Act when commercial operation commences. The sourcing
3 agreements with this initial clean coal facility shall be
4 subject to both approval of the initial clean coal
5 facility by the General Assembly and satisfaction of the
6 requirements of paragraph (4) of this subsection (d) and
7 shall be executed within 90 days after any such approval
8 by the General Assembly. The Agency and the Commission
9 shall have authority to inspect all books and records
10 associated with the initial clean coal facility during the
11 term of such a sourcing agreement. A utility's sourcing
12 agreement for electricity produced by the initial clean
13 coal facility shall include:

14 (A) a formula contractual price (the "contract
15 price") approved pursuant to paragraph (4) of this
16 subsection (d), which shall:

17 (i) be determined using a cost of service
18 methodology employing either a level or deferred
19 capital recovery component, based on a capital
20 structure consisting of 45% equity and 55% debt,
21 and a return on equity as may be approved by the
22 Federal Energy Regulatory Commission, which in any
23 case may not exceed the lower of 11.5% or the rate
24 of return approved by the General Assembly
25 pursuant to paragraph (4) of this subsection (d);
26 and

1 (ii) provide that all miscellaneous net
2 revenue, including but not limited to net revenue
3 from the sale of emission allowances, if any,
4 substitute natural gas, if any, grants or other
5 support provided by the State of Illinois or the
6 United States Government, firm transmission
7 rights, if any, by-products produced by the
8 facility, energy or capacity derived from the
9 facility and not covered by a sourcing agreement
10 pursuant to paragraph (3) of this subsection (d)
11 or item (5) of subsection (d) of Section 16-115 of
12 the Public Utilities Act, whether generated from
13 the synthesis gas derived from coal, from SNG, or
14 from natural gas, shall be credited against the
15 revenue requirement for this initial clean coal
16 facility;

17 (B) power purchase provisions, which shall:

18 (i) provide that the utility party to such
19 sourcing agreement shall pay the contract price
20 for electricity delivered under such sourcing
21 agreement;

22 (ii) require delivery of electricity to the
23 regional transmission organization market of the
24 utility that is party to such sourcing agreement;

25 (iii) require the utility party to such
26 sourcing agreement to buy from the initial clean

1 coal facility in each hour an amount of energy
2 equal to all clean coal energy made available from
3 the initial clean coal facility during such hour
4 times a fraction, the numerator of which is such
5 utility's retail market sales of electricity
6 (expressed in kilowatthours sold) in the State
7 during the prior calendar month and the
8 denominator of which is the total retail market
9 sales of electricity (expressed in kilowatthours
10 sold) in the State by utilities during such prior
11 month and the sales of electricity (expressed in
12 kilowatthours sold) in the State by alternative
13 retail electric suppliers during such prior month
14 that are subject to the requirements of this
15 subsection (d) and paragraph (5) of subsection (d)
16 of Section 16-115 of the Public Utilities Act,
17 provided that the amount purchased by the utility
18 in any year will be limited by paragraph (2) of
19 this subsection (d); and

20 (iv) be considered pre-existing contracts in
21 such utility's procurement plans for eligible
22 retail customers;

23 (C) contract for differences provisions, which
24 shall:

25 (i) require the utility party to such sourcing
26 agreement to contract with the initial clean coal

1 facility in each hour with respect to an amount of
2 energy equal to all clean coal energy made
3 available from the initial clean coal facility
4 during such hour times a fraction, the numerator
5 of which is such utility's retail market sales of
6 electricity (expressed in kilowatthours sold) in
7 the utility's service territory in the State
8 during the prior calendar month and the
9 denominator of which is the total retail market
10 sales of electricity (expressed in kilowatthours
11 sold) in the State by utilities during such prior
12 month and the sales of electricity (expressed in
13 kilowatthours sold) in the State by alternative
14 retail electric suppliers during such prior month
15 that are subject to the requirements of this
16 subsection (d) and paragraph (5) of subsection (d)
17 of Section 16-115 of the Public Utilities Act,
18 provided that the amount paid by the utility in
19 any year will be limited by paragraph (2) of this
20 subsection (d);

21 (ii) provide that the utility's payment
22 obligation in respect of the quantity of
23 electricity determined pursuant to the preceding
24 clause (i) shall be limited to an amount equal to
25 (1) the difference between the contract price
26 determined pursuant to subparagraph (A) of

1 paragraph (3) of this subsection (d) and the
2 day-ahead price for electricity delivered to the
3 regional transmission organization market of the
4 utility that is party to such sourcing agreement
5 (or any successor delivery point at which such
6 utility's supply obligations are financially
7 settled on an hourly basis) (the "reference
8 price") on the day preceding the day on which the
9 electricity is delivered to the initial clean coal
10 facility busbar, multiplied by (2) the quantity of
11 electricity determined pursuant to the preceding
12 clause (i); and

13 (iii) not require the utility to take physical
14 delivery of the electricity produced by the
15 facility;

16 (D) general provisions, which shall:

17 (i) specify a term of no more than 30 years,
18 commencing on the commercial operation date of the
19 facility;

20 (ii) provide that utilities shall maintain
21 adequate records documenting purchases under the
22 sourcing agreements entered into to comply with
23 this subsection (d) and shall file an accounting
24 with the load forecast that must be filed with the
25 Agency by July 15 of each year, in accordance with
26 subsection (d) of Section 16-111.5 of the Public

1 Utilities Act;

2 (iii) provide that all costs associated with
3 the initial clean coal facility will be
4 periodically reported to the Federal Energy
5 Regulatory Commission and to purchasers in
6 accordance with applicable laws governing
7 cost-based wholesale power contracts;

8 (iv) permit the Illinois Power Agency to
9 assume ownership of the initial clean coal
10 facility, without monetary consideration and
11 otherwise on reasonable terms acceptable to the
12 Agency, if the Agency so requests no less than 3
13 years prior to the end of the stated contract
14 term;

15 (v) require the owner of the initial clean
16 coal facility to provide documentation to the
17 Commission each year, starting in the facility's
18 first year of commercial operation, accurately
19 reporting the quantity of carbon emissions from
20 the facility that have been captured and
21 sequestered and report any quantities of carbon
22 released from the site or sites at which carbon
23 emissions were sequestered in prior years, based
24 on continuous monitoring of such sites. If, in any
25 year after the first year of commercial operation,
26 the owner of the facility fails to demonstrate

1 that the initial clean coal facility captured and
2 sequestered at least 50% of the total carbon
3 emissions that the facility would otherwise emit
4 or that sequestration of emissions from prior
5 years has failed, resulting in the release of
6 carbon dioxide into the atmosphere, the owner of
7 the facility must offset excess emissions. Any
8 such carbon offsets must be permanent, additional,
9 verifiable, real, located within the State of
10 Illinois, and legally and practicably enforceable.
11 The cost of such offsets for the facility that are
12 not recoverable shall not exceed \$15 million in
13 any given year. No costs of any such purchases of
14 carbon offsets may be recovered from a utility or
15 its customers. All carbon offsets purchased for
16 this purpose and any carbon emission credits
17 associated with sequestration of carbon from the
18 facility must be permanently retired. The initial
19 clean coal facility shall not forfeit its
20 designation as a clean coal facility if the
21 facility fails to fully comply with the applicable
22 carbon sequestration requirements in any given
23 year, provided the requisite offsets are
24 purchased. However, the Attorney General, on
25 behalf of the People of the State of Illinois, may
26 specifically enforce the facility's sequestration

1 requirement and the other terms of this contract
2 provision. Compliance with the sequestration
3 requirements and offset purchase requirements
4 specified in paragraph (3) of this subsection (d)
5 shall be reviewed annually by an independent
6 expert retained by the owner of the initial clean
7 coal facility, with the advance written approval
8 of the Attorney General. The Commission may, in
9 the course of the review specified in item (vii),
10 reduce the allowable return on equity for the
11 facility if the facility willfully fails to comply
12 with the carbon capture and sequestration
13 requirements set forth in this item (v);

14 (vi) include limits on, and accordingly
15 provide for modification of, the amount the
16 utility is required to source under the sourcing
17 agreement consistent with paragraph (2) of this
18 subsection (d);

19 (vii) require Commission review: (1) to
20 determine the justness, reasonableness, and
21 prudence of the inputs to the formula referenced
22 in subparagraphs (A)(i) through (A)(iii) of
23 paragraph (3) of this subsection (d), prior to an
24 adjustment in those inputs including, without
25 limitation, the capital structure and return on
26 equity, fuel costs, and other operations and

1 maintenance costs and (2) to approve the costs to
2 be passed through to customers under the sourcing
3 agreement by which the utility satisfies its
4 statutory obligations. Commission review shall
5 occur no less than every 3 years, regardless of
6 whether any adjustments have been proposed, and
7 shall be completed within 9 months;

8 (viii) limit the utility's obligation to such
9 amount as the utility is allowed to recover
10 through tariffs filed with the Commission,
11 provided that neither the clean coal facility nor
12 the utility waives any right to assert federal
13 pre-emption or any other argument in response to a
14 purported disallowance of recovery costs;

15 (ix) limit the utility's or alternative retail
16 electric supplier's obligation to incur any
17 liability until such time as the facility is in
18 commercial operation and generating power and
19 energy and such power and energy is being
20 delivered to the facility busbar;

21 (x) provide that the owner or owners of the
22 initial clean coal facility, which is the
23 counterparty to such sourcing agreement, shall
24 have the right from time to time to elect whether
25 the obligations of the utility party thereto shall
26 be governed by the power purchase provisions or

1 the contract for differences provisions;

2 (xi) append documentation showing that the
3 formula rate and contract, insofar as they relate
4 to the power purchase provisions, have been
5 approved by the Federal Energy Regulatory
6 Commission pursuant to Section 205 of the Federal
7 Power Act;

8 (xii) provide that any changes to the terms of
9 the contract, insofar as such changes relate to
10 the power purchase provisions, are subject to
11 review under the public interest standard applied
12 by the Federal Energy Regulatory Commission
13 pursuant to Sections 205 and 206 of the Federal
14 Power Act; and

15 (xiii) conform with customary lender
16 requirements in power purchase agreements used as
17 the basis for financing non-utility generators.

18 (4) Effective date of sourcing agreements with the
19 initial clean coal facility. Any proposed sourcing
20 agreement with the initial clean coal facility shall not
21 become effective unless the following reports are prepared
22 and submitted and authorizations and approvals obtained:

23 (i) Facility cost report. The owner of the initial
24 clean coal facility shall submit to the Commission,
25 the Agency, and the General Assembly a front-end
26 engineering and design study, a facility cost report,

1 method of financing (including but not limited to
2 structure and associated costs), and an operating and
3 maintenance cost quote for the facility (collectively
4 "facility cost report"), which shall be prepared in
5 accordance with the requirements of this paragraph (4)
6 of subsection (d) of this Section, and shall provide
7 the Commission and the Agency access to the work
8 papers, relied upon documents, and any other backup
9 documentation related to the facility cost report.

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

1 experts or consultants, the costs of which shall be
2 paid for by the owner of the initial clean coal
3 facility. The Commission and Agency may begin the
4 process of selecting such experts or consultants prior
5 to receipt of the facility cost report.

6 (iii) General Assembly approval. The proposed
7 sourcing agreements shall not take effect unless,
8 based on the facility cost report and the Commission's
9 report, the General Assembly enacts authorizing
10 legislation approving (A) the projected price, stated
11 in cents per kilowatthour, to be charged for
12 electricity generated by the initial clean coal
13 facility, (B) the projected impact on residential and
14 small business customers' bills over the life of the
15 sourcing agreements, and (C) the maximum allowable
16 return on equity for the project; and

17 (iv) Commission review. If the General Assembly
18 enacts authorizing legislation pursuant to
19 subparagraph (iii) approving a sourcing agreement, the
20 Commission shall, within 90 days of such enactment,
21 complete a review of such sourcing agreement. During
22 such time period, the Commission shall implement any
23 directive of the General Assembly, resolve any
24 disputes between the parties to the sourcing agreement
25 concerning the terms of such agreement, approve the
26 form of such agreement, and issue an order finding

1 that the sourcing agreement is prudent and reasonable.

2 The facility cost report shall be prepared as follows:

3 (A) The facility cost report shall be prepared by
4 duly licensed engineering and construction firms
5 detailing the estimated capital costs payable to one
6 or more contractors or suppliers for the engineering,
7 procurement and construction of the components
8 comprising the initial clean coal facility and the
9 estimated costs of operation and maintenance of the
10 facility. The facility cost report shall include:

11 (i) an estimate of the capital cost of the
12 core plant based on one or more front end
13 engineering and design studies for the
14 gasification island and related facilities. The
15 core plant shall include all civil, structural,
16 mechanical, electrical, control, and safety
17 systems.

18 (ii) an estimate of the capital cost of the
19 balance of the plant, including any capital costs
20 associated with sequestration of carbon dioxide
21 emissions and all interconnects and interfaces
22 required to operate the facility, such as
23 transmission of electricity, construction or
24 backfeed power supply, pipelines to transport
25 substitute natural gas or carbon dioxide, potable
26 water supply, natural gas supply, water supply,

1 water discharge, landfill, access roads, and coal
2 delivery.

3 The quoted construction costs shall be expressed
4 in nominal dollars as of the date that the quote is
5 prepared and shall include capitalized financing costs
6 during construction, taxes, insurance, and other
7 owner's costs, and an assumed escalation in materials
8 and labor beyond the date as of which the construction
9 cost quote is expressed.

10 (B) The front end engineering and design study for
11 the gasification island and the cost study for the
12 balance of plant shall include sufficient design work
13 to permit quantification of major categories of
14 materials, commodities and labor hours, and receipt of
15 quotes from vendors of major equipment required to
16 construct and operate the clean coal facility.

17 (C) The facility cost report shall also include an
18 operating and maintenance cost quote that will provide
19 the estimated cost of delivered fuel, personnel,
20 maintenance contracts, chemicals, catalysts,
21 consumables, spares, and other fixed and variable
22 operations and maintenance costs. The delivered fuel
23 cost estimate will be provided by a recognized third
24 party expert or experts in the fuel and transportation
25 industries. The balance of the operating and
26 maintenance cost quote, excluding delivered fuel

1 costs, will be developed based on the inputs provided
2 by duly licensed engineering and construction firms
3 performing the construction cost quote, potential
4 vendors under long-term service agreements and plant
5 operating agreements, or recognized third party plant
6 operator or operators.

7 The operating and maintenance cost quote
8 (including the cost of the front end engineering and
9 design study) shall be expressed in nominal dollars as
10 of the date that the quote is prepared and shall
11 include taxes, insurance, and other owner's costs, and
12 an assumed escalation in materials and labor beyond
13 the date as of which the operating and maintenance
14 cost quote is expressed.

15 (D) The facility cost report shall also include an
16 analysis of the initial clean coal facility's ability
17 to deliver power and energy into the applicable
18 regional transmission organization markets and an
19 analysis of the expected capacity factor for the
20 initial clean coal facility.

21 (E) Amounts paid to third parties unrelated to the
22 owner or owners of the initial clean coal facility to
23 prepare the core plant construction cost quote,
24 including the front end engineering and design study,
25 and the operating and maintenance cost quote will be
26 reimbursed through Coal Development Bonds.

1 (5) Re-powering and retrofitting coal-fired power
2 plants previously owned by Illinois utilities to qualify
3 as clean coal facilities. During the 2009 procurement
4 planning process and thereafter, the Agency and the
5 Commission shall consider sourcing agreements covering
6 electricity generated by power plants that were previously
7 owned by Illinois utilities and that have been or will be
8 converted into clean coal facilities, as defined by
9 Section 1-10 of this Act. Pursuant to such procurement
10 planning process, the owners of such facilities may
11 propose to the Agency sourcing agreements with utilities
12 and alternative retail electric suppliers required to
13 comply with subsection (d) of this Section and item (5) of
14 subsection (d) of Section 16-115 of the Public Utilities
15 Act, covering electricity generated by such facilities. In
16 the case of sourcing agreements that are power purchase
17 agreements, the contract price for electricity sales shall
18 be established on a cost of service basis. In the case of
19 sourcing agreements that are contracts for differences,
20 the contract price from which the reference price is
21 subtracted shall be established on a cost of service
22 basis. The Agency and the Commission may approve any such
23 utility sourcing agreements that do not exceed cost-based
24 benchmarks developed by the procurement administrator, in
25 consultation with the Commission staff, Agency staff and
26 the procurement monitor, subject to Commission review and

1 approval. The Commission shall have authority to inspect
2 all books and records associated with these clean coal
3 facilities during the term of any such contract.

4 (6) Costs incurred under this subsection (d) or
5 pursuant to a contract entered into under this subsection
6 (d) shall be deemed prudently incurred and reasonable in
7 amount and the electric utility shall be entitled to full
8 cost recovery pursuant to the tariffs filed with the
9 Commission.

10 (d-5) Zero emission standard.

11 (1) Beginning with the delivery year commencing on
12 June 1, 2017, the Agency shall, for electric utilities
13 that serve at least 100,000 retail customers in this
14 State, procure contracts with zero emission facilities
15 that are reasonably capable of generating cost-effective
16 zero emission credits in an amount approximately equal to
17 16% of the actual amount of electricity delivered by each
18 electric utility to retail customers in the State during
19 calendar year 2014. For an electric utility serving fewer
20 than 100,000 retail customers in this State that
21 requested, under Section 16-111.5 of the Public Utilities
22 Act, that the Agency procure power and energy for all or a
23 portion of the utility's Illinois load for the delivery
24 year commencing June 1, 2016, the Agency shall procure
25 contracts with zero emission facilities that are
26 reasonably capable of generating cost-effective zero

1 emission credits in an amount approximately equal to 16%
2 of the portion of power and energy to be procured by the
3 Agency for the utility. The duration of the contracts
4 procured under this subsection (d-5) shall be for a term
5 of 10 years ending May 31, 2027. The quantity of zero
6 emission credits to be procured under the contracts shall
7 be all of the zero emission credits generated by the zero
8 emission facility in each delivery year; however, if the
9 zero emission facility is owned by more than one entity,
10 then the quantity of zero emission credits to be procured
11 under the contracts shall be the amount of zero emission
12 credits that are generated from the portion of the zero
13 emission facility that is owned by the winning supplier.

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

18 The procurement process shall be subject to the
19 following provisions:

20 (A) Those zero emission facilities that intend to
21 participate in the procurement shall submit to the
22 Agency the following eligibility information for each
23 zero emission facility on or before the date
24 established by the Agency:

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

1 (ii) the amount of power generated annually
2 for each of the years 2005 through 2015, and the
3 projected zero emission credits to be generated
4 over the remaining useful life of the zero
5 emission facility, which shall be used to
6 determine the capability of each facility;

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

23 (iv) a commitment to continue operating, for
24 the duration of the contract or contracts executed
25 under the procurement held under this subsection
26 (d-5), the zero emission facility that produces

1 the zero emission credits to be procured in the
2 procurement.

3 The information described in item (iii) of this
4 subparagraph (A) may be submitted on a confidential
5 basis and shall be treated and maintained by the
6 Agency, the procurement administrator, and the
7 Commission as confidential and proprietary and exempt
8 from disclosure under subparagraphs (a) and (g) of
9 paragraph (1) of Section 7 of the Freedom of
10 Information Act. The Office of Attorney General shall
11 have access to, and maintain the confidentiality of,
12 such information pursuant to Section 6.5 of the
13 Attorney General Act.

14 (B) The price for each zero emission credit
15 procured under this subsection (d-5) for each delivery
16 year shall be in an amount that equals the Social Cost
17 of Carbon, expressed on a price per megawatthour
18 basis. However, to ensure that the procurement remains
19 affordable to retail customers in this State if
20 electricity prices increase, the price in an
21 applicable delivery year shall be reduced below the
22 Social Cost of Carbon by the amount ("Price
23 Adjustment") by which the market price index for the
24 applicable delivery year exceeds the baseline market
25 price index for the consecutive 12-month period ending
26 May 31, 2016. If the Price Adjustment is greater than

1 or equal to the Social Cost of Carbon in an applicable
2 delivery year, then no payments shall be due in that
3 delivery year. The components of this calculation are
4 defined as follows:

5 (i) Social Cost of Carbon: The Social Cost of
6 Carbon is \$16.50 per megawatthour, which is based
7 on the U.S. Interagency Working Group on Social
8 Cost of Carbon's price in the August 2016
9 Technical Update using a 3% discount rate,
10 adjusted for inflation for each year of the
11 program. Beginning with the delivery year
12 commencing June 1, 2023, the price per
13 megawatthour shall increase by \$1 per
14 megawatthour, and continue to increase by an
15 additional \$1 per megawatthour each delivery year
16 thereafter.

17 (ii) Baseline market price index: The baseline
18 market price index for the consecutive 12-month
19 period ending May 31, 2016 is \$31.40 per
20 megawatthour, which is based on the sum of (aa)
21 the average day-ahead energy price across all
22 hours of such 12-month period at the PJM
23 Interconnection LLC Northern Illinois Hub, (bb)
24 50% multiplied by the Base Residual Auction, or
25 its successor, capacity price for the rest of the
26 RTO zone group determined by PJM Interconnection

1 LLC, divided by 24 hours per day, and (cc) 50%
2 multiplied by the Planning Resource Auction, or
3 its successor, capacity price for Zone 4
4 determined by the Midcontinent Independent System
5 Operator, Inc., divided by 24 hours per day.

6 (iii) Market price index: The market price
7 index for a delivery year shall be the sum of
8 projected energy prices and projected capacity
9 prices determined as follows:

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

25 (bb) Projected capacity prices:

26 (I) For the delivery years commencing

1 June 1, 2017, June 1, 2018, and June 1,
2 2019, the projected capacity price shall
3 be equal to the sum of (1) 50% multiplied
4 by the Base Residual Auction, or its
5 successor, price for the rest of the RTO
6 zone group as determined by PJM
7 Interconnection LLC, divided by 24 hours
8 per day and, (2) 50% multiplied by the
9 resource auction price determined in the
10 resource auction administered by the
11 Midcontinent Independent System Operator,
12 Inc., in which the largest percentage of
13 load cleared for Local Resource Zone 4,
14 divided by 24 hours per day, and where
15 such price is determined by the
16 Midcontinent Independent System Operator,
17 Inc.

18 (II) For the delivery year commencing
19 June 1, 2020, and each year thereafter,
20 the projected capacity price shall be
21 equal to the sum of (1) 50% multiplied by
22 the Base Residual Auction, or its
23 successor, price for the ComEd zone as
24 determined by PJM Interconnection LLC,
25 divided by 24 hours per day, and (2) 50%
26 multiplied by the resource auction price

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

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

10 "Rest of the RTO" and "ComEd Zone" shall have
11 the meaning ascribed to them by PJM
12 Interconnection, LLC.

13 "RTO" means regional transmission
14 organization.

15 (C) No later than 45 days after June 1, 2017 (the
16 effective date of Public Act 99-906), the Agency shall
17 publish its proposed zero emission standard
18 procurement plan. The plan shall be consistent with
19 the provisions of this paragraph (1) and shall provide
20 that winning bids shall be selected based on public
21 interest criteria that include, but are not limited
22 to, minimizing carbon dioxide emissions that result
23 from electricity consumed in Illinois and minimizing
24 sulfur dioxide, nitrogen oxide, and particulate matter
25 emissions that adversely affect the citizens of this
26 State. In particular, the selection of winning bids

1 shall take into account the incremental environmental
2 benefits resulting from the procurement, such as any
3 existing environmental benefits that are preserved by
4 the procurements held under Public Act 99-906 and
5 would cease to exist if the procurements were not
6 held, including the preservation of zero emission
7 facilities. The plan shall also describe in detail how
8 each public interest factor shall be considered and
9 weighted in the bid selection process to ensure that
10 the public interest criteria are applied to the
11 procurement and given full effect.

12 For purposes of developing the plan, the Agency
13 shall consider any reports issued by a State agency,
14 board, or commission under House Resolution 1146 of
15 the 98th General Assembly and paragraph (4) of
16 subsection (d) of this Section, as well as publicly
17 available analyses and studies performed by or for
18 regional transmission organizations that serve the
19 State and their independent market monitors.

20 Upon publishing of the zero emission standard
21 procurement plan, copies of the plan shall be posted
22 and made publicly available on the Agency's website.
23 All interested parties shall have 10 days following
24 the date of posting to provide comment to the Agency on
25 the plan. All comments shall be posted to the Agency's
26 website. Following the end of the comment period, but

1 no more than 60 days later than June 1, 2017 (the
2 effective date of Public Act 99-906), the Agency shall
3 revise the plan as necessary based on the comments
4 received and file its zero emission standard
5 procurement plan with the Commission.

6 If the Commission determines that the plan will
7 result in the procurement of cost-effective zero
8 emission credits, then the Commission shall, after
9 notice and hearing, but no later than 45 days after the
10 Agency filed the plan, approve the plan or approve
11 with modification. For purposes of this subsection
12 (d-5), "cost effective" means the projected costs of
13 procuring zero emission credits from zero emission
14 facilities do not cause the limit stated in paragraph
15 (2) of this subsection to be exceeded.

16 (C-5) As part of the Commission's review and
17 acceptance or rejection of the procurement results,
18 the Commission shall, in its public notice of
19 successful bidders:

20 (i) identify how the winning bids satisfy the
21 public interest criteria described in subparagraph
22 (C) of this paragraph (1) of minimizing carbon
23 dioxide emissions that result from electricity
24 consumed in Illinois and minimizing sulfur
25 dioxide, nitrogen oxide, and particulate matter
26 emissions that adversely affect the citizens of

1 this State;

2 (ii) specifically address how the selection of
3 winning bids takes into account the incremental
4 environmental benefits resulting from the
5 procurement, including any existing environmental
6 benefits that are preserved by the procurements
7 held under Public Act 99-906 and would have ceased
8 to exist if the procurements had not been held,
9 such as the preservation of zero emission
10 facilities;

11 (iii) quantify the environmental benefit of
12 preserving the resources identified in item (ii)
13 of this subparagraph (C-5), including the
14 following:

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

25 (bb) the costs of replacement with other
26 zero carbon dioxide resources, including wind

1 and photovoltaic, based upon the simple
2 average of the following:

3 (I) the price, or if there is more
4 than one price, the average of the prices,
5 paid for renewable energy credits from new
6 utility-scale wind projects in the
7 procurement events specified in item (i)
8 of subparagraph (G) of paragraph (1) of
9 subsection (c) of this Section; and

10 (II) the price, or if there is more
11 than one price, the average of the prices,
12 paid for renewable energy credits from new
13 utility-scale solar projects and
14 brownfield site photovoltaic projects in
15 the procurement events specified in item
16 (ii) of subparagraph (G) of paragraph (1)
17 of subsection (c) of this Section and,
18 after January 1, 2015, renewable energy
19 credits from photovoltaic distributed
20 generation projects in procurement events
21 held under subsection (c) of this Section.

22 Each utility shall enter into binding contractual
23 arrangements with the winning suppliers.

24 The procurement described in this subsection
25 (d-5), including, but not limited to, the execution of
26 all contracts procured, shall be completed no later

1 than May 10, 2017. Based on the effective date of
2 Public Act 99-906, the Agency and Commission may, as
3 appropriate, modify the various dates and timelines
4 under this subparagraph and subparagraphs (C) and (D)
5 of this paragraph (1). The procurement and plan
6 approval processes required by this subsection (d-5)
7 shall be conducted in conjunction with the procurement
8 and plan approval processes required by subsection (c)
9 of this Section and Section 16-111.5 of the Public
10 Utilities Act, to the extent practicable.
11 Notwithstanding whether a procurement event is
12 conducted under Section 16-111.5 of the Public
13 Utilities Act, the Agency shall immediately initiate a
14 procurement process on June 1, 2017 (the effective
15 date of Public Act 99-906).

16 (D) Following the procurement event described in
17 this paragraph (1) and consistent with subparagraph
18 (B) of this paragraph (1), the Agency shall calculate
19 the payments to be made under each contract for the
20 next delivery year based on the market price index for
21 that delivery year. The Agency shall publish the
22 payment calculations no later than May 25, 2017 and
23 every May 25 thereafter.

24 (E) Notwithstanding the requirements of this
25 subsection (d-5), the contracts executed under this
26 subsection (d-5) shall provide that the zero emission

1 facility may, as applicable, suspend or terminate
2 performance under the contracts in the following
3 instances:

4 (i) A zero emission facility shall be excused
5 from its performance under the contract for any
6 cause beyond the control of the resource,
7 including, but not restricted to, acts of God,
8 flood, drought, earthquake, storm, fire,
9 lightning, epidemic, war, riot, civil disturbance
10 or disobedience, labor dispute, labor or material
11 shortage, sabotage, acts of public enemy,
12 explosions, orders, regulations or restrictions
13 imposed by governmental, military, or lawfully
14 established civilian authorities, which, in any of
15 the foregoing cases, by exercise of commercially
16 reasonable efforts the zero emission facility
17 could not reasonably have been expected to avoid,
18 and which, by the exercise of commercially
19 reasonable efforts, it has been unable to
20 overcome. In such event, the zero emission
21 facility shall be excused from performance for the
22 duration of the event, including, but not limited
23 to, delivery of zero emission credits, and no
24 payment shall be due to the zero emission facility
25 during the duration of the event.

26 (ii) A zero emission facility shall be

1 permitted to terminate the contract if legislation
2 is enacted into law by the General Assembly that
3 imposes or authorizes a new tax, special
4 assessment, or fee on the generation of
5 electricity, the ownership or leasehold of a
6 generating unit, or the privilege or occupation of
7 such generation, ownership, or leasehold of
8 generation units by a zero emission facility.
9 However, the provisions of this item (ii) do not
10 apply to any generally applicable tax, special
11 assessment or fee, or requirements imposed by
12 federal law.

13 (iii) A zero emission facility shall be
14 permitted to terminate the contract in the event
15 that the resource requires capital expenditures in
16 excess of \$40,000,000 that were neither known nor
17 reasonably foreseeable at the time it executed the
18 contract and that a prudent owner or operator of
19 such resource would not undertake.

20 (iv) A zero emission facility shall be
21 permitted to terminate the contract in the event
22 the Nuclear Regulatory Commission terminates the
23 resource's license.

24 (F) If the zero emission facility elects to
25 terminate a contract under subparagraph (E) of this
26 paragraph (1), then the Commission shall reopen the

1 docket in which the Commission approved the zero
2 emission standard procurement plan under subparagraph
3 (C) of this paragraph (1) and, after notice and
4 hearing, enter an order acknowledging the contract
5 termination election if such termination is consistent
6 with the provisions of this subsection (d-5).

7 (2) For purposes of this subsection (d-5), the amount
8 paid per kilowatthour means the total amount paid for
9 electric service expressed on a per kilowatthour basis.
10 For purposes of this subsection (d-5), the total amount
11 paid for electric service includes, without limitation,
12 amounts paid for supply, transmission, distribution,
13 surcharges, and add-on taxes.

14 Notwithstanding the requirements of this subsection
15 (d-5), the contracts executed under this subsection (d-5)
16 shall provide that the total of zero emission credits
17 procured under a procurement plan shall be subject to the
18 limitations of this paragraph (2). For each delivery year,
19 the contractual volume receiving payments in such year
20 shall be reduced for all retail customers based on the
21 amount necessary to limit the net increase that delivery
22 year to the costs of those credits included in the amounts
23 paid by eligible retail customers in connection with
24 electric service to no more than 1.65% of the amount paid
25 per kilowatthour by eligible retail customers during the
26 year ending May 31, 2009. The result of this computation

1 shall apply to and reduce the procurement for all retail
2 customers, and all those customers shall pay the same
3 single, uniform cents per kilowatthour charge under
4 subsection (k) of Section 16-108 of the Public Utilities
5 Act. To arrive at a maximum dollar amount of zero emission
6 credits to be paid for the particular delivery year, the
7 resulting per kilowatthour amount shall be applied to the
8 actual amount of kilowatthours of electricity delivered by
9 the electric utility in the delivery year immediately
10 prior to the procurement, to all retail customers in its
11 service territory. Unpaid contractual volume for any
12 delivery year shall be paid in any subsequent delivery
13 year in which such payments can be made without exceeding
14 the amount specified in this paragraph (2). The
15 calculations required by this paragraph (2) shall be made
16 only once for each procurement plan year. Once the
17 determination as to the amount of zero emission credits to
18 be paid is made based on the calculations set forth in this
19 paragraph (2), no subsequent rate impact determinations
20 shall be made and no adjustments to those contract amounts
21 shall be allowed. All costs incurred under those contracts
22 and in implementing this subsection (d-5) shall be
23 recovered by the electric utility as provided in this
24 Section.

25 No later than June 30, 2019, the Commission shall
26 review the limitation on the amount of zero emission

1 credits procured under this subsection (d-5) and report to
2 the General Assembly its findings as to whether that
3 limitation unduly constrains the procurement of
4 cost-effective zero emission credits.

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

1 exceed the total amount of payments received by the
2 facility under its contract.

3 For purposes of this Section, the Average ZEC Payment
4 shall be calculated by multiplying the quantity of zero
5 emission credits delivered under the contract times the
6 average contract price. The average contract price shall
7 be determined by subtracting the amount calculated under
8 subparagraph (B) of this paragraph (3) from the amount
9 calculated under subparagraph (A) of this paragraph (3),
10 as follows:

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

14 (B) The average of the market price indices, as
15 defined in subparagraph (B) of paragraph (1) of this
16 subsection (d-5), during the term of the contract,
17 minus the baseline market price index, as defined in
18 subparagraph (B) of paragraph (1) of this subsection
19 (d-5).

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

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

25 (5) The electric utility shall retire all zero
26 emission credits used to comply with the requirements of

1 this subsection (d-5).

2 (6) Electric utilities shall be entitled to recover
3 all of the costs associated with the procurement of zero
4 emission credits through an automatic adjustment clause
5 tariff in accordance with subsection (k) and (m) of
6 Section 16-108 of the Public Utilities Act, and the
7 contracts executed under this subsection (d-5) shall
8 provide that the utilities' payment obligations under such
9 contracts shall be reduced if an adjustment is required
10 under subsection (m) of Section 16-108 of the Public
11 Utilities Act.

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

14 (d-10) Nuclear Plant Assistance; carbon mitigation
15 credits.

16 (1) The General Assembly finds:

17 (A) The health, welfare, and prosperity of all
18 Illinois citizens require that the State of Illinois act
19 to avoid and not increase carbon emissions from electric
20 generation sources while continuing to ensure affordable,
21 stable, and reliable electricity to all citizens.

22 (B) Absent immediate action by the State to preserve
23 existing carbon-free energy resources, those resources may
24 retire, and the electric generation needs of Illinois'
25 retail customers may be met instead by facilities that
26 emit significant amounts of carbon pollution and other

1 harmful air pollutants at a high social and economic cost
2 until Illinois is able to develop other forms of clean
3 energy.

4 (C) The General Assembly finds that nuclear power
5 generation is necessary for the State's transition to 100%
6 clean energy, and ensuring continued operation of nuclear
7 plants advances environmental and public health interests
8 through providing carbon-free electricity while reducing
9 the air pollution profile of the Illinois energy
10 generation fleet.

11 (D) The clean energy attributes of nuclear generation
12 facilities support the State in its efforts to achieve
13 100% clean energy.

14 (E) The State currently invests in various forms of
15 clean energy, including, but not limited to, renewable
16 energy, energy efficiency, and low-emission vehicles,
17 among others.

18 (F) The Environmental Protection Agency commissioned
19 an independent audit which provided a detailed assessment
20 of the financial condition of the Illinois nuclear fleet
21 to evaluate its financial viability and whether the
22 environmental benefits of such resources were at risk. The
23 report identified the risk of losing the environmental
24 benefits of several specific nuclear units. The report
25 also identified that the LaSalle County Generating Station
26 will continue to operate through 2026 and therefore is not

1 eligible to participate in the carbon mitigation credit
2 program.

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

6 (H) The procurement of carbon mitigation credits
7 representing the environmental benefits of carbon-free
8 generation will further the State's efforts at achieving
9 100% clean energy and decarbonizing the electricity sector
10 in a safe, reliable, and affordable manner. Further, the
11 procurement of carbon emission credits will enhance the
12 health and welfare of Illinois residents through decreased
13 reliance on more highly polluting generation.

14 (I) The General Assembly therefore finds it necessary
15 to establish carbon mitigation credits to ensure decreased
16 reliance on more carbon-intensive energy resources, for
17 transitioning to a fully decarbonized electricity sector,
18 and to help ensure health and welfare of the State's
19 residents.

20 (2) As used in this subsection:

21 "Baseline costs" means costs used to establish a customer
22 protection cap that have been evaluated through an independent
23 audit of a carbon-free energy resource conducted by the
24 Environmental Protection Agency that evaluated projected
25 annual costs for operation and maintenance expenses; fully
26 allocated overhead costs, which shall be allocated using the

1 methodology developed by the Institute for Nuclear Power
2 Operations; fuel expenditures; nonfuel capital expenditures;
3 spent fuel expenditures; a return on working capital; the cost
4 of operational and market risks that could be avoided by
5 ceasing operation; and any other costs necessary for continued
6 operations, provided that "necessary" means, for purposes of
7 this definition, that the costs could reasonably be avoided
8 only by ceasing operations of the carbon-free energy resource.

9 "Carbon mitigation credit" means a tradable credit that
10 represents the carbon emission reduction attributes of one
11 megawatt-hour of energy produced from a carbon-free energy
12 resource.

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

16 (3) Procurement.

17 (A) Beginning with the delivery year commencing on
18 June 1, 2022, the Agency shall, for electric utilities
19 serving at least 3,000,000 retail customers in the State,
20 seek to procure contracts for no more than approximately
21 54,500,000 cost-effective carbon mitigation credits from
22 carbon-free energy resources because such credits are
23 necessary to support current levels of carbon-free energy
24 generation and ensure the State meets its carbon dioxide
25 emissions reduction goals. The Agency shall not make a
26 partial award of a contract for carbon mitigation credits

1 covering a fractional amount of a carbon-free energy
2 resource's projected output.

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

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

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

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

22 (iv) financial need and the risk of loss of the
23 environmental benefits of such resource, which shall
24 include the following information:

25 (I) the carbon-free energy resource's cost
26 projections, expressed on a per megawatt-hour

1 basis, over the next 5 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; nonfuel 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 subitem (I), that the costs could
13 reasonably be avoided only by ceasing operations
14 of the carbon-free energy resource; and

15 (II) the carbon-free energy resource's revenue
16 projections, including energy, capacity, ancillary
17 services, any other direct State support, known or
18 anticipated federal attribute credits, known or
19 anticipated tax credits, and any other direct
20 federal support.

21 The information described in this subparagraph (B) may
22 be submitted on a confidential basis and shall be treated
23 and maintained by the Agency, the procurement
24 administrator, and the Commission as confidential and
25 proprietary and exempt from disclosure under subparagraphs
26 (a) and (g) of paragraph (1) of Section 7 of the Freedom of

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

5 (C) The Agency shall solicit bids for the contracts
6 described in this subsection (d-10) from carbon-free
7 energy resources that have satisfied the requirements of
8 subparagraph (B) of this paragraph (3). The contracts
9 procured pursuant to a procurement event shall reflect,
10 and be subject to, the following terms, requirements, and
11 limitations:

12 (i) Contracts are for delivery of carbon
13 mitigation credits, and are not energy or capacity
14 sales contracts requiring physical delivery. Pursuant
15 to item (iii), contract payments shall fully deduct
16 the value of any monetized federal production tax
17 credits, credits issued pursuant to a federal clean
18 energy standard, and other federal credits if
19 applicable.

20 (ii) Contracts for carbon mitigation credits shall
21 commence with the delivery year beginning on June 1,
22 2022 and shall be for a term of 5 delivery years
23 concluding on May 31, 2027.

24 (iii) The price per carbon mitigation credit to be
25 paid under a contract for a given delivery year shall
26 be equal to an accepted bid price less the sum of:

1 (I) one of the following energy price indices,
2 selected by the bidder at the time of the bid for
3 the term of the contract:

4 (aa) the weighted-average hourly day-ahead
5 price for the applicable delivery year at the
6 busbar of all resources procured pursuant to
7 this subsection (d-10), weighted by actual
8 production from the resources; or

9 (bb) the projected energy price for the
10 PJM Interconnection, LLC Northern Illinois Hub
11 for the applicable delivery year determined
12 according to subitem (aa) of item (iii) of
13 subparagraph (B) of paragraph (1) of
14 subsection (d-5).

15 (II) the Base Residual Auction Capacity Price
16 for the ComEd zone as determined by PJM
17 Interconnection, LLC, divided by 24 hours per day,
18 for the applicable delivery year for the first 3
19 delivery years, and then any subsequent delivery
20 years unless the PJM Interconnection, LLC applies
21 the Minimum Offer Price Rule to participating
22 carbon-free energy resources because they supply
23 carbon mitigation credits pursuant to this Section
24 at which time, upon notice by the carbon-free
25 energy resource to the Commission and subject to
26 the Commission's confirmation, the value under

1 this subitem shall be zero, as further described
2 in the carbon mitigation credit procurement plan;
3 and

4 (III) any value of monetized federal tax
5 credits, direct payments, or similar subsidy
6 provided to the carbon-free energy resource from
7 any unit of government that is not already
8 reflected in energy prices.

9 If the price-per-megawatt-hour calculation
10 performed under item (iii) of this subparagraph (C)
11 for a given delivery year results in a net positive
12 value, then the electric utility counterparty to the
13 contract shall multiply such net value by the
14 applicable contract quantity and remit the amount to
15 the supplier.

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

1 soon as practicable.

2 (iv) To ensure that retail customers in Northern
3 Illinois do not pay more for carbon mitigation credits
4 than the value such credits provide, and
5 notwithstanding the provisions of this subsection
6 (d-10), the Agency shall not accept bids for contracts
7 that exceed a customer protection cap equal to the
8 baseline costs of carbon-free energy resources.

9 The baseline costs for the applicable year shall
10 be the following:

11 (I) For the delivery year beginning June 1,
12 2022, the baseline costs shall be an amount equal
13 to \$30.30 per megawatt-hour.

14 (II) For the delivery year beginning June 1,
15 2023, the baseline costs shall be an amount equal
16 to \$32.50 per megawatt-hour.

17 (III) For the delivery year beginning June 1,
18 2024, the baseline costs shall be an amount equal
19 to \$33.43 per megawatt-hour.

20 (IV) For the delivery year beginning June 1,
21 2025, the baseline costs shall be an amount equal
22 to \$33.50 per megawatt-hour.

23 (V) For the delivery year beginning June 1,
24 2026, the baseline costs shall be an amount equal
25 to \$34.50 per megawatt-hour.

26 An Environmental Protection Agency consultant

1 forecast, included in a report issued April 14, 2021,
2 projects that a carbon-free energy resource has the
3 opportunity to earn on average approximately \$30.28
4 per megawatt-hour, for the sale of energy and capacity
5 during the time period between 2022 and 2027.
6 Therefore, the sale of carbon mitigation credits
7 provides the opportunity to receive an additional
8 amount per megawatt-hour in addition to the projected
9 prices for energy and capacity.

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

23 (D) No later than 7 days after the effective date of
24 this amendatory Act of the 102nd General Assembly, the
25 Agency shall publish its proposed carbon mitigation credit
26 procurement plan. The Plan shall provide that winning bids

1 shall be selected by taking into consideration which
2 resources best match public interest criteria that
3 include, but are not limited to, minimizing carbon dioxide
4 emissions that result from electricity consumed in
5 Illinois and minimizing sulfur dioxide, nitrogen oxide,
6 and particulate matter emissions that adversely affect the
7 citizens of this State. The selection of winning bids
8 shall also take into account the incremental environmental
9 benefits resulting from the procurement or procurements,
10 such as any existing environmental benefits that are
11 preserved by a procurement held under this subsection
12 (d-10) and would cease to exist if the procurement were
13 not held, including the preservation of carbon-free energy
14 resources. For those bidders having the same public
15 interest criteria score, the relative ranking of such
16 bidders shall be determined by price. The Plan shall
17 describe in detail how each public interest factor shall
18 be considered and weighted in the bid selection process to
19 ensure that the public interest criteria are applied to
20 the procurement. The Plan shall, to the extent practical
21 and permissible by federal law, ensure that successful
22 bidders make commercially reasonable efforts to apply for
23 federal tax credits, direct payments, or similar subsidy
24 programs that support carbon-free generation and for which
25 the successful bidder is eligible. Upon publishing of the
26 carbon mitigation credit procurement plan, copies of the

1 plan shall be posted and made publicly available on the
2 Agency's website. All interested parties shall have 7 days
3 following the date of posting to provide comment to the
4 Agency on the plan. All comments shall be posted to the
5 Agency's website. Following the end of the comment period,
6 but no more than 19 days later than the effective date of
7 this amendatory Act of the 102nd General Assembly, the
8 Agency shall revise the plan as necessary based on the
9 comments received and file its carbon mitigation credit
10 procurement plan with the Commission.

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

24 (i) identify how the selected carbon-free energy
25 resources satisfy the public interest criteria
26 described in this paragraph (3) of minimizing carbon

1 dioxide emissions that result from electricity
2 consumed in Illinois and minimizing sulfur dioxide,
3 nitrogen oxide, and particulate matter emissions that
4 adversely affect the citizens of this State;

5 (ii) specifically address how the selection of
6 carbon-free energy resources takes into account the
7 incremental environmental benefits resulting from the
8 procurement, including any existing environmental
9 benefits that are preserved by the procurements held
10 under this amendatory Act of the 102nd General
11 Assembly and would have ceased to exist if the
12 procurements had not been held, such as the
13 preservation of carbon-free energy resources;

14 (iii) quantify the environmental benefit of
15 preserving the carbon-free energy resources procured
16 pursuant to this subsection (d-10), including the
17 following:

18 (I) an assessment value of avoided greenhouse
19 gas emissions measured as the product of the
20 carbon-free energy resources' output over the
21 contract term, using generally accepted
22 methodologies for the valuation of avoided
23 emissions; and

24 (II) an assessment of costs of replacement
25 with other carbon-free energy resources and
26 renewable energy resources, including wind and

1 photovoltaic generation, based upon an assessment
2 of the prices paid for renewable energy credits
3 through programs and procurements conducted
4 pursuant to subsection (c) of Section 1-75 of this
5 Act, and the additional storage necessary to
6 produce the same or similar capability of matching
7 customer usage patterns.

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

24 (F-1) Costs incurred by the electric utility pursuant
25 to a contract authorized by this subsection (d-10) shall
26 be deemed prudently incurred and reasonable in amount, and

1 the electric utility shall be entitled to full cost
2 recovery pursuant to a tariff or tariffs filed with the
3 Commission.

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

7 (H) If a carbon-free energy resource is sold to
8 another owner, the rights, obligations, and commitments
9 under this subsection (d-10) shall continue to the
10 subsequent owner.

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

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

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

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

23 (h) The Agency shall assess fees to each bidder to recover
24 the costs incurred in connection with a competitive
25 procurement process.

26 (i) A renewable energy credit, carbon emission credit,

1 zero emission credit, or carbon mitigation credit can only be
2 used once to comply with a single portfolio or other standard
3 as set forth in subsection (c), subsection (d), or subsection
4 (d-5) of this Section, respectively. A renewable energy
5 credit, carbon emission credit, zero emission credit, or
6 carbon mitigation credit cannot be used to satisfy the
7 requirements of more than one standard. If more than one type
8 of credit is issued for the same megawatt hour of energy, only
9 one credit can be used to satisfy the requirements of a single
10 standard. After such use, the credit must be retired together
11 with any other credits issued for the same megawatt hour of
12 energy.

13 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
14 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

15 (20 ILCS 3855/1-127.5 new)

16 Sec. 1-127.5. Utility-scale solar projects.

17 (a) For purposes of this Section:

18 "Geographically proximate" means projects constructed on
19 contiguous parcels of land or on separate parcels that are
20 functionally adjacent, including those separated only by
21 intervening land uses, such as roads, rights-of-way,
22 agricultural fields, or similar non-developmental uses.

23 "Placed in service" has the same meaning set forth in 26
24 CFR 1.48-9(b) (5) .

25 "Related owners or developers" means members of a group of

1 trades or businesses that are under common control, as defined
2 in 26 CFR 1.52-1(b).

3 (b) If a utility-scale solar project has integrated
4 operations with any other utility-scale solar project or
5 projects, then the aggregate nameplate capacity of the
6 projects shall be used to determine if the utility-scale solar
7 project meets the requirements of this Act. A utility-scale
8 solar project shall have integrated operations with any other
9 utility-scale solar project if both projects meet the
10 following criteria:

11 (1) both projects are owned by the same or related
12 owners or developers;

13 (2) both projects transmit electricity through the
14 same point of interconnection or, if the facilities are
15 not grid-connected or are delivering electricity directly
16 to an end user behind a utility meter, are able to support
17 the same end user;

18 (3) both projects are placed in service within 18
19 months of one another; and

20 (4) both projects are geographically proximate.

21 (c) Prior to the final determination of whether a
22 utility-scale solar project has integrated operations, the
23 Agency shall:

24 (1) provide notice to the county and municipality
25 where the project is proposed;

26 (2) establish a public comment period of no less than

1 30 days following the issuance of the notice under
2 paragraph (1) during which State agencies, counties,
3 municipalities, and other interested parties may submit
4 written comments or evidence regarding whether the project
5 meets the criteria for integrated operations;

6 (3) consider all submitted comments and evidence
7 before issuing a final determination;

8 (4) publish a written determination that explains how
9 the Agency considered the public input and how the project
10 was evaluated; and

11 (5) establish an appeals process for the owner or
12 developer of the project to challenge the determination."