

1 AN ACT concerning employment.

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

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

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

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

17 "Authority" means the Illinois Finance Authority.

18 "Brownfield site photovoltaic project" means photovoltaics
19 that are either:

20 (1) interconnected to an electric utility as defined
21 in this Section, a municipal utility as defined in this
22 Section, a public utility as defined in Section 3-105 of
23 the Public Utilities Act, or an electric cooperative as

1 defined in Section 3-119 of the Public Utilities Act and
2 located at a site that is regulated by any of the following
3 entities under the following programs:

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

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

12 (C) the Illinois Environmental Protection Agency
13 under the Illinois Site Remediation Program; or

14 (D) the Illinois Environmental Protection Agency
15 under the Illinois Solid Waste Program; or

16 (2) located at the site of a coal mine that has
17 permanently ceased coal production, permanently halted any
18 re-mining operations, and is no longer accepting any coal
19 combustion residues; has both completed all clean-up and
20 remediation obligations under the federal Surface Mining
21 and Reclamation Act of 1977 and all applicable Illinois
22 rules and any other clean-up, remediation, or ongoing
23 monitoring to safeguard the health and well-being of the
24 people of the State of Illinois, as well as demonstrated
25 compliance with all applicable federal and State
26 environmental rules and regulations, including, but not

1 limited, to 35 Ill. Adm. Code Part 845 and any rules for
2 historic fill of coal combustion residuals, including any
3 rules finalized in Subdocket A of Illinois Pollution
4 Control Board docket R2020-019.

5 "Clean coal facility" means an electric generating
6 facility that uses primarily coal as a feedstock and that
7 captures and sequesters carbon dioxide emissions at the
8 following levels: at least 50% of the total carbon dioxide
9 emissions that the facility would otherwise emit if, at the
10 time construction commences, the facility is scheduled to
11 commence operation before 2016, at least 70% of the total
12 carbon dioxide emissions that the facility would otherwise
13 emit if, at the time construction commences, the facility is
14 scheduled to commence operation during 2016 or 2017, and at
15 least 90% of the total carbon dioxide emissions that the
16 facility would otherwise emit if, at the time construction
17 commences, the facility is scheduled to commence operation
18 after 2017. The power block of the clean coal facility shall
19 not exceed allowable emission rates for sulfur dioxide,
20 nitrogen oxides, carbon monoxide, particulates and mercury for
21 a natural gas-fired combined-cycle facility the same size as
22 and in the same location as the clean coal facility at the time
23 the clean coal facility obtains an approved air permit. All
24 coal used by a clean coal facility shall have high volatile
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million Btu content, unless the clean coal facility does not

1 use gasification technology and was operating as a
2 conventional coal-fired electric generating facility on June
3 1, 2009 (the effective date of Public Act 95-1027).

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

20 "Clean coal SNG facility" means a facility that uses a
21 gasification process to produce substitute natural gas, that
22 sequesters at least 90% of the total carbon dioxide emissions
23 that the facility would otherwise emit, that uses at least 90%
24 coal as a feedstock, with all such coal having a high
25 bituminous rank and greater than 1.7 pounds of sulfur per
26 million Btu content, and that has a valid and effective permit

1 to construct emission sources and air pollution control
2 equipment and approval with respect to the federal regulations
3 for Prevention of Significant Deterioration of Air Quality
4 (PSD) for the plant pursuant to the federal Clean Air Act;
5 provided, however, a clean coal SNG brownfield facility shall
6 not be a clean coal SNG facility.

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

9 "Commission" means the Illinois Commerce Commission.

10 "Community renewable generation project" means an electric
11 generating facility that:

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

16 (2) is interconnected at the distribution system level
17 of an electric utility as defined in this Section, a
18 municipal utility as defined in this Section that owns or
19 operates electric distribution facilities, a public
20 utility as defined in Section 3-105 of the Public
21 Utilities Act, or an electric cooperative, as defined in
22 Section 3-119 of the Public Utilities Act;

23 (3) credits the value of electricity generated by the
24 facility to the subscribers of the facility; and

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

1 "Costs incurred in connection with the development and
2 construction of a facility" means:

3 (1) the cost of acquisition of all real property,
4 fixtures, and improvements in connection therewith and
5 equipment, personal property, and other property, rights,
6 and easements acquired that are deemed necessary for the
7 operation and maintenance of the facility;

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

10 (3) all origination, commitment, utilization,
11 facility, placement, underwriting, syndication, credit
12 enhancement, and rating agency fees;

13 (4) engineering, design, procurement, consulting,
14 legal, accounting, title insurance, survey, appraisal,
15 escrow, trustee, collateral agency, interest rate hedging,
16 interest rate swap, capitalized interest, contingency, as
17 required by lenders, and other financing costs, and other
18 expenses for professional services; and

19 (5) the costs of plans, specifications, site study and
20 investigation, installation, surveys, other Agency costs
21 and estimates of costs, and other expenses necessary or
22 incidental to determining the feasibility of any project,
23 together with such other expenses as may be necessary or
24 incidental to the financing, insuring, acquisition, and
25 construction of a specific project and starting up,
26 commissioning, and placing that project in operation.

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

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

6 "Department" means the Department of Commerce and Economic
7 Opportunity.

8 "Director" means the Director of the Illinois Power
9 Agency.

10 "Demand-response" means measures that decrease peak
11 electricity demand or shift demand from peak to off-peak
12 periods.

13 "Distributed renewable energy generation device" means a
14 device that is:

15 (1) powered by wind, solar thermal energy,
16 photovoltaic cells or panels, biodiesel, crops and
17 untreated and unadulterated organic waste biomass, tree
18 waste, and hydropower that does not involve new
19 construction of dams, waste heat to power systems, or
20 qualified combined heat and power systems;

21 (2) interconnected at the distribution system level of
22 either an electric utility as defined in this Section, a
23 municipal utility as defined in this Section that owns or
24 operates electric distribution facilities, or a rural
25 electric cooperative as defined in Section 3-119 of the
26 Public Utilities Act;

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

4 (4) (blank).

5 "Energy efficiency" means measures that reduce the amount
6 of electricity or natural gas consumed in order to achieve a
7 given end use. "Energy efficiency" includes voltage
8 optimization measures that optimize the voltage at points on
9 the electric distribution voltage system and thereby reduce
10 electricity consumption by electric customers' end use
11 devices. "Energy efficiency" also includes measures that
12 reduce the total Btus of electricity, natural gas, and other
13 fuels needed to meet the end use or uses.

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

16 "Equity investment eligible community" or "eligible
17 community" are synonymous and mean the geographic areas
18 throughout Illinois which would most benefit from equitable
19 investments by the State designed to combat discrimination.
20 Specifically, the eligible communities shall be defined as the
21 following areas:

22 (1) R3 Areas as established pursuant to Section 10-40
23 of the Cannabis Regulation and Tax Act, where residents
24 have historically been excluded from economic
25 opportunities, including opportunities in the energy
26 sector; and

1 (2) environmental justice communities, as defined by
2 the Illinois Power Agency pursuant to the Illinois Power
3 Agency Act, where residents have historically been subject
4 to disproportionate burdens of pollution, including
5 pollution from the energy sector.

6 "Equity eligible persons" or "eligible persons" means
7 persons who would most benefit from equitable investments by
8 the State designed to combat discrimination, specifically:

9 (1) persons who graduate from or are current or former
10 participants in the Clean Jobs Workforce Network Program,
11 the Clean Energy Contractor Incubator Program, the
12 Illinois Climate Works Preapprenticeship Program,
13 Returning Residents Clean Jobs Training Program, or the
14 Clean Energy Primes Contractor Accelerator Program, and
15 the solar training pipeline and multi-cultural jobs
16 program created in paragraphs (a)(1) and (a)(3) of Section
17 16-208.12 of the Public Utilities Act;

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

20 (3) persons who were formerly incarcerated;

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

23 "Equity eligible contractor" means a business that is
24 majority-owned by eligible persons, or a nonprofit or
25 cooperative that is majority-governed by eligible persons, or
26 is a natural person that is an eligible person offering

1 personal services as an independent contractor.

2 "Facility" means an electric generating unit or a
3 co-generating unit that produces electricity along with
4 related equipment necessary to connect the facility to an
5 electric transmission or distribution system.

6 "General contractor" means the entity or organization with
7 main responsibility for the building of a construction project
8 and who is the party signing the prime construction contract
9 for the project.

10 "Governmental aggregator" means one or more units of local
11 government that individually or collectively procure
12 electricity to serve residential retail electrical loads
13 located within its or their jurisdiction.

14 "High voltage direct current converter station" means the
15 collection of equipment that converts direct current energy
16 from a high voltage direct current transmission line into
17 alternating current using Voltage Source Conversion technology
18 and that is interconnected with transmission or distribution
19 assets located in Illinois.

20 "High voltage direct current renewable energy credit"
21 means a renewable energy credit associated with a renewable
22 energy resource where the renewable energy resource has
23 entered into a contract to transmit the energy associated with
24 such renewable energy credit over high voltage direct current
25 transmission facilities.

26 "High voltage direct current transmission facilities"

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

19 "Hydropower" means any method of electricity generation or
20 storage that results from the flow of water, including
21 impoundment facilities, diversion facilities, and pumped
22 storage facilities.

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

26 "Indexed renewable energy credit" means a tradable credit

1 that represents the environmental attributes of one megawatt
2 hour of energy produced from a renewable energy resource, the
3 price of which shall be calculated by subtracting the strike
4 price offered by a new utility-scale wind project or a new
5 utility-scale photovoltaic project from the index price in a
6 given settlement period.

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

10 "Local government" means a unit of local government as
11 defined in Section 1 of Article VII of the Illinois
12 Constitution.

13 "Modernized" or "retooled" means the construction, repair,
14 maintenance, or significant expansion of turbines and existing
15 hydropower dams.

16 "Municipality" means a city, village, or incorporated
17 town.

18 "Municipal utility" means a public utility owned and
19 operated by any subdivision or municipal corporation of this
20 State.

21 "Nameplate capacity" means the aggregate inverter
22 nameplate capacity in kilowatts AC.

23 "Person" means any natural person, firm, partnership,
24 corporation, either domestic or foreign, company, association,
25 limited liability company, joint stock company, or association
26 and includes any trustee, receiver, assignee, or personal

1 representative thereof.

2 "Project" means the planning, bidding, and construction of
3 a facility.

4 "Project labor agreement" means a pre-hire collective
5 bargaining agreement that covers all terms and conditions of
6 employment on a specific construction project and must include
7 the following:

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

10 (2) provisions establishing the benefits and other
11 compensation for each class of labor organization
12 employee;

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

15 (4) provisions establishing that no lockout or
16 disputes will be engaged in by the general contractor
17 building the project; and

18 (5) provisions for minorities and women, as defined
19 under the Business Enterprise for Minorities, Women, and
20 Persons with Disabilities Act, setting forth goals for
21 apprenticeship hours to be performed by minorities and
22 women and setting forth goals for total hours to be
23 performed by underrepresented minorities and women.

24 A labor organization and the general contractor building
25 the project shall have the authority to include other terms
26 and conditions as they deem necessary.

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

3 "Qualified combined heat and power systems" means systems
4 that, either simultaneously or sequentially, produce
5 electricity and useful thermal energy from a single fuel
6 source. Such systems are eligible for "renewable energy
7 credits" in an amount equal to its total energy output where a
8 renewable fuel is consumed or in an amount equal to the net
9 reduction in nonrenewable fuel consumed on a total energy
10 output basis.

11 "Real property" means any interest in land together with
12 all structures, fixtures, and improvements thereon, including
13 lands under water and riparian rights, any easements,
14 covenants, licenses, leases, rights-of-way, uses, and other
15 interests, together with any liens, judgments, mortgages, or
16 other claims or security interests related to real property.

17 "Renewable energy credit" means a tradable credit that
18 represents the environmental attributes of one megawatt hour
19 of energy produced from a renewable energy resource.

20 "Renewable energy resources" includes energy and its
21 associated renewable energy credit or renewable energy credits
22 from wind, solar thermal energy, photovoltaic cells and
23 panels, biodiesel, anaerobic digestion, crops and untreated
24 and unadulterated organic waste biomass, and hydropower that
25 does not involve new construction of dams, waste heat to power
26 systems, or qualified combined heat and power systems. For

1 purposes of this Act, landfill gas produced in the State is
2 considered a renewable energy resource. "Renewable energy
3 resources" does not include the incineration or burning of
4 tires, garbage, general household, institutional, and
5 commercial waste, industrial lunchroom or office waste,
6 landscape waste, railroad crossties, utility poles, or
7 construction or demolition debris, other than untreated and
8 unadulterated waste wood. "Renewable energy resources" also
9 includes high voltage direct current renewable energy credits
10 and the associated energy converted to alternating current by
11 a high voltage direct current converter station to the extent
12 that: (1) the generator of such renewable energy resource
13 contracted with a third party to transmit the energy over the
14 high voltage direct current transmission facilities, and (2)
15 the third-party contracting for delivery of renewable energy
16 resources over the high voltage direct current transmission
17 facilities have ownership rights over the unretired associated
18 high voltage direct current renewable energy credit.

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

21 "Revenue bond" means any bond, note, or other evidence of
22 indebtedness issued by the Authority, the principal and
23 interest of which is payable solely from revenues or income
24 derived from any project or activity of the Agency.

25 "Sequester" means permanent storage of carbon dioxide by
26 injecting it into a saline aquifer, a depleted gas reservoir,

1 or an oil reservoir, directly or through an enhanced oil
2 recovery process that may involve intermediate storage,
3 regardless of whether these activities are conducted by a
4 clean coal facility, a clean coal SNG facility, a clean coal
5 SNG brownfield facility, or a party with which a clean coal
6 facility, clean coal SNG facility, or clean coal SNG
7 brownfield facility has contracted for such purposes.

8 "Service area" has the same definition as found in Section
9 16-102 of the Public Utilities Act.

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

13 "Sourcing agreement" means (i) in the case of an electric
14 utility, an agreement between the owner of a clean coal
15 facility and such electric utility, which agreement shall have
16 terms and conditions meeting the requirements of paragraph (3)
17 of subsection (d) of Section 1-75, (ii) in the case of an
18 alternative retail electric supplier, an agreement between the
19 owner of a clean coal facility and such alternative retail
20 electric supplier, which agreement shall have terms and
21 conditions meeting the requirements of Section 16-115(d) (5) of
22 the Public Utilities Act, and (iii) in case of a gas utility,
23 an agreement between the owner of a clean coal SNG brownfield
24 facility and the gas utility, which agreement shall have the
25 terms and conditions meeting the requirements of subsection
26 (h-1) of Section 9-220 of the Public Utilities Act.

1 "Strike price" means a contract price for energy and
2 renewable energy credits from a new utility-scale wind project
3 or a new utility-scale photovoltaic project.

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

14 "Subscription" means an interest in a community renewable
15 generation project expressed in kilowatts, which is sized
16 primarily to offset part or all of the subscriber's
17 electricity usage.

18 "Substitute natural gas" or "SNG" means a gas manufactured
19 by gasification of hydrocarbon feedstock, which is
20 substantially interchangeable in use and distribution with
21 conventional natural gas.

22 "Total resource cost test" or "TRC test" means a standard
23 that is met if, for an investment in energy efficiency or
24 demand-response measures, the benefit-cost ratio is greater
25 than one. The benefit-cost ratio is the ratio of the net
26 present value of the total benefits of the program to the net

1 present value of the total costs as calculated over the
2 lifetime of the measures. A total resource cost test compares
3 the sum of avoided electric utility costs, representing the
4 benefits that accrue to the system and the participant in the
5 delivery of those efficiency measures and including avoided
6 costs associated with reduced use of natural gas or other
7 fuels, avoided costs associated with reduced water
8 consumption, and avoided costs associated with reduced
9 operation and maintenance costs, as well as other quantifiable
10 societal benefits, to the sum of all incremental costs of
11 end-use measures that are implemented due to the program
12 (including both utility and participant contributions), plus
13 costs to administer, deliver, and evaluate each demand-side
14 program, to quantify the net savings obtained by substituting
15 the demand-side program for supply resources. In calculating
16 avoided costs of power and energy that an electric utility
17 would otherwise have had to acquire, reasonable estimates
18 shall be included of financial costs likely to be imposed by
19 future regulations and legislation on emissions of greenhouse
20 gases. In discounting future societal costs and benefits for
21 the purpose of calculating net present values, a societal
22 discount rate based on actual, long-term Treasury bond yields
23 should be used. Notwithstanding anything to the contrary, the
24 TRC test shall not include or take into account a calculation
25 of market price suppression effects or demand reduction
26 induced price effects.

1 "Utility-scale solar project" means an electric generating
2 facility that:

3 (1) generates electricity using photovoltaic cells;
4 and

5 (2) has a nameplate capacity that is greater than
6 5,000 kilowatts, as measured by the aggregate capacity of
7 systems that are (i) installed on the same or adjacent
8 parcels or (ii) constructed on contiguous parcels of land
9 or on separate parcels that are functionally adjacent,
10 including those separated only by intervening land uses,
11 such as roads, rights-of-way, agricultural fields, or
12 similar non-developmental uses, and that are developed by
13 affiliated entities, as described in subitem (3) of item
14 (iii) of subparagraph (K) of paragraph (1) of subsection
15 (c) of Section 1-75.

16 "Utility-scale wind project" means an electric generating
17 facility that:

18 (1) generates electricity using wind; and

19 (2) has a nameplate capacity that is greater than
20 5,000 kilowatts.

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

24 "Zero emission credit" means a tradable credit that
25 represents the environmental attributes of one megawatt hour
26 of energy produced from a zero emission facility.

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

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

7 (20 ILCS 3855/1-75)

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

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

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

17 Beginning with the plan or plans to be implemented in the
18 2017 delivery year, the Agency shall no longer include the
19 procurement of renewable energy resources in the annual
20 procurement plans required by this subsection (a), except as
21 provided in subsection (q) of Section 16-111.5 of the Public
22 Utilities Act, and shall instead develop a long-term renewable
23 resources procurement plan in accordance with subsection (c)
24 of this Section and Section 16-111.5 of the Public Utilities
25 Act.

26 In accordance with subsection (c-5) of this Section, the

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

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

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

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

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

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

1 (E) expertise in credit protocols and familiarity
2 with contract protocols;

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

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

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

14 (A) direct previous experience administering a
15 large-scale competitive procurement process;

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

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

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

24 (E) expertise in credit and contract protocols;

25 (F) adequate resources to perform and fulfill the
26 required functions and responsibilities; and

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

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

19 (A) failure to satisfy qualification criteria;

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

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

23 The Agency shall remove experts or expert consulting
24 firms from the lists within 10 days if there is a
25 reasonable basis for an objection and provide the updated
26 lists to the affected utilities and other interested

1 parties. If the Agency fails to remove an expert or expert
2 consulting firm from a list, an objecting party may seek
3 review by the Commission within 5 days thereafter by
4 filing a petition, and the Commission shall render a
5 ruling on the petition within 10 days. There is no right of
6 appeal of the Commission's ruling.

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

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

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

24 (b) The experts or expert consulting firms retained by the
25 Agency shall, as appropriate, prepare procurement plans, and
26 conduct a competitive procurement process as prescribed in

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

12 (c) Renewable portfolio standard.

13 (1) (A) The Agency shall develop a long-term renewable
14 resources procurement plan that shall include procurement
15 programs and competitive procurement events necessary to
16 meet the goals set forth in this subsection (c). The
17 initial long-term renewable resources procurement plan
18 shall be released for comment no later than 160 days after
19 June 1, 2017 (the effective date of Public Act 99-906).
20 The Agency shall review, and may revise on an expedited
21 basis, the long-term renewable resources procurement plan
22 at least every 2 years, which shall be conducted in
23 conjunction with the procurement plan under Section
24 16-111.5 of the Public Utilities Act to the extent
25 practicable to minimize administrative expense. No later
26 than 120 days after the effective date of this amendatory

1 Act of the 103rd General Assembly, the Agency shall
2 release for comment a revision to the long-term renewable
3 resources procurement plan, updating elements of the most
4 recently approved plan as needed to comply with this
5 amendatory Act of the 103rd General Assembly, and any
6 long-term renewable resources procurement plan update
7 published by the Agency but not yet approved by the
8 Illinois Commerce Commission shall be withdrawn. The
9 long-term renewable resources procurement plans shall be
10 subject to review and approval by the Commission under
11 Section 16-111.5 of the Public Utilities Act.

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

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

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

24 For the delivery year beginning June 1, 2018, the
25 procurement plan shall attempt to include, subject to the
26 prioritization outlined in this subparagraph (B),

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

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

24 For each delivery year, the Agency shall first
25 recognize each utility's obligations for that delivery
26 year under existing contracts. Any renewable energy

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

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

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

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

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

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

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

19 (iii) For purposes of this Section:

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

23 "New photovoltaic projects" means photovoltaic
24 renewable energy facilities that are energized after
25 June 1, 2017. Photovoltaic projects developed under
26 Section 1-56 of this Act shall not apply towards the

1 new photovoltaic project requirements in this
2 subparagraph (C).

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

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

25 (D) Renewable energy credits shall be cost effective.

26 For purposes of this subsection (c), "cost effective"

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

1 regional energy prices. The benchmarks in this Section
2 shall not be used to curtail or otherwise reduce
3 contractual obligations entered into by or through the
4 Agency prior to June 1, 2017 (the effective date of Public
5 Act 99-906).

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

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

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

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

22 (i) If the electric utility has retained unspent
23 funds in an interest-bearing account as prescribed in
24 subsection (k) of Section 16-108 of the Public
25 Utilities Act, then the utility shall use those funds
26 to remit full payment to the sellers to ensure prompt

1 and uninterrupted payment of existing contractual
2 obligation.

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

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

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

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

26 (bb) If the Agency determines that additional

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

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

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

26 (ee) The contract shall provide that, so long

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

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

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

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

25 (ii) renewable energy credits necessary to comply
26 with the new wind and new photovoltaic procurement

1 requirements described in items (i) through (iii) of
2 subparagraph (C) of this paragraph (1); and

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

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

8 (i) Notwithstanding whether a long-term renewable
9 resources procurement plan has been approved, the
10 Agency shall conduct an initial forward procurement
11 for renewable energy credits from new utility-scale
12 wind projects within 160 days 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 wind projects to begin delivery on June
18 1, 2019, if available, but not later than June 1, 2021,
19 unless the project has delays in the establishment of
20 an operating interconnection with the applicable
21 transmission or distribution system as a result of the
22 actions or inactions of the transmission or
23 distribution provider, or other causes for force
24 majeure as outlined in the procurement contract, in
25 which case, not later than June 1, 2022. Payments to
26 suppliers of renewable energy credits shall commence

1 upon delivery. Renewable energy credits procured under
2 this initial procurement shall be included in the
3 Agency's long-term plan and shall apply to all
4 renewable energy goals in this subsection (c).

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

1 renewable energy credits shall commence upon delivery.
2 Renewable energy credits procured under this initial
3 procurement shall be included in the Agency's
4 long-term plan and shall apply to all renewable energy
5 goals in this subsection (c).

6 (iii) Notwithstanding whether the Commission has
7 approved the periodic long-term renewable resources
8 procurement plan revision described in Section
9 16-111.5 of the Public Utilities Act, the Agency shall
10 conduct at least one subsequent forward procurement
11 for renewable energy credits from new utility-scale
12 wind projects, new utility-scale solar projects, and
13 new brownfield site photovoltaic projects within 240
14 days after the effective date of this amendatory Act
15 of the 102nd General Assembly in quantities necessary
16 to meet the requirements of subparagraph (C) of this
17 paragraph (1) through the delivery year beginning June
18 1, 2021.

19 (iv) Notwithstanding whether the Commission has
20 approved the periodic long-term renewable resources
21 procurement plan revision described in Section
22 16-111.5 of the Public Utilities Act, the Agency shall
23 open capacity for each category in the Adjustable
24 Block program within 90 days after the effective date
25 of this amendatory Act of the 102nd General Assembly
26 manner:

(1) The Agency shall open the first block of annual capacity for the category described in item (i) of subparagraph (K) of this paragraph (1). The first block of annual capacity for item (i) shall be for at least 75 megawatts of total nameplate capacity. The price of the renewable energy credit for this block of capacity shall be 4% less than the price of the last open block in this category. Projects on a waitlist shall be awarded contracts first in the order in which they appear on the waitlist. Notwithstanding anything to the contrary, for those renewable energy credits that qualify and are procured under this subitem (1) of this item (iv), the renewable energy credit delivery contract value shall be paid in full, based on the estimated generation during the first 15 years of operation, by the contracting utilities at the time that the facility producing the renewable energy credits is interconnected at the distribution system level of the utility and verified as energized and in compliance by the Program Administrator. The electric utility shall receive and retire all renewable energy credits generated by the project for the first 15 years of operation. Renewable energy credits generated by the project thereafter shall not be transferred

1 under the renewable energy credit delivery
2 contract with the counterparty electric utility.

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

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

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

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

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

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

21 The first 2 blocks of annual capacity for item
22 (iii) shall be for 250 megawatts of total
23 nameplate capacity, with both blocks opening
24 simultaneously under the schedule outlined in the
25 paragraphs below. Projects shall be selected as
26 follows:

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

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

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

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

26 (iii) Assuming all other program

1 requirements are met, applicant firms may
2 adjust the nameplate capacity of applicant
3 projects without losing waitlist
4 eligibility, so long as no project is
5 greater than 2,000 kilowatts in size.

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

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

18 (D) Applicant firms shall submit their
19 portfolio of projects used to satisfy those
20 contract awards no less than 90 days after the
21 Agency's announcement. The total nameplate
22 capacity of all projects used to satisfy that
23 portfolio shall be no greater than the
24 Agency's nameplate capacity award amount
25 associated with that applicant firm. An
26 applicant firm may decline, in whole or in

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

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

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

1 commercial customers with subscriptions of
2 below 25 kilowatts in size;

3 (ii) A requirement that a minimum of
4 50% of subscribers to the project's
5 nameplate capacity be residential or small
6 commercial customers with subscriptions of
7 below 25 kilowatts in size;

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

23 The Agency shall publish a finalized
24 updated renewable energy credit delivery
25 contract developed consistent with these terms
26 and conditions no less than 30 days before

1 applicant firms must submit their portfolio of
2 projects pursuant to item (D).

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

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

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

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

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

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

22 (1) The purchase price of the indexed
23 renewable energy credit payment shall be
24 calculated for each settlement period. That
25 payment, for any settlement period, shall be equal
26 to the difference resulting from subtracting the

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

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

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

specific value of the forecasted market price of electricity for each annual delivery year of the contract. For procurement planning purposes, the impact on the annual budget for the cost of indexed renewable energy credits for each delivery year shall be determined as the expected annual contract expenditure for that year, equaling the difference between (i) the sum across all relevant contracts of the applicable strike price multiplied by contract quantity and (ii) the sum across all relevant contracts of the forward price curve for the applicable load zone for that year multiplied by contract quantity. The contracting utility shall not assume an obligation in excess of the estimated annual cost of the contracts for indexed renewable energy credits. Forward curves shall be revised on an annual basis as updated forward price curves are released and filed with the Commission in the proceeding approving the Agency's most recent long-term renewable resources procurement plan. If the expected contract spend is higher or lower than the total quantity of contracts multiplied by the forward price curve value for that year, the forward price curve shall be updated by the procurement administrator, in consultation with the Agency, Commission staff,

1 and procurement monitors, using then-currently
2 available price forecast data and additional
3 budget dollars shall be obligated or reobligated
4 as appropriate.

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

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

25 (vii) On and after the effective date of this
26 amendatory Act of the 103rd General Assembly, for all

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

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

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

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

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

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

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

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

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

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

1 apply to each delivery year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (ii) At least 20% from distributed renewable

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

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

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

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

1 renewable energy credits with that as a factor.~~+~~

2 (3) Projects ~~projects~~ shall not be colocated
3 with one or more other community renewable
4 generation projects, as defined in the Agency's
5 first revised long-term renewable resources
6 procurement plan approved by the Commission on
7 February 18, 2020, such that the aggregate
8 nameplate capacity exceeds 5,000 kilowatts. The
9 total nameplate capacity of colocated projects
10 shall be the sum of the capacities of the
11 individual projects. Affiliates may not have
12 shared sales or revenue-sharing arrangements or
13 common debt and equity financing arrangements. For
14 purposes of this subitem (3), separate legal
15 formation of approved vendors shall not preclude a
16 finding of affiliation. Evidence of affiliation
17 may include, but is not limited to, shared
18 personnel, common contractual or financing
19 arrangements, a shared interconnection agreement,
20 excessive fragmentation, or any demonstrable
21 pattern of coordinated action in the
22 pre-development, development, construction, and
23 management of community renewable generation
24 projects. Projects that are later sold to distinct
25 legal entities shall not be exempt from a finding
26 of affiliation if documentation indicates that the

1 projects (i) share a common origin on a parcel
2 that has been subdivided in the 5 years prior to
3 application or (ii) were pre-developed prior to
4 construction by the same legal entity or an
5 affiliated legal entity. In such cases, the
6 projects shall be treated as colocated for the
7 purposes of aggregate nameplate capacity
8 limitations and Renewable Energy Certificate
9 pricing adjustments. The Agency shall make
10 exceptions to this subitem (3) on a case-by-case
11 basis if it is demonstrated that projects on one
12 parcel or projects on adjacent parcels have
13 separate, nonaffiliated owners. A parcel shall not
14 be divided into multiple parcels within the 5
15 years preceding a project application. If a parcel
16 is divided within the preceding 5 years, a
17 colocation determination shall be made based on
18 the boundaries of the original, undivided parcel.
19 For purposes of determining colocation, an
20 approved vendor who submits an application for a
21 community renewable generation project shall be
22 required to submit sufficient documentation
23 verifying (i) the parcel on which the project is
24 sited has not been subdivided within the 5 years
25 preceding the project application, and (ii) the
26 project is not affiliated with any other community

1 renewable generation project such that, if the 2
2 projects are deemed colocated, the projects would
3 exceed the 5,000 kilowatts nameplate capacity
4 limitation.

5 For purposes of this subitem (3): ~~and~~

6 "Colocated" means 2 or more community
7 renewable generation projects located on (i) a
8 single parcel or (ii) adjacent parcels, unless it
9 is demonstrated that the projects are developed by
10 unaffiliated entities.

11 "Affiliate" means any other entity that,
12 directly or indirectly through one or more
13 intermediaries, controls, is controlled by, or is
14 under common control of the primary entity or a
15 third entity. "Affiliate" includes family members
16 for the purposes of colocation between projects.

17 "Control" means the possession, directly or
18 indirectly, of the power to direct the management
19 and policies of an entity, whether through the
20 ownership of voting securities, by contract, or
21 otherwise.

22 (4) Projects ~~projects~~ greater than 2 MW may
23 not apply until after the approval of the Agency's
24 revised Long-Term Renewable Resources Procurement
25 Plan after the effective date of this amendatory
26 Act of the 102nd General Assembly.

1 (5) A project shall not be colocated with one
2 or more other distributed renewable energy
3 generation projects such that the aggregate
4 nameplate capacity of the projects exceeds 5,000
5 kilowatts. Notwithstanding any other provision of
6 this Section, if 2 or more projects are developed,
7 controlled, or originate from the same developer
8 or an affiliated developer and the projects serve
9 affiliated loads, the projects shall be colocated
10 if the projects are located on adjacent parcels.
11 If 2 or more projects are developed, controlled,
12 or originate from the same or affiliated developer
13 and the projects serve unaffiliated loads, the
14 projects shall be colocated if documentation
15 indicates affiliated management and ownership in
16 the pre-development, development, construction,
17 and management of the projects. Projects that are
18 later sold to distinct legal entities shall not be
19 exempt from a finding of affiliation if
20 documentation indicates that the projects were
21 pre-developed by the same legal entity or an
22 affiliated legal entity. For purposes of
23 determining colocation, an approved vendor who
24 submits an application for a distributed renewable
25 energy generation project shall be required to
26 submit sufficient documentation verifying that the

1 project is not affiliated with any other
2 distributed renewable energy generation project
3 such that, if the 2 projects were deemed
4 colocated, the projects would exceed the 5,000
5 kilowatts nameplate capacity limitation.

6 For the purposes of this subitem (5):

7 "Colocated" means 2 or more distributed
8 renewable energy generation projects that are
9 located on a single parcel, unless the owner of
10 the retail electric account is confirmed to be
11 unaffiliated and the projects serve distinct
12 electrical loads.

13 "Affiliate" has the meaning given to that term
14 in subitem (3) of this item (iii).

15 "Control" has the meaning given to that term
16 in subitem (3) of this item (iii).

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

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

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

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

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

25 (v) At least 5% from community-driven community
26 solar projects intended to provide more direct and

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

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

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

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

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

1 (5) whether a project is developed in response
2 to a site-specific RFP developed by community
3 members or a nonprofit organization or public
4 entity located in or serving the community.

5 Selection criteria may also prioritize projects
6 that:

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

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

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

20 (4) are not greenfield projects;

21 (5) serve only local subscribers;

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

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

26 (8) otherwise meaningfully advance the goals

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

6 For the purposes of this item (v):

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

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

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

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

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

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

1 contractors and capacity used in this item (vi) in
2 previous delivery years.

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

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

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

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

19 To the extent there is uncontracted capacity from any
20 block in any of categories (i) through (vi) at the end of a
21 delivery year, the Agency shall redistribute that capacity
22 to one or more other categories giving priority to
23 categories with projects on a waitlist. The redistributed
24 capacity shall be added to the annual capacity in the
25 subsequent delivery year, and the price for renewable
26 energy credits shall be the price for the new delivery

1 year. Redistributed capacity shall not be considered
2 redistributed when determining whether the goals in this
3 subsection (K) have been met.

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

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

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

20 (i) (Blank).

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

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

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

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

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

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

1 taking into consideration any additional new
2 requirements placed on the projects, including, but
3 not limited to, labor standards.

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

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

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

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

1 subsection (c) and subsection (k) of Section 16-108 of
2 the Public Utilities Act inclusive of eligible funds
3 collected in prior years and alternative compliance
4 payments for use by the utility.

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

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

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

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

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

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

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

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

25 The Agency and its program administrators for both the
26 Adjustable Block program and the Illinois Solar for All

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

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

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

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

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

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

25 (v) Through a filing in the proceeding for the
26 approval of its long-term renewable energy resources

1 procurement plan, the Agency shall provide an annual
2 written report to the Illinois Commerce Commission
3 documenting the frequency and nature of complaints and
4 any enforcement actions taken in response to those
5 complaints.

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

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

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

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

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

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

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

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

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

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

1 of Section 1-56 of this Act; provided that for the
2 delivery years beginning June 1, 2021, June 1, 2022, and
3 June 1, 2023, the long-term renewable resources
4 procurement plan may average the annual budgets over a
5 3-year period to account for program ramp-up. For the
6 delivery years beginning June 1, 2021, June 1, 2024, June
7 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
8 be provided to the Department of Commerce and Economic
9 Opportunity to implement the workforce development
10 programs and reporting as outlined in Section 16-108.12 of
11 the Public Utilities Act. In making the determinations
12 required under this subparagraph (O), the Commission shall
13 consider the experience and performance under the programs
14 and any evaluation reports. The Commission shall also
15 provide for an independent evaluation of those programs on
16 a periodic basis that are funded under this subparagraph
17 (O).

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

25 The Agency shall develop a method to optimize
26 procurement of renewable energy credits from proposed

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

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

21 (1) Each facility shall be subject to the
22 prevailing wage requirements included in the
23 Prevailing Wage Act. The Agency shall require
24 verification that all construction performed on the
25 facility by the renewable energy credit delivery
26 contract holder, its contractors, or its

1 subcontractors relating to construction of the
2 facility is performed by construction employees
3 receiving an amount for that work equal to or greater
4 than the general prevailing rate, as that term is
5 defined in Section 3 of the Prevailing Wage Act. For
6 purposes of this item (1), "house of worship" means
7 property that is both (1) used exclusively by a
8 religious society or body of persons as a place for
9 religious exercise or religious worship and (2)
10 recognized as exempt from taxation pursuant to Section
11 15-40 of the Property Tax Code. This item (1) shall
12 apply to any the following:

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

14 (ii) all new utility-scale photovoltaic
15 projects and repowered wind projects;

16 (iii) all new brownfield photovoltaic
17 projects;

18 (iv) all new photovoltaic community renewable
19 energy facilities that qualify for item (iii) of
20 subparagraph (K) of this paragraph (1);

21 (v) all new community driven community
22 photovoltaic projects that qualify for item (v) of
23 subparagraph (K) of this paragraph (1);

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

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

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

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

21 (2) Renewable energy credits procured from new
22 utility-scale wind projects, new utility-scale solar
23 projects, new brownfield solar projects, repowered
24 wind projects, and retooled hydropower facilities
25 pursuant to Agency procurement events occurring after
26 the effective date of this amendatory Act of the 102nd

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

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

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

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

22 (1) For the purposes of this subparagraph:

23 "Eligible self-direct customer" means any retail
24 customers of an electric utility that serves 3,000,000
25 or more retail customers in the State and whose total
26 highest 30-minute demand was more than 10,000

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

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

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

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

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

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

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

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

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

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

23 (vii) if the contracts for renewable energy
24 credits are entered into after the effective date
25 of this amendatory Act of the 102nd General
26 Assembly, the new utility-scale wind projects or

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

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

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

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

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

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

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

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

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

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

24 (iv) certification of the quantities of
25 renewable energy credits that the customer will
26 purchase each year under such contract or

1 contracts, including supporting documentation;

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

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

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

24 (2) (Blank).

25 (3) (Blank).

26 (4) The electric utility shall retire all renewable

1 energy credits used to comply with the standard.

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

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

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

19 In meeting the renewable energy requirements of this
20 subsection (c), to the extent feasible and consistent with
21 State and federal law, the renewable energy credit
22 procurements, Adjustable Block solar program, and
23 community renewable generation program shall provide
24 employment opportunities for all segments of the
25 population and workforce, including minority-owned and
26 female-owned business enterprises, and shall not,

1 consistent with State and federal law, discriminate based
2 on race or socioeconomic status.

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

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

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

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

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

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

24 (B) The applicant is not (i) an electric
25 cooperative as defined in Section 3-119 of the Public
26 Utilities Act, or (ii) an entity described in

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

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

1 storage facility having a storage capacity equal to at
2 least 0.5 megawatts and at most one megawatt.

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

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

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

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

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

21 (H) The applicant commits to enter into a contract
22 or contracts for the applicable duration to provide
23 specified numbers of renewable energy credits each
24 year from the new renewable energy facility to
25 electric utilities that served more than 300,000
26 retail customers in this State as of January 1, 2019,

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

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

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

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

10 (5) The Agency shall select the applicants and the new
11 renewable energy facilities to contract with electric
12 utilities to supply renewable energy credits in accordance
13 with this subsection (c-5). In the first procurement
14 event, the Agency shall select applicants and new
15 renewable energy facilities to supply renewable energy
16 credits, at a price of \$30 per renewable energy credit,
17 aggregating to no less than 400,000 renewable energy
18 credits per year for the applicable duration, assuming
19 sufficient qualifying applications to supply, in the
20 aggregate, at least that amount of renewable energy
21 credits per year; and not more than 580,000 renewable
22 energy credits per year for the applicable duration. In
23 the second procurement event, the Agency shall select
24 applicants and new renewable energy facilities to supply
25 renewable energy credits, at a price of \$30 per renewable
26 energy credit, aggregating to no more than 625,000

1 renewable energy credits per year less the amount of
2 renewable energy credits each year contracted for as a
3 result of the first procurement event, for the applicable
4 durations. The number of renewable energy credits to be
5 procured as specified in this paragraph (5) shall not be
6 reduced based on renewable energy credits procured in the
7 self-direct renewable energy credit compliance program
8 established pursuant to subparagraph (R) of paragraph (1)
9 of subsection (c) of Section 1-75.

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

1 by the applicant from the new renewable energy facility.

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

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

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

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

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

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

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

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

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

25 (A) The Coal to Solar and Energy Storage
26 Initiative Fund is established as a special fund in

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

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

24 (C) The Department shall utilize up to
25 \$280,500,000 in the Coal to Solar and Energy Storage
26 Initiative Fund for grants, assuming sufficient

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

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

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

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

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

1 electric generating facility is located;

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

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

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

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

26 (9) the owner agrees that the new energy

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

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

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

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

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

18 The Department shall accept applications for this
19 grant program until March 31, 2022 and shall announce
20 the award of grants no later than June 1, 2022. The
21 Department shall make the grant payments to a
22 recipient in equal annual amounts for 10 years
23 following the date the energy storage facility is
24 placed into commercial operation. The annual grant
25 payments to a qualifying energy storage facility shall
26 be \$110,000 per megawatt of energy storage capacity,

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

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

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

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

24 (A) Each applicant selected in a procurement event
25 to contract to supply renewable energy credits in
26 accordance with this subsection (c-5) and each owner

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

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

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

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

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

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

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

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

1 disproportionate levels of pollution, and have
2 disproportionately experienced negative public health
3 outcomes.

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

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

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

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

1 that are not on track to achieve compliance.

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

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

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

26 (2) Equity accountability system within the Adjustable

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

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

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

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

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

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

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

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

1 recommendations to target recruitment to add such
2 eligible persons or eligible contractors to the
3 database.

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

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

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

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

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

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

26 (2) Racial disparity and discrimination review

1 process.

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

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

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

14 (c-20) Program data collection.

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

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

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

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

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

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

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

25 (5) Nothing in this subsection shall be interpreted to
26 limit the authority of the Agency, or other agency or

1 department of the State, to require or collect demographic
2 information from applicants of other State programs.

3 (c-25) Energy Workforce Equity Database.

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

14 (A) publicly accessible;

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

16 (C) organized by company specialty or field;

17 (D) region-specific; and

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

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

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

3 (B) job postings and recruiting opportunities;

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

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

11 (E) renewable energy company diversity reporting;

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

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

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

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

1 individuals and entities that are or have participated in
2 the Clean Jobs Workforce Network Program, Clean Energy
3 Contractor Incubator Program, Returning Residents Clean
4 Jobs Training Program, or Clean Energy Primes Contractor
5 Accelerator Program.

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

21 (d) Clean coal portfolio standard.

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

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

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

24 Utilities shall maintain adequate records documenting
25 the purchases under the sourcing agreement to comply with
26 this subsection (d) and shall file an accounting with the

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

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

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

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

1 costs of these resources included in the amounts paid by
2 eligible retail customers in connection with electric
3 service to:

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

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

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

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

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

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

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

17 (3) Initial clean coal facility. In order to promote
18 development of clean coal facilities in Illinois, each
19 electric utility subject to this Section shall execute a
20 sourcing agreement to source electricity from a proposed
21 clean coal facility in Illinois (the "initial clean coal
22 facility") that will have a nameplate capacity of at least
23 500 MW when commercial operation commences, that has a
24 final Clean Air Act permit on June 1, 2009 (the effective
25 date of Public Act 95-1027), and that will meet the
26 definition of clean coal facility in Section 1-10 of this

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

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

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

26 (ii) provide that all miscellaneous net

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

16 (B) power purchase provisions, which shall:

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

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

24 (iii) require the utility party to such
25 sourcing agreement to buy from the initial clean
26 coal facility in each hour an amount of energy

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

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

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

24 (i) require the utility party to such sourcing
25 agreement to contract with the initial clean coal
26 facility in each hour with respect to an amount of

1 energy equal to all clean coal energy made
2 available from the initial clean coal facility
3 during such hour times a fraction, the numerator
4 of which is such utility's retail market sales of
5 electricity (expressed in kilowatthours sold) in
6 the utility's service territory 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 paid by the utility in
18 any year will be limited by paragraph (2) of this
19 subsection (d);

20 (ii) provide that the utility's payment
21 obligation in respect of the quantity of
22 electricity determined pursuant to the preceding
23 clause (i) shall be limited to an amount equal to
24 (1) the difference between the contract price
25 determined pursuant to subparagraph (A) of
26 paragraph (3) of this subsection (d) and the

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

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

15 (D) general provisions, which shall:

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

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

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

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

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

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

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

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

18 (vii) require Commission review: (1) to
19 determine the justness, reasonableness, and
20 prudence of the inputs to the formula referenced
21 in subparagraphs (A)(i) through (A)(iii) of
22 paragraph (3) of this subsection (d), prior to an
23 adjustment in those inputs including, without
24 limitation, the capital structure and return on
25 equity, fuel costs, and other operations and
26 maintenance costs and (2) to approve the costs to

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

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

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

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

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

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

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

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

22 (i) Facility cost report. The owner of the initial
23 clean coal facility shall submit to the Commission,
24 the Agency, and the General Assembly a front-end
25 engineering and design study, a facility cost report,
26 method of financing (including but not limited to

1 structure and associated costs), and an operating and
2 maintenance cost quote for the facility (collectively
3 "facility cost report"), which shall be prepared in
4 accordance with the requirements of this paragraph (4)
5 of subsection (d) of this Section, and shall provide
6 the Commission and the Agency access to the work
7 papers, relied upon documents, and any other backup
8 documentation related to the facility cost report.

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

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

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

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

1 The facility cost report shall be prepared as follows:

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

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

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

1 delivery.

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

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

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

1 by duly licensed engineering and construction firms
2 performing the construction cost quote, potential
3 vendors under long-term service agreements and plant
4 operating agreements, or recognized third party plant
5 operator or operators.

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

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

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

26 (5) Re-powering and retrofitting coal-fired power

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

1 all books and records associated with these clean coal
2 facilities during the term of any such contract.

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

9 (d-5) Zero emission standard.

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

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

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

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

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

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

26 (ii) the amount of power generated annually

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

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

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

1 procurement.

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

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

1 delivery year, then no payments shall be due in that
2 delivery year. The components of this calculation are
3 defined as follows:

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

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

1 multiplied by the Planning Resource Auction, or
2 its successor, capacity price for Zone 4
3 determined by the Midcontinent Independent System
4 Operator, Inc., divided by 24 hours per day.

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

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

24 (bb) Projected capacity prices:

25 (I) For the delivery years commencing
26 June 1, 2017, June 1, 2018, and June 1,

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

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

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

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

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

12 "RTO" means regional transmission
13 organization.

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

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

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

19 Upon publishing of the zero emission standard
20 procurement plan, copies of the plan shall be posted
21 and made publicly available on the Agency's website.
22 All interested parties shall have 10 days following
23 the date of posting to provide comment to the Agency on
24 the plan. All comments shall be posted to the Agency's
25 website. Following the end of the comment period, but
26 no more than 60 days later than June 1, 2017 (the

1 effective date of Public Act 99-906), the Agency shall
2 revise the plan as necessary based on the comments
3 received and file its zero emission standard
4 procurement plan with the Commission.

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

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

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

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

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

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

24 (bb) the costs of replacement with other
25 zero carbon dioxide resources, including wind
26 and photovoltaic, based upon the simple

1 average of the following:

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

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

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

23 The procurement described in this subsection
24 (d-5), including, but not limited to, the execution of
25 all contracts procured, shall be completed no later
26 than May 10, 2017. Based on the effective date of

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

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

23 (E) Notwithstanding the requirements of this
24 subsection (d-5), the contracts executed under this
25 subsection (d-5) shall provide that the zero emission
26 facility may, as applicable, suspend or terminate

1 performance under the contracts in the following
2 instances:

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

25 (ii) A zero emission facility shall be
26 permitted to terminate the contract if legislation

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

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

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

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

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

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

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

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

24 No later than June 30, 2019, the Commission shall
25 review the limitation on the amount of zero emission
26 credits procured under this subsection (d-5) and report to

1 the General Assembly its findings as to whether that
2 limitation unduly constrains the procurement of
3 cost-effective zero emission credits.

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

1 facility under its contract.

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

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

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

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

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

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

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

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

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

15 (1) The General Assembly finds:

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

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

1 until Illinois is able to develop other forms of clean
2 energy.

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

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

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

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

1 program.

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

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

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

19 (2) As used in this subsection:

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

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

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

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

15 (3) Procurement.

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

1 resource's projected output.

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

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

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

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

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

24 (I) the carbon-free energy resource's cost
25 projections, expressed on a per megawatt-hour
26 basis, over the next 5 delivery years, which shall

1 include the following: operation and maintenance
2 expenses; fully allocated overhead costs, which
3 shall be allocated using the methodology developed
4 by the Institute for Nuclear Power Operations;
5 fuel expenditures; nonfuel capital expenditures;
6 spent fuel expenditures; a return on working
7 capital; the cost of operational and market risks
8 that could be avoided by ceasing operation; and
9 any other costs necessary for continued
10 operations, provided that "necessary" means, for
11 purposes of this subitem (I), that the costs could
12 reasonably be avoided only by ceasing operations
13 of the carbon-free energy resource; and

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

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

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

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

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

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

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

26 (I) one of the following energy price indices,

1 selected by the bidder at the time of the bid for
2 the term of the contract:

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

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

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

1 in the carbon mitigation credit procurement plan;

2 and

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

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

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

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

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

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

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

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

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

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

25 An Environmental Protection Agency consultant
26 forecast, included in a report issued April 14, 2021,

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

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

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

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

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

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

23 (i) identify how the selected carbon-free energy
24 resources satisfy the public interest criteria
25 described in this paragraph (3) of minimizing carbon
26 dioxide emissions that result from electricity

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

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

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

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

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

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

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

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

1 recovery pursuant to a tariff or tariffs filed with the
2 Commission.

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

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

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

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

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

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

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

25 (i) A renewable energy credit, carbon emission credit,
26 zero emission credit, or carbon mitigation credit can only be

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

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