



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3464

Introduced 2/18/2025, by Rep. Marcus C. Evans, Jr.

SYNOPSIS AS INTRODUCED:

New Act
20 ILCS 3855/1-75
30 ILCS 105/5.1030 new

Creates the Illinois Rust Belt to Green Belt Pilot Program Act. Creates the Illinois Rust Belt to Green Belt Fund as a special fund in the State treasury and makes a conforming change in the State Finance Act. Provides that the Fund shall be used by the Department of Commerce and Economic Opportunity to encourage and facilitate the employment of construction workforces located in underrepresented populations. Provides that applicants that are applying for a new utility-scale offshore wind project with the Illinois Power Agency shall file with the Department, as part of the applicant's application, an equity and inclusion plan. Amends the Illinois Power Agency Act. In provisions concerning the procurement of renewable energy credits, provides that in addition to the amount of renewable energy credits to be procured from wind projects, the Illinois Power Agency shall procure at least 700,000 renewable energy credits, delivered annually for at least 20 years, from one new utility-scale offshore wind project. In provisions concerning the development of a long-term renewable resources procurement plan, provides that the total of renewable energy resources procured under the procurement plan shall be reduced for all retail customers based on the amount necessary to limit the annual estimated average net increase due to the costs of these resources included in the amounts paid by eligible retail customers in connection with electric service to no more than 4.25% of the amount paid per kilowatthour by those customers during the year ending May 31, 2009, and to no more than 4.5% of that amount as of the billing month following the expected date that a new utility-scale offshore wind project commences commercial operations and is expected to begin delivering power to the PJM Interconnection, LLC transmission grid. Provides that the Agency shall conduct at least one new utility-scale offshore wind procurement within 360 days after the effective date of the amendatory Act. Defines terms. Makes other changes. Effective immediately.

LRB104 11423 BDA 21511 b

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Rust Belt to Green Belt Pilot Program Act.

6 Section 5. Legislative findings. The General Assembly
7 finds and determines that:

8 (1) Human-induced greenhouse gas emissions have been
9 identified as contributing to global warming, the effects
10 of which pose a threat to the public health, safety,
11 welfare, and economy of the State.

12 (2) The White House released a statement claiming
13 that, in 2020, the United States endured 22 separate
14 billion-dollar weather and climate disasters, costing
15 \$95,000,000,000 in damages to homes, businesses, and
16 public infrastructure.

17 (3) In order to meet the energy needs of the State,
18 keep its economy strong, and protect the environment while
19 reducing its contribution to human-induced greenhouse gas
20 emissions, the State must be a leader in developing new
21 low-carbon technologies.

22 (4) Offshore wind is an emerging source of large-scale
23 renewable energy that is proximate to Illinois' major

1 electric loads and labor intensive.

2 (5) Offshore wind produces high capacity factor
3 renewable power, making it a valuable resource
4 complementary to land-based wind and solar.

5 (6) In his first week in office, President Joseph R.
6 Biden, Jr., issued Executive Order (14008) on Tackling the
7 Climate Crisis at Home and Abroad, which directs the
8 Secretary of the Interior to identify steps that can be
9 taken to double offshore wind by 2030 while "ensuring
10 robust protection for our lands, waters, and biodiversity
11 and creating good jobs".

12 (7) The United States Departments of Interior, Energy,
13 and Commerce announced a shared goal to deploy 30
14 gigawatts of offshore wind in the United States by 2030,
15 while protecting biodiversity and promoting ocean co-use,
16 which trigger more than \$12,000,000,000 per year in
17 capital investment; create tens of thousands of
18 good-paying, union jobs, with more than 44,000 workers
19 employed in offshore wind by 2030 and nearly 33,000
20 additional jobs in communities supported by offshore wind
21 activity; generate enough power to meet the demand of more
22 than 10,000,000 American homes for a year; and avoid
23 78,000,000 metric tons of carbon dioxide emissions.

24 (8) The federal government is expanding infrastructure
25 funding for port rehabilitation and construction,
26 including the United States Department of Transportation's

1 Maritime Administration's Notice of Funding Opportunity
2 for port authorities and other applicants to apply for
3 \$230,000,000 for port and intermodal
4 infrastructure-related projects through the Port
5 Infrastructure Development Program to support projects
6 that strengthen and modernize port infrastructure, and can
7 support shore-side wind energy projects, such as storage
8 areas, laydown areas, and docking of wind energy vessels
9 to load and move items to offshore wind farms.

10 (9) Extensive development of offshore wind on the East
11 Coast is making offshore wind costs more competitive.

12 (10) Lake Michigan is the fifth largest lake in the
13 world, with a total surface area of 22,404 square miles
14 across 4 states, with 1,576 square miles of surface area
15 in Illinois.

16 (11) The 1,576 square miles of Lake Michigan within
17 the boundaries of the State have a potential capacity of
18 4,528 megawatts of offshore wind.

19 (12) The State has excellent and available port
20 infrastructure on the South Side of Chicago that can be
21 used as a base for construction, operations, and
22 maintenance.

23 (13) The State seeks a leadership position in the
24 offshore wind industry as it emerges in the Great Lakes.

25 (14) Fostering development of a new industry on the
26 South Side of Chicago will help create jobs for the most

1 underserved and underrepresented segment of Illinois'
2 population.

3 (15) Offshore wind developments will attract
4 investment capital and will enable the development and
5 preservation of a skilled and trained construction
6 workforce to carry out projects, long-term job creation,
7 and development of an offshore wind energy supply chain.
8 Rates will not be impacted until after the offshore wind
9 development is energized and starts delivering power.

10 (16) The bed of Lake Michigan is held by the State in
11 public trust on behalf of the citizens of the State, and,
12 therefore, all offshore wind developments in Lake Michigan
13 are subject to obtaining permits from the Department of
14 Natural Resources pursuant to the Rivers, Lakes, and
15 Streams Act.

16 Therefore, the General Assembly finds that it is necessary
17 to enact this Act to enable the responsible creation of an
18 offshore wind industry in the State with the creation of a
19 pilot project of at least 150 megawatts to provide economic
20 and environmental benefits to the State.

21 Section 10. Definitions. As used in this Act:

22 "Department" means the Department of Commerce and Economic
23 Opportunity.

24 "Disproportionately impacted area" means a census tract or
25 comparable geographic area that satisfies criteria as

1 determined by the Department.

2 "Equity and inclusion plan" means a plan that is filed
3 with the Department by an applicant for a new utility-scale
4 offshore wind project pursuant to item (iii-5) of subparagraph
5 (G) of paragraph (1) of subsection (c) of Section 1-75 of the
6 Illinois Power Agency Act.

7 "Equity and inclusion plan scoring" means a score of up to
8 34 points, determined by the Department's review of an
9 applicant's ability to demonstrate that it has a comprehensive
10 and detailed equity and inclusion plan crafted to create
11 opportunities for underrepresented populations and equity
12 investment eligible communities.

13 "Equity investment eligible communities" means "equity
14 investment eligible community" as defined in Section 5-5 of
15 the Energy Transition Act.

16 "Minorities" means "minority person" as defined in the
17 Business Enterprise for Minorities, Women, and Persons with
18 Disabilities Act.

19 "New utility-scale offshore wind project" means an
20 electric generating facility that:

- 21 (1) generates electricity using wind;
- 22 (2) has a nameplate capacity that is greater than 150
23 megawatts;
- 24 (3) is sited in the waters of Lake Michigan;
- 25 (4) is interconnected to the PJM Interconnection's
26 regional transmission system;

1 (5) has a fully executed project labor agreement with
2 the applicable local building and construction trades
3 council for the length of the renewable energy credit
4 contract;

5 (6) has a comprehensive and detailed equity and
6 inclusion plan crafted to create opportunities for
7 underrepresented local populations in addition to equity
8 investment eligible communities; and

9 (7) has a permit pursuant to the Rivers, Lakes, and
10 Streams Act from the Department of Natural Resources.

11 "Underrepresented populations" means populations
12 identified by the Department that historically have had
13 barriers to entry or advancement in the workforce and reside
14 within a disproportionately impacted area that is within 3
15 miles of the primary staging location of a new utility-scale
16 offshore wind project. "Underrepresented populations"
17 includes, but is not limited to, minorities, women, and
18 veterans.

19 Section 15. Illinois Rust Belt to Green Belt Fund;
20 creation; distribution of proceeds.

21 (a) The Illinois Rust Belt to Green Belt Fund is created as
22 a special fund in the State treasury. The fund may receive
23 federal financial assistance, either directly from the federal
24 government or indirectly through another source, public or
25 private. The fund may also receive transfers, gifts, grants,

1 or donations from any source, public or private. Subject to
2 appropriation, funds may be spent for purposes including, but
3 not limited to, administrative expenses of the Department,
4 grants and other financial assistance related to construction
5 of ports and infrastructure, and workforce development related
6 to offshore wind.

7 (b) The Illinois Rust Belt to Green Belt Fund shall be used
8 by the Department to encourage and facilitate the employment
9 of construction workforces located in underrepresented
10 populations, in addition to equity investment eligible
11 communities for work on a new utility-scale offshore wind
12 project or related port, and compliance with all rules and
13 regulations of the Environmental Protection Agency. Recipients
14 of grants or awards from the Illinois Rust Belt to Green Belt
15 Fund may utilize the Illinois Climate Works Preapprenticeship
16 Program, Clean Jobs Workforce Network Program, Clean Energy
17 Contractor Incubator Program, Returning Residents Clean Jobs
18 Training Program, and Clean Energy Primes Contractor
19 Accelerator Program as described in the Energy Transition Act
20 to recruit, prescreen, and provide pre-apprenticeship skills
21 training for work on a new utility-scale offshore wind project
22 or related port.

23 Section 20. Equity and inclusion plan; filing; scoring.
24 Applicants that are applying for a new utility-scale offshore
25 wind project with the Illinois Power Agency shall file with

1 the Department, as part of the applicant's application, an
2 equity and inclusion plan. This equity and inclusion plan
3 shall include one or more community benefits agreements with
4 community-based organizations. For purposes of this Section,
5 "community-based organizations" means organizations that: (i)
6 provide employment training, readiness, or skill development
7 and facilitate economic development or related services to
8 members of the community; (ii) have at least one main
9 operating office in the community or region it services; and
10 (iii) are resident driven, where decisions are made by people
11 of the community. The Department shall accept all equity and
12 inclusion plans and shall issue equity and inclusion plan
13 scoring for each plan based upon the plan's ability to create
14 opportunities for (i) underrepresented populations and (ii)
15 equity investment eligible communities. The maximum number of
16 points that the Department can award for each plan is 34
17 points.

18 Section 100. The Illinois Power Agency Act is amended by
19 changing Section 1-75 as follows:

20 (20 ILCS 3855/1-75)

21 Sec. 1-75. Planning and Procurement Bureau. The Planning
22 and Procurement Bureau has the following duties and
23 responsibilities:

24 (a) The Planning and Procurement Bureau shall each year,

1 beginning in 2008, develop procurement plans and conduct
2 competitive procurement processes in accordance with the
3 requirements of Section 16-111.5 of the Public Utilities Act
4 for the eligible retail customers of electric utilities that
5 on December 31, 2005 provided electric service to at least
6 100,000 customers in Illinois. Beginning with the delivery
7 year commencing on June 1, 2017, the Planning and Procurement
8 Bureau shall develop plans and processes for the procurement
9 of zero emission credits from zero emission facilities in
10 accordance with the requirements of subsection (d-5) of this
11 Section. Beginning on the effective date of this amendatory
12 Act of the 102nd General Assembly, the Planning and
13 Procurement Bureau shall develop plans and processes for the
14 procurement of carbon mitigation credits from carbon-free
15 energy resources in accordance with the requirements of
16 subsection (d-10) of this Section. The Planning and
17 Procurement Bureau shall also develop procurement plans and
18 conduct competitive procurement processes in accordance with
19 the requirements of Section 16-111.5 of the Public Utilities
20 Act for the eligible retail customers of small
21 multi-jurisdictional electric utilities that (i) on December
22 31, 2005 served less than 100,000 customers in Illinois and
23 (ii) request a procurement plan for their Illinois
24 jurisdictional load. This Section shall not apply to a small
25 multi-jurisdictional utility until such time as a small
26 multi-jurisdictional utility requests the Agency to prepare a

1 procurement plan for their Illinois jurisdictional load. For
2 the purposes of this Section, the term "eligible retail
3 customers" has the same definition as found in Section
4 16-111.5(a) of the Public Utilities Act.

5 Beginning with the plan or plans to be implemented in the
6 2017 delivery year, the Agency shall no longer include the
7 procurement of renewable energy resources in the annual
8 procurement plans required by this subsection (a), except as
9 provided in subsection (q) of Section 16-111.5 of the Public
10 Utilities Act, and shall instead develop a long-term renewable
11 resources procurement plan in accordance with subsection (c)
12 of this Section and Section 16-111.5 of the Public Utilities
13 Act.

14 In accordance with subsection (c-5) of this Section, the
15 Planning and Procurement Bureau shall oversee the procurement
16 by electric utilities that served more than 300,000 retail
17 customers in this State as of January 1, 2019 of renewable
18 energy credits from new utility-scale solar projects to be
19 installed, along with energy storage facilities, at or
20 adjacent to the sites of electric generating facilities that,
21 as of January 1, 2016, burned coal as their primary fuel
22 source.

23 (1) The Agency shall each year, beginning in 2008, as
24 needed, issue a request for qualifications for experts or
25 expert consulting firms to develop the procurement plans
26 in accordance with Section 16-111.5 of the Public

1 Utilities Act. In order to qualify an expert or expert
2 consulting firm must have:

3 (A) direct previous experience assembling
4 large-scale power supply plans or portfolios for
5 end-use customers;

6 (B) an advanced degree in economics, mathematics,
7 engineering, risk management, or a related area of
8 study;

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

11 (D) expertise in wholesale electricity market
12 rules, including those established by the Federal
13 Energy Regulatory Commission and regional transmission
14 organizations;

15 (E) expertise in credit protocols and familiarity
16 with contract protocols;

17 (F) adequate resources to perform and fulfill the
18 required functions and responsibilities; and

19 (G) the absence of a conflict of interest and
20 inappropriate bias for or against potential bidders or
21 the affected electric utilities.

22 (2) The Agency shall each year, as needed, issue a
23 request for qualifications for a procurement administrator
24 to conduct the competitive procurement processes in
25 accordance with Section 16-111.5 of the Public Utilities
26 Act. In order to qualify an expert or expert consulting

1 firm must have:

2 (A) direct previous experience administering a
3 large-scale competitive procurement process;

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

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

8 (D) expertise in wholesale electricity market
9 rules, including those established by the Federal
10 Energy Regulatory Commission and regional transmission
11 organizations;

12 (E) expertise in credit and contract protocols;

13 (F) adequate resources to perform and fulfill the
14 required functions and responsibilities; and

15 (G) the absence of a conflict of interest and
16 inappropriate bias for or against potential bidders or
17 the affected electric utilities.

18 (3) The Agency shall provide affected utilities and
19 other interested parties with the lists of qualified
20 experts or expert consulting firms identified through the
21 request for qualifications processes that are under
22 consideration to develop the procurement plans and to
23 serve as the procurement administrator. The Agency shall
24 also provide each qualified expert's or expert consulting
25 firm's response to the request for qualifications. All
26 information provided under this subparagraph shall also be

1 provided to the Commission. The Agency may provide by rule
2 for fees associated with supplying the information to
3 utilities and other interested parties. These parties
4 shall, within 5 business days, notify the Agency in
5 writing if they object to any experts or expert consulting
6 firms on the lists. Objections shall be based on:

7 (A) failure to satisfy qualification criteria;

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

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

11 The Agency shall remove experts or expert consulting
12 firms from the lists within 10 days if there is a
13 reasonable basis for an objection and provide the updated
14 lists to the affected utilities and other interested
15 parties. If the Agency fails to remove an expert or expert
16 consulting firm from a list, an objecting party may seek
17 review by the Commission within 5 days thereafter by
18 filing a petition, and the Commission shall render a
19 ruling on the petition within 10 days. There is no right of
20 appeal of the Commission's ruling.

21 (4) The Agency shall issue requests for proposals to
22 the qualified experts or expert consulting firms to
23 develop a procurement plan for the affected utilities and
24 to serve as procurement administrator.

25 (5) The Agency shall select an expert or expert
26 consulting firm to develop procurement plans based on the

1 proposals submitted and shall award contracts of up to 5
2 years to those selected.

3 (6) The Agency shall select an expert or expert
4 consulting firm, with approval of the Commission, to serve
5 as procurement administrator based on the proposals
6 submitted. If the Commission rejects, within 5 days, the
7 Agency's selection, the Agency shall submit another
8 recommendation within 3 days based on the proposals
9 submitted. The Agency shall award a 5-year contract to the
10 expert or expert consulting firm so selected with
11 Commission approval.

12 (b) The experts or expert consulting firms retained by the
13 Agency shall, as appropriate, prepare procurement plans, and
14 conduct a competitive procurement process as prescribed in
15 Section 16-111.5 of the Public Utilities Act, to ensure
16 adequate, reliable, affordable, efficient, and environmentally
17 sustainable electric service at the lowest total cost over
18 time, taking into account any benefits of price stability, for
19 eligible retail customers of electric utilities that on
20 December 31, 2005 provided electric service to at least
21 100,000 customers in the State of Illinois, and for eligible
22 Illinois retail customers of small multi-jurisdictional
23 electric utilities that (i) on December 31, 2005 served less
24 than 100,000 customers in Illinois and (ii) request a
25 procurement plan for their Illinois jurisdictional load.

26 (c) Renewable portfolio standard.

1 (1) (A) The Agency shall develop a long-term renewable
2 resources procurement plan that shall include procurement
3 programs and competitive procurement events necessary to
4 meet the goals set forth in this subsection (c). The
5 initial long-term renewable resources procurement plan
6 shall be released for comment no later than 160 days after
7 June 1, 2017 (the effective date of Public Act 99-906).
8 The Agency shall review, and may revise on an expedited
9 basis, the long-term renewable resources procurement plan
10 at least every 2 years, which shall be conducted in
11 conjunction with the procurement plan under Section
12 16-111.5 of the Public Utilities Act to the extent
13 practicable to minimize administrative expense. No later
14 than 120 days after the effective date of this amendatory
15 Act of the 103rd General Assembly, the Agency shall
16 release for comment a revision to the long-term renewable
17 resources procurement plan, updating elements of the most
18 recently approved plan as needed to comply with this
19 amendatory Act of the 103rd General Assembly, and any
20 long-term renewable resources procurement plan update
21 published by the Agency but not yet approved by the
22 Illinois Commerce Commission shall be withdrawn. The
23 long-term renewable resources procurement plans shall be
24 subject to review and approval by the Commission under
25 Section 16-111.5 of the Public Utilities Act.

26 (B) Subject to subparagraph (F) of this paragraph (1),

1 the long-term renewable resources procurement plan shall
2 attempt to meet the goals for procurement of renewable
3 energy credits at levels of at least the following overall
4 percentages: 13% by the 2017 delivery year; increasing by
5 at least 1.5% each delivery year thereafter to at least
6 25% by the 2025 delivery year; increasing by at least 3%
7 each delivery year thereafter to at least 40% by the 2030
8 delivery year, and continuing at no less than 40% for each
9 delivery year thereafter. The Agency shall attempt to
10 procure 50% by delivery year 2040. The Agency shall
11 determine the annual increase between delivery year 2030
12 and delivery year 2040, if any, taking into account energy
13 demand, other energy resources, and other public policy
14 goals. In the event of a conflict between these goals and
15 the new wind, new photovoltaic, and hydropower procurement
16 requirements described in items (i) through (iii) of
17 subparagraph (C) of this paragraph (1), the long-term plan
18 shall prioritize compliance with the new wind, new
19 photovoltaic, and hydropower procurement requirements
20 described in items (i) through (iii) of subparagraph (C)
21 of this paragraph (1) over the annual percentage targets
22 described in this subparagraph (B). The Agency shall not
23 comply with the annual percentage targets described in
24 this subparagraph (B) by procuring renewable energy
25 credits that are unlikely to lead to the development of
26 new renewable resources or new, modernized, or retooled

1 hydropower facilities.

2 For the delivery year beginning June 1, 2017, the
3 procurement plan shall attempt to include, subject to the
4 prioritization outlined in this subparagraph (B),
5 cost-effective renewable energy resources equal to at
6 least 13% of each utility's load for eligible retail
7 customers and 13% of the applicable portion of each
8 utility's load for retail customers who are not eligible
9 retail customers, which applicable portion shall equal 50%
10 of the utility's load for retail customers who are not
11 eligible retail customers on February 28, 2017.

12 For the delivery year beginning June 1, 2018, the
13 procurement plan shall attempt to include, subject to the
14 prioritization outlined in this subparagraph (B),
15 cost-effective renewable energy resources equal to at
16 least 14.5% of each utility's load for eligible retail
17 customers and 14.5% of the applicable portion of each
18 utility's load for retail customers who are not eligible
19 retail customers, which applicable portion shall equal 75%
20 of the utility's load for retail customers who are not
21 eligible retail customers on February 28, 2017.

22 For the delivery year beginning June 1, 2019, and for
23 each year thereafter, the procurement plans shall attempt
24 to include, subject to the prioritization outlined in this
25 subparagraph (B), cost-effective renewable energy
26 resources equal to a minimum percentage of each utility's

1 load for all retail customers as follows: 16% by June 1,
2 2019; increasing by 1.5% each year thereafter to 25% by
3 June 1, 2025; and 25% by June 1, 2026; increasing by at
4 least 3% each delivery year thereafter to at least 40% by
5 the 2030 delivery year, and continuing at no less than 40%
6 for each delivery year thereafter. The Agency shall
7 attempt to procure 50% by delivery year 2040. The Agency
8 shall determine the annual increase between delivery year
9 2030 and delivery year 2040, if any, taking into account
10 energy demand, other energy resources, and other public
11 policy goals.

12 For each delivery year, the Agency shall first
13 recognize each utility's obligations for that delivery
14 year under existing contracts. Any renewable energy
15 credits under existing contracts, including renewable
16 energy credits as part of renewable energy resources,
17 shall be used to meet the goals set forth in this
18 subsection (c) for the delivery year.

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

23 (i) At least 10,000,000 renewable energy credits
24 delivered annually by the end of the 2021 delivery
25 year, and increasing ratably to reach 45,000,000
26 renewable energy credits delivered annually from new

1 wind and solar projects by the end of delivery year
2 2030 such that the goals in subparagraph (B) of this
3 paragraph (1) are met entirely by procurements of
4 renewable energy credits from new wind and
5 photovoltaic projects. Of that amount, to the extent
6 possible, the Agency shall procure 45% from wind and
7 hydropower projects and 55% from photovoltaic
8 projects. Of the amount to be procured from
9 photovoltaic projects, the Agency shall procure: at
10 least 50% from solar photovoltaic projects using the
11 program outlined in subparagraph (K) of this paragraph
12 (1) from distributed renewable energy generation
13 devices or community renewable generation projects; at
14 least 47% from utility-scale solar projects; at least
15 3% from brownfield site photovoltaic projects that are
16 not community renewable generation projects. In
17 addition to the amount of renewable energy credits to
18 be procured from wind projects, the Agency shall
19 procure at least 700,000 renewable energy credits,
20 delivered annually for at least 20 years, from one new
21 utility-scale offshore wind project.

22 In developing the long-term renewable resources
23 procurement plan, the Agency shall consider other
24 approaches, in addition to competitive procurements,
25 that can be used to procure renewable energy credits
26 from brownfield site photovoltaic projects and thereby

1 help return blighted or contaminated land to
2 productive use while enhancing public health and the
3 well-being of Illinois residents, including those in
4 environmental justice communities, as defined using
5 existing methodologies and findings used by the Agency
6 and its Administrator in its Illinois Solar for All
7 Program. The Agency shall also consider other
8 approaches, in addition to competitive procurements,
9 to procure renewable energy credits from new and
10 existing hydropower facilities to support the
11 development and maintenance of these facilities. The
12 Agency shall explore options to convert existing dams
13 but shall not consider approaches to develop new dams
14 where they do not already exist.

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

21 (iii) For purposes of this Section:

22 "Equity and inclusion plan scoring" means a score
23 of up to 34 points, determined by the Department of
24 Commerce and Economic Opportunity's review of an
25 applicant's ability to demonstrate it has a
26 comprehensive and detailed equity and inclusion plan

1 crafted to create opportunities for underrepresented
2 populations in addition to equity investment eligible
3 communities.

4 "Equity investment eligible community" has the
5 meaning set forth in Section 5-5 of the Energy
6 Transition Act.

7 "New utility-scale offshore wind procurement"
8 means a procurement of renewable energy credits from a
9 new utility-scale offshore wind project issued by the
10 Agency.

11 "New utility-scale offshore wind project" means an
12 electric generating facility that:

13 (1) generates electricity using wind;

14 (2) has a nameplate capacity that is greater
15 than 150 megawatts;

16 (3) is sited in the waters of Lake Michigan;

17 (4) is interconnected to the PJM
18 Interconnection's regional transmission system;

19 (5) has a fully executed project labor
20 agreement with the applicable local building and
21 construction trades council;

22 (6) has a comprehensive and detailed equity
23 and inclusion plan crafted to create opportunities
24 for underrepresented populations in addition to
25 equity investment eligible communities; and

26 (7) has a permit pursuant to the Rivers,

1 Lakes, and Streams Act from the Department of
2 Natural Resources for a site that is in a
3 preferred area pursuant to Section 15 of the Lake
4 Michigan Wind Energy Act.

5 "New wind projects" means wind renewable energy
6 facilities that are energized after June 1, 2017 for
7 the delivery year commencing June 1, 2017.

8 "New photovoltaic projects" means photovoltaic
9 renewable energy facilities that are energized after
10 June 1, 2017. Photovoltaic projects developed under
11 Section 1-56 of this Act shall not apply towards the
12 new photovoltaic project requirements in this
13 subparagraph (C).

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

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

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

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

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

1 surcharges, and add-on taxes.

2 Notwithstanding the requirements of this subsection
3 (c), the total of renewable energy resources procured
4 under the procurement plan for any single year shall be
5 subject to the limitations of this subparagraph (E). Such
6 procurement shall be reduced for all retail customers
7 based on the amount necessary to limit the annual
8 estimated average net increase due to the costs of these
9 resources included in the amounts paid by eligible retail
10 customers in connection with electric service to no more
11 than 4.25% of the amount paid per kilowatthour by those
12 customers during the year ending May 31, 2009 and to no
13 more than 4.5% of that amount as of the billing month
14 following the expected date that a new utility-scale
15 offshore wind project commences commercial operations and
16 is expected to begin delivering power to the PJM
17 Interconnection, LLC transmission grid. The new off-shore
18 utility-scale wind project must provide notice of the
19 expected commercial operation date to the Illinois Power
20 Agency and each electric utility at least 90 days prior to
21 commencing commercial operation and delivering power to
22 the PJM Interconnection, LLC transmission grid. To arrive
23 at a maximum dollar amount of renewable energy resources
24 to be procured for the particular delivery year, the
25 resulting per kilowatthour amount shall be applied to the
26 actual amount of kilowatthours of electricity delivered,

1 or applicable portion of such amount as specified in
2 paragraph (1) of this subsection (c), as applicable, by
3 the electric utility in the delivery year immediately
4 prior to the procurement to all retail customers in its
5 service territory. The calculations required by this
6 subparagraph (E) shall be made only once for each delivery
7 year at the time that the renewable energy resources are
8 procured. Once the determination as to the amount of
9 renewable energy resources to procure is made based on the
10 calculations set forth in this subparagraph (E) and the
11 contracts procuring those amounts are executed, no
12 subsequent rate impact determinations shall be made and no
13 adjustments to those contract amounts shall be allowed.
14 All costs incurred under such contracts shall be fully
15 recoverable by the electric utility as provided in this
16 Section.

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

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

26 (i-5) funding for the Illinois Solar for All

1 Program, as described in subparagraph (O) of this
2 paragraph (1);

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

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

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

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

1 distribution provider, or other causes for force
2 majeure as outlined in the procurement contract, in
3 which case, not later than June 1, 2022. Payments to
4 suppliers of renewable energy credits shall commence
5 upon delivery. Renewable energy credits procured under
6 this initial procurement shall be included in the
7 Agency's long-term plan and shall apply to all
8 renewable energy goals in this subsection (c).

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

1 majeure as outlined in the procurement contract, in
2 which case, not later than June 1, 2022. The Agency may
3 structure this initial procurement in one or more
4 discrete procurement events. Payments to suppliers of
5 renewable energy credits shall commence upon delivery.
6 Renewable energy credits procured under this initial
7 procurement shall be included in the Agency's
8 long-term plan and shall apply to all renewable energy
9 goals in this subsection (c).

10 (iii) Notwithstanding whether the Commission has
11 approved the periodic long-term renewable resources
12 procurement plan revision described in Section
13 16-111.5 of the Public Utilities Act, the Agency shall
14 conduct at least one subsequent forward procurement
15 for renewable energy credits from new utility-scale
16 wind projects, new utility-scale solar projects, and
17 new brownfield site photovoltaic projects within 240
18 days after the effective date of this amendatory Act
19 of the 102nd General Assembly in quantities necessary
20 to meet the requirements of subparagraph (C) of this
21 paragraph (1) through the delivery year beginning June
22 1, 2021.

23 (iii-5) Notwithstanding whether the Commission has
24 approved the long-term renewable resources procurement
25 plan revision process described in Section 16-111.5 of
26 the Public Utilities Act, the Agency shall conduct at

1 least one new utility-scale offshore wind procurement
2 within 360 days after the effective date of this
3 amendatory Act of the 104th General Assembly in
4 quantities necessary to meet the requirements
5 described in subparagraph (C) of this paragraph (1) by
6 the end of delivery year 2030.

7 The annual amount spent on any new utility-scale
8 offshore wind procurement shall not exceed 0.25% of
9 the amount paid per kilowatt hour by all eligible
10 retail customers in connection with electric service
11 during the year ending May 31, 2009, and shall be spent
12 only after the new utility-scale offshore wind project
13 commences commercial operations and is delivering
14 power to the PJM Interconnection, LLC transmission
15 grid.

16 Before submitting a proposal to the Agency in
17 response to a new utility-scale offshore wind
18 procurement, an applicant must first submit to the
19 Department of Commerce and Economic Opportunity a
20 separate application for equity and inclusion plan
21 scoring. The Department of Commerce and Economic
22 Opportunity will provide equity and inclusion plan
23 scoring to the Agency upon the Agency's request.

24 In order to award a renewable energy credit
25 contract in a new utility-scale offshore wind
26 procurement, the Agency shall use the following

1 point-based scoring criteria, totaling 100 points, in
2 evaluating an applicant's proposal:

3 (1) 33 points: attributed to the price
4 submitted in such proposal, with a lower price
5 being more favorable;

6 (2) 33 points: attributed to the overall
7 viability of applicant and its plan to build a new
8 utility-scale offshore wind project, as determined
9 by the Agency using the following criteria
10 establishing that the applicant:

11 (A) has identified and proffered a
12 rationale for a site for its new utility-scale
13 offshore wind project and has a comprehensive
14 plan to develop, construct, own, and operate
15 the project;

16 (B) has experience and knowledge, or any
17 of the applicant's affiliates have experience
18 or knowledge, in owning offshore wind
19 projects;

20 (C) has a fully executed project labor
21 agreement with the applicable local building
22 and construction trades council;

23 (D) has a comprehensive plan to maximize
24 local economic impact and job creation;

25 (E) has submitted a financing plan showing
26 the financial ability to build, own, and

1 operate a new utility-scale offshore wind
2 project, examples of which may include, but
3 are not limited to: (i) sources of debt; (ii)
4 letters of reference from a commercial bank;
5 or (iii) an equity commitment letter from a
6 parent company;

7 (F) has a comprehensive plan to conduct
8 essential research around the compatibility of
9 offshore wind and the lake ecology and
10 historical lake uses that can become the basis
11 for future decision making around prudent
12 expansion of offshore wind into Lake Michigan;

13 (G) has a plan to mitigate local landward
14 environmental impacts that may otherwise
15 result from construction of a new
16 utility-scale offshore wind project;

17 (H) has a plan to obtain a permit pursuant
18 to the Rivers, Lakes, and Streams Act from the
19 Department of Natural Resources; and

20 (I) fully intends on complying with the
21 Lake Michigan Wind Energy Act and all rules
22 and regulations of the Environmental
23 Protection Agency; and

24 (3) 34 points: attributed to equity and
25 inclusion plan scoring.

26 No renewable energy credit contract shall be

1 awarded to an applicant who fails to receive at least
2 75 points. The Agency shall ensure that a renewable
3 energy credit contract awarded to a new utility-scale
4 offshore wind project contains a project
5 decommissioning requirement.

6 (iv) 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 open capacity for each category in the Adjustable
11 Block program within 90 days after the effective date
12 of this amendatory Act of the 102nd General Assembly
13 manner:

14 (1) The Agency shall open the first block of
15 annual capacity for the category described in item
16 (i) of subparagraph (K) of this paragraph (1). The
17 first block of annual capacity for item (i) shall
18 be for at least 75 megawatts of total nameplate
19 capacity. The price of the renewable energy credit
20 for this block of capacity shall be 4% less than
21 the price of the last open block in this category.
22 Projects on a waitlist shall be awarded contracts
23 first in the order in which they appear on the
24 waitlist. Notwithstanding anything to the
25 contrary, for those renewable energy credits that
26 qualify and are procured under this subitem (1) of

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

16 (2) The Agency shall open the first block of
17 annual capacity for the category described in item
18 (ii) of subparagraph (K) of this paragraph (1).
19 The first block of annual capacity for item (ii)
20 shall be for at least 75 megawatts of total
21 nameplate capacity.

22 (A) The price of the renewable energy
23 credit for any project on a waitlist for this
24 category before the opening of this block
25 shall be 4% less than the price of the last
26 open block in this category. Projects on the

1 waitlist shall be awarded contracts first in
2 the order in which they appear on the
3 waitlist. Any projects that are less than or
4 equal to 25 kilowatts in size on the waitlist
5 for this capacity shall be moved to the
6 waitlist for paragraph (1) of this item (iv).
7 Notwithstanding anything to the contrary,
8 projects that were on the waitlist prior to
9 opening of this block shall not be required to
10 be in compliance with the requirements of
11 subparagraph (Q) of this paragraph (1) of this
12 subsection (c). Notwithstanding anything to
13 the contrary, for those renewable energy
14 credits procured from projects that were on
15 the waitlist for this category before the
16 opening of this block 20% of the renewable
17 energy credit delivery contract value, based
18 on the estimated generation during the first
19 15 years of operation, shall be paid by the
20 contracting utilities at the time that the
21 facility producing the renewable energy
22 credits is interconnected at the distribution
23 system level of the utility and verified as
24 energized by the Program Administrator. The
25 remaining portion shall be paid ratably over
26 the subsequent 4-year period. The electric

1 utility shall receive and retire all renewable
2 energy credits generated by the project during
3 the first 15 years of operation. Renewable
4 energy credits generated by the project
5 thereafter shall not be transferred under the
6 renewable energy credit delivery contract with
7 the counterparty electric utility.

8 (B) The price of renewable energy credits
9 for any project not on the waitlist for this
10 category before the opening of the block shall
11 be determined and published by the Agency.
12 Projects not on a waitlist as of the opening
13 of this block shall be subject to the
14 requirements of subparagraph (Q) of this
15 paragraph (1), as applicable. Projects not on
16 a waitlist as of the opening of this block
17 shall be subject to the contract provisions
18 outlined in item (iii) of subparagraph (L) of
19 this paragraph (1). The Agency shall strive to
20 publish updated prices and an updated
21 renewable energy credit delivery contract as
22 quickly as possible.

23 (3) For opening the first 2 blocks of annual
24 capacity for projects participating in item (iii)
25 of subparagraph (K) of paragraph (1) of subsection
26 (c), projects shall be selected exclusively from

1 those projects on the ordinal waitlists of
2 community renewable generation projects
3 established by the Agency based on the status of
4 those ordinal waitlists as of December 31, 2020,
5 and only those projects previously determined to
6 be eligible for the Agency's April 2019 community
7 solar project selection process.

8 The first 2 blocks of annual capacity for item
9 (iii) shall be for 250 megawatts of total
10 nameplate capacity, with both blocks opening
11 simultaneously under the schedule outlined in the
12 paragraphs below. Projects shall be selected as
13 follows:

14 (A) The geographic balance of selected
15 projects shall follow the Group classification
16 found in the Agency's Revised Long-Term
17 Renewable Resources Procurement Plan, with 70%
18 of capacity allocated to projects on the Group
19 B waitlist and 30% of capacity allocated to
20 projects on the Group A waitlist.

21 (B) Contract awards for waitlisted
22 projects shall be allocated proportionate to
23 the total nameplate capacity amount across
24 both ordinal waitlists associated with that
25 applicant firm or its affiliates, subject to
26 the following conditions.

1 (i) Each applicant firm having a
2 waitlisted project eligible for selection
3 shall receive no less than 500 kilowatts
4 in awarded capacity across all groups, and
5 no approved vendor may receive more than
6 20% of each Group's waitlist allocation.

7 (ii) Each applicant firm, upon
8 receiving an award of program capacity
9 proportionate to its waitlisted capacity,
10 may then determine which waitlisted
11 projects it chooses to be selected for a
12 contract award up to that capacity amount.

13 (iii) Assuming all other program
14 requirements are met, applicant firms may
15 adjust the nameplate capacity of applicant
16 projects without losing waitlist
17 eligibility, so long as no project is
18 greater than 2,000 kilowatts in size.

19 (iv) Assuming all other program
20 requirements are met, applicant firms may
21 adjust the expected production associated
22 with applicant projects, subject to
23 verification by the Program Administrator.

24 (C) After a review of affiliate
25 information and the current ordinal waitlists,
26 the Agency shall announce the nameplate

1 capacity award amounts associated with
2 applicant firms no later than 90 days after
3 the effective date of this amendatory Act of
4 the 102nd General Assembly.

5 (D) Applicant firms shall submit their
6 portfolio of projects used to satisfy those
7 contract awards no less than 90 days after the
8 Agency's announcement. The total nameplate
9 capacity of all projects used to satisfy that
10 portfolio shall be no greater than the
11 Agency's nameplate capacity award amount
12 associated with that applicant firm. An
13 applicant firm may decline, in whole or in
14 part, its nameplate capacity award without
15 penalty, with such unmet capacity rolled over
16 to the next block opening for project
17 selection under item (iii) of subparagraph (K)
18 of this subsection (c). Any projects not
19 included in an applicant firm's portfolio may
20 reapply without prejudice upon the next block
21 reopening for project selection under item
22 (iii) of subparagraph (K) of this subsection
23 (c).

24 (E) The renewable energy credit delivery
25 contract shall be subject to the contract and
26 payment terms outlined in item (iv) of

1 subparagraph (L) of this subsection (c).
2 Contract instruments used for this
3 subparagraph shall contain the following
4 terms:

5 (i) Renewable energy credit prices
6 shall be fixed, without further adjustment
7 under any other provision of this Act or
8 for any other reason, at 10% lower than
9 prices applicable to the last open block
10 for this category, inclusive of any adders
11 available for achieving a minimum of 50%
12 of subscribers to the project's nameplate
13 capacity being residential or small
14 commercial customers with subscriptions of
15 below 25 kilowatts in size;

16 (ii) A requirement that a minimum of
17 50% of subscribers to the project's
18 nameplate capacity be residential or small
19 commercial customers with subscriptions of
20 below 25 kilowatts in size;

21 (iii) Permission for the ability of a
22 contract holder to substitute projects
23 with other waitlisted projects without
24 penalty should a project receive a
25 non-binding estimate of costs to construct
26 the interconnection facilities and any

1 required distribution upgrades associated
2 with that project of greater than 30 cents
3 per watt AC of that project's nameplate
4 capacity. In developing the applicable
5 contract instrument, the Agency may
6 consider whether other circumstances
7 outside of the control of the applicant
8 firm should also warrant project
9 substitution rights.

10 The Agency shall publish a finalized
11 updated renewable energy credit delivery
12 contract developed consistent with these terms
13 and conditions no less than 30 days before
14 applicant firms must submit their portfolio of
15 projects pursuant to item (D).

16 (F) To be eligible for an award, the
17 applicant firm shall certify that not less
18 than prevailing wage, as determined pursuant
19 to the Illinois Prevailing Wage Act, was or
20 will be paid to employees who are engaged in
21 construction activities associated with a
22 selected project.

23 (4) The Agency shall open the first block of
24 annual capacity for the category described in item
25 (iv) of subparagraph (K) of this paragraph (1).
26 The first block of annual capacity for item (iv)

1 shall be for at least 50 megawatts of total
2 nameplate capacity. Renewable energy credit prices
3 shall be fixed, without further adjustment under
4 any other provision of this Act or for any other
5 reason, at the price in the last open block in the
6 category described in item (ii) of subparagraph
7 (K) of this paragraph (1). Pricing for future
8 blocks of annual capacity for this category may be
9 adjusted in the Agency's second revision to its
10 Long-Term Renewable Resources Procurement Plan.
11 Projects in this category shall be subject to the
12 contract terms outlined in item (iv) of
13 subparagraph (L) of this paragraph (1).

14 (5) The Agency shall open the equivalent of 2
15 years of annual capacity for the category
16 described in item (v) of subparagraph (K) of this
17 paragraph (1). The first block of annual capacity
18 for item (v) shall be for at least 10 megawatts of
19 total nameplate capacity. Notwithstanding the
20 provisions of item (v) of subparagraph (K) of this
21 paragraph (1), for the purpose of this initial
22 block, the agency shall accept new project
23 applications intended to increase the diversity of
24 areas hosting community solar projects, the
25 business models of projects, and the size of
26 projects, as described by the Agency in its

1 long-term renewable resources procurement plan
2 that is approved as of the effective date of this
3 amendatory Act of the 102nd General Assembly.
4 Projects in this category shall be subject to the
5 contract terms outlined in item (iii) of
6 subsection (L) of this paragraph (1).

7 (6) The Agency shall open the first blocks of
8 annual capacity for the category described in item
9 (vi) of subparagraph (K) of this paragraph (1),
10 with allocations of capacity within the block
11 generally matching the historical share of block
12 capacity allocated between the category described
13 in items (i) and (ii) of subparagraph (K) of this
14 paragraph (1). The first two blocks of annual
15 capacity for item (vi) shall be for at least 75
16 megawatts of total nameplate capacity. The price
17 of renewable energy credits for the blocks of
18 capacity shall be 4% less than the price of the
19 last open blocks in the categories described in
20 items (i) and (ii) of subparagraph (K) of this
21 paragraph (1). Pricing for future blocks of annual
22 capacity for this category may be adjusted in the
23 Agency's second revision to its Long-Term
24 Renewable Resources Procurement Plan. Projects in
25 this category shall be subject to the applicable
26 contract terms outlined in items (ii) and (iii) of

1 subparagraph (L) of this paragraph (1).

2 (v) Upon the effective date of this amendatory Act
3 of the 102nd General Assembly, for all competitive
4 procurements and any procurements of renewable energy
5 credit from new utility-scale wind and new
6 utility-scale photovoltaic projects, the Agency shall
7 procure indexed renewable energy credits and direct
8 respondents to offer a strike price.

9 (1) The purchase price of the indexed
10 renewable energy credit payment shall be
11 calculated for each settlement period. That
12 payment, for any settlement period, shall be equal
13 to the difference resulting from subtracting the
14 strike price from the index price for that
15 settlement period. If this difference results in a
16 negative number, the indexed REC counterparty
17 shall owe the seller the absolute value multiplied
18 by the quantity of energy produced in the relevant
19 settlement period. If this difference results in a
20 positive number, the seller shall owe the indexed
21 REC counterparty this amount multiplied by the
22 quantity of energy produced in the relevant
23 settlement period.

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

1 (3) To ensure funding in the annual budget
2 established under subparagraph (E) for indexed
3 renewable energy credit procurements for each year
4 of the term of such contracts, which must have a
5 minimum tenure of 20 calendar years, the
6 procurement administrator, Agency, Commission
7 staff, and procurement monitor shall quantify the
8 annual cost of the contract by utilizing an
9 industry-standard, third-party forward price curve
10 for energy at the appropriate hub or load zone,
11 including the estimated magnitude and timing of
12 the price effects related to federal carbon
13 controls. Each forward price curve shall contain a
14 specific value of the forecasted market price of
15 electricity for each annual delivery year of the
16 contract. For procurement planning purposes, the
17 impact on the annual budget for the cost of
18 indexed renewable energy credits for each delivery
19 year shall be determined as the expected annual
20 contract expenditure for that year, equaling the
21 difference between (i) the sum across all relevant
22 contracts of the applicable strike price
23 multiplied by contract quantity and (ii) the sum
24 across all relevant contracts of the forward price
25 curve for the applicable load zone for that year
26 multiplied by contract quantity. The contracting

1 utility shall not assume an obligation in excess
2 of the estimated annual cost of the contracts for
3 indexed renewable energy credits. Forward curves
4 shall be revised on an annual basis as updated
5 forward price curves are released and filed with
6 the Commission in the proceeding approving the
7 Agency's most recent long-term renewable resources
8 procurement plan. If the expected contract spend
9 is higher or lower than the total quantity of
10 contracts multiplied by the forward price curve
11 value for that year, the forward price curve shall
12 be updated by the procurement administrator, in
13 consultation with the Agency, Commission staff,
14 and procurement monitors, using then-currently
15 available price forecast data and additional
16 budget dollars shall be obligated or reobligated
17 as appropriate.

18 (4) To ensure that indexed renewable energy
19 credit prices remain predictable and affordable,
20 the Agency may consider the institution of a price
21 collar on REC prices paid under indexed renewable
22 energy credit procurements establishing floor and
23 ceiling REC prices applicable to indexed REC
24 contract prices. Any price collars applicable to
25 indexed REC procurements shall be proposed by the
26 Agency through its long-term renewable resources

1 procurement plan.

2 (vi) All procurements under this subparagraph (G),
3 including the procurement of renewable energy credits
4 from hydropower facilities, shall comply with the
5 geographic requirements in subparagraph (I) of this
6 paragraph (1) and shall follow the procurement
7 processes and procedures described in this Section and
8 Section 16-111.5 of the Public Utilities Act to the
9 extent practicable, and these processes and procedures
10 may be expedited to accommodate the schedule
11 established by this subparagraph (G).

12 (vii) On and after the effective date of this
13 amendatory Act of the 103rd General Assembly, for all
14 procurements of renewable energy credits from
15 hydropower facilities, the Agency shall establish
16 contract terms designed to optimize existing
17 hydropower facilities through modernization or
18 retooling and establish new hydropower facilities at
19 existing dams. Procurements made under this item (vii)
20 shall prioritize projects located in designated
21 environmental justice communities, as defined in
22 subsection (b) of Section 1-56 of this Act, or in
23 projects located in units of local government with
24 median incomes that do not exceed 82% of the median
25 income of the State.

26 (H) The procurement of renewable energy resources for

1 a given delivery year shall be reduced as described in
2 this subparagraph (H) if an alternative retail electric
3 supplier meets the requirements described in this
4 subparagraph (H).

5 (i) Within 45 days after June 1, 2017 (the
6 effective date of Public Act 99-906), an alternative
7 retail electric supplier or its successor shall submit
8 an informational filing to the Illinois Commerce
9 Commission certifying that, as of December 31, 2015,
10 the alternative retail electric supplier owned one or
11 more electric generating facilities that generates
12 renewable energy resources as defined in Section 1-10
13 of this Act, provided that such facilities are not
14 powered by wind or photovoltaics, and the facilities
15 generate one renewable energy credit for each
16 megawatthour of energy produced from the facility.

17 The informational filing shall identify each
18 facility that was eligible to satisfy the alternative
19 retail electric supplier's obligations under Section
20 16-115D of the Public Utilities Act as described in
21 this item (i).

22 (ii) For a given delivery year, the alternative
23 retail electric supplier may elect to supply its
24 retail customers with renewable energy credits from
25 the facility or facilities described in item (i) of
26 this subparagraph (H) that continue to be owned by the

1 alternative retail electric supplier.

2 (iii) The alternative retail electric supplier
3 shall notify the Agency and the applicable utility, no
4 later than February 28 of the year preceding the
5 applicable delivery year or 15 days after June 1, 2017
6 (the effective date of Public Act 99-906), whichever
7 is later, of its election under item (ii) of this
8 subparagraph (H) to supply renewable energy credits to
9 retail customers of the utility. Such election shall
10 identify the amount of renewable energy credits to be
11 supplied by the alternative retail electric supplier
12 to the utility's retail customers and the source of
13 the renewable energy credits identified in the
14 informational filing as described in item (i) of this
15 subparagraph (H), subject to the following
16 limitations:

17 For the delivery year beginning June 1, 2018,
18 the maximum amount of renewable energy credits to
19 be supplied by an alternative retail electric
20 supplier under this subparagraph (H) shall be 68%
21 multiplied by 25% multiplied by 14.5% multiplied
22 by the amount of metered electricity
23 (megawatt-hours) delivered by the alternative
24 retail electric supplier to Illinois retail
25 customers during the delivery year ending May 31,
26 2016.

1 For delivery years beginning June 1, 2019 and
2 each year thereafter, the maximum amount of
3 renewable energy credits to be supplied by an
4 alternative retail electric supplier under this
5 subparagraph (H) shall be 68% multiplied by 50%
6 multiplied by 16% multiplied by the amount of
7 metered electricity (megawatt-hours) delivered by
8 the alternative retail electric supplier to
9 Illinois retail customers during the delivery year
10 ending May 31, 2016, provided that the 16% value
11 shall increase by 1.5% each delivery year
12 thereafter to 25% by the delivery year beginning
13 June 1, 2025, and thereafter the 25% value shall
14 apply to each delivery year.

15 For each delivery year, the total amount of
16 renewable energy credits supplied by all alternative
17 retail electric suppliers under this subparagraph (H)
18 shall not exceed 9% of the Illinois target renewable
19 energy credit quantity. The Illinois target renewable
20 energy credit quantity for the delivery year beginning
21 June 1, 2018 is 14.5% multiplied by the total amount of
22 metered electricity (megawatt-hours) delivered in the
23 delivery year immediately preceding that delivery
24 year, provided that the 14.5% shall increase by 1.5%
25 each delivery year thereafter to 25% by the delivery
26 year beginning June 1, 2025, and thereafter the 25%

1 value shall apply to each delivery year.

2 If the requirements set forth in items (i) through
3 (iii) of this subparagraph (H) are met, the charges
4 that would otherwise be applicable to the retail
5 customers of the alternative retail electric supplier
6 under paragraph (6) of this subsection (c) for the
7 applicable delivery year shall be reduced by the ratio
8 of the quantity of renewable energy credits supplied
9 by the alternative retail electric supplier compared
10 to that supplier's target renewable energy credit
11 quantity. The supplier's target renewable energy
12 credit quantity for the delivery year beginning June
13 1, 2018 is 14.5% multiplied by the total amount of
14 metered electricity (megawatt-hours) delivered by the
15 alternative retail supplier in that delivery year,
16 provided that the 14.5% shall increase by 1.5% each
17 delivery year thereafter to 25% by the delivery year
18 beginning June 1, 2025, and thereafter the 25% value
19 shall apply to each delivery year.

20 On or before April 1 of each year, the Agency shall
21 annually publish a report on its website that
22 identifies the aggregate amount of renewable energy
23 credits supplied by alternative retail electric
24 suppliers under this subparagraph (H).

25 (I) The Agency shall design its long-term renewable
26 energy procurement plan to maximize the State's interest

1 in the health, safety, and welfare of its residents,
2 including but not limited to minimizing sulfur dioxide,
3 nitrogen oxide, particulate matter and other pollution
4 that adversely affects public health in this State,
5 increasing fuel and resource diversity in this State,
6 enhancing the reliability and resiliency of the
7 electricity distribution system in this State, meeting
8 goals to limit carbon dioxide emissions under federal or
9 State law, and contributing to a cleaner and healthier
10 environment for the citizens of this State. In order to
11 further these legislative purposes, renewable energy
12 credits shall be eligible to be counted toward the
13 renewable energy requirements of this subsection (c) if
14 they are generated from facilities located in this State.
15 The Agency may qualify renewable energy credits from
16 facilities located in states adjacent to Illinois or
17 renewable energy credits associated with the electricity
18 generated by a utility-scale wind energy facility or
19 utility-scale photovoltaic facility and transmitted by a
20 qualifying direct current project described in subsection
21 (b-5) of Section 8-406 of the Public Utilities Act to a
22 delivery point on the electric transmission grid located
23 in this State or a state adjacent to Illinois, if the
24 generator demonstrates and the Agency determines that the
25 operation of such facility or facilities will help promote
26 the State's interest in the health, safety, and welfare of

1 its residents based on the public interest criteria
2 described above. For the purposes of this Section,
3 renewable resources that are delivered via a high voltage
4 direct current converter station located in Illinois shall
5 be deemed generated in Illinois at the time and location
6 the energy is converted to alternating current by the high
7 voltage direct current converter station if the high
8 voltage direct current transmission line: (i) after the
9 effective date of this amendatory Act of the 102nd General
10 Assembly, was constructed with a project labor agreement;
11 (ii) is capable of transmitting electricity at 525kv;
12 (iii) has an Illinois converter station located and
13 interconnected in the region of the PJM Interconnection,
14 LLC; (iv) does not operate as a public utility; and (v) if
15 the high voltage direct current transmission line was
16 energized after June 1, 2023. To ensure that the public
17 interest criteria are applied to the procurement and given
18 full effect, the Agency's long-term procurement plan shall
19 describe in detail how each public interest factor shall
20 be considered and weighted for facilities located in
21 states adjacent to Illinois.

22 (J) In order to promote the competitive development of
23 renewable energy resources in furtherance of the State's
24 interest in the health, safety, and welfare of its
25 residents, renewable energy credits shall not be eligible
26 to be counted toward the renewable energy requirements of

1 this subsection (c) if they are sourced from a generating
2 unit whose costs were being recovered through rates
3 regulated by this State or any other state or states on or
4 after January 1, 2017. Each contract executed to purchase
5 renewable energy credits under this subsection (c) shall
6 provide for the contract's termination if the costs of the
7 generating unit supplying the renewable energy credits
8 subsequently begin to be recovered through rates regulated
9 by this State or any other state or states; and each
10 contract shall further provide that, in that event, the
11 supplier of the credits must return 110% of all payments
12 received under the contract. Amounts returned under the
13 requirements of this subparagraph (J) shall be retained by
14 the utility and all of these amounts shall be used for the
15 procurement of additional renewable energy credits from
16 new wind or new photovoltaic resources as defined in this
17 subsection (c). The long-term plan shall provide that
18 these renewable energy credits shall be procured in the
19 next procurement event.

20 Notwithstanding the limitations of this subparagraph
21 (J), renewable energy credits sourced from generating
22 units that are constructed, purchased, owned, or leased by
23 an electric utility as part of an approved project,
24 program, or pilot under Section 1-56 of this Act shall be
25 eligible to be counted toward the renewable energy
26 requirements of this subsection (c), regardless of how the

1 costs of these units are recovered. As long as a
2 generating unit or an identifiable portion of a generating
3 unit has not had and does not have its costs recovered
4 through rates regulated by this State or any other state,
5 HVDC renewable energy credits associated with that
6 generating unit or identifiable portion thereof shall be
7 eligible to be counted toward the renewable energy
8 requirements of this subsection (c).

9 (K) The long-term renewable resources procurement plan
10 developed by the Agency in accordance with subparagraph
11 (A) of this paragraph (1) shall include an Adjustable
12 Block program for the procurement of renewable energy
13 credits from new photovoltaic projects that are
14 distributed renewable energy generation devices or new
15 photovoltaic community renewable generation projects. The
16 Adjustable Block program shall be generally designed to
17 provide for the steady, predictable, and sustainable
18 growth of new solar photovoltaic development in Illinois.
19 To this end, the Adjustable Block program shall provide a
20 transparent annual schedule of prices and quantities to
21 enable the photovoltaic market to scale up and for
22 renewable energy credit prices to adjust at a predictable
23 rate over time. The prices set by the Adjustable Block
24 program can be reflected as a set value or as the product
25 of a formula.

26 The Adjustable Block program shall include for each

1 category of eligible projects for each delivery year: a
2 single block of nameplate capacity, a price for renewable
3 energy credits within that block, and the terms and
4 conditions for securing a spot on a waitlist once the
5 block is fully committed or reserved. Except as outlined
6 below, the waitlist of projects in a given year will carry
7 over to apply to the subsequent year when another block is
8 opened. Only projects energized on or after June 1, 2017
9 shall be eligible for the Adjustable Block program. For
10 each category for each delivery year the Agency shall
11 determine the amount of generation capacity in each block,
12 and the purchase price for each block, provided that the
13 purchase price provided and the total amount of generation
14 in all blocks for all categories shall be sufficient to
15 meet the goals in this subsection (c). The Agency shall
16 strive to issue a single block sized to provide for
17 stability and market growth. The Agency shall establish
18 program eligibility requirements that ensure that projects
19 that enter the program are sufficiently mature to indicate
20 a demonstrable path to completion. The Agency may
21 periodically review its prior decisions establishing the
22 amount of generation capacity in each block, and the
23 purchase price for each block, and may propose, on an
24 expedited basis, changes to these previously set values,
25 including but not limited to redistributing these amounts
26 and the available funds as necessary and appropriate,

1 subject to Commission approval as part of the periodic
2 plan revision process described in Section 16-111.5 of the
3 Public Utilities Act. The Agency may define different
4 block sizes, purchase prices, or other distinct terms and
5 conditions for projects located in different utility
6 service territories if the Agency deems it necessary to
7 meet the goals in this subsection (c).

8 The Adjustable Block program shall include the
9 following categories in at least the following amounts:

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

13 (ii) At least 20% from distributed renewable
14 energy generation devices with a nameplate capacity of
15 more than 25 kilowatts and no more than 5,000
16 kilowatts. The Agency may create sub-categories within
17 this category to account for the differences between
18 projects for small commercial customers, large
19 commercial customers, and public or non-profit
20 customers.

21 (iii) At least 30% from photovoltaic community
22 renewable generation projects. Capacity for this
23 category for the first 2 delivery years after the
24 effective date of this amendatory Act of the 102nd
25 General Assembly shall be allocated to waitlist
26 projects as provided in paragraph (3) of item (iv) of

1 subparagraph (G). Starting in the third delivery year
2 after the effective date of this amendatory Act of the
3 102nd General Assembly or earlier if the Agency
4 determines there is additional capacity needed for to
5 meet previous delivery year requirements, the
6 following shall apply:

7 (1) the Agency shall select projects on a
8 first-come, first-serve basis, however the Agency
9 may suggest additional methods to prioritize
10 projects that are submitted at the same time;

11 (2) projects shall have subscriptions of 25 kW
12 or less for at least 50% of the facility's
13 nameplate capacity and the Agency shall price the
14 renewable energy credits with that as a factor;

15 (3) projects shall not be colocated with one
16 or more other community renewable generation
17 projects, as defined in the Agency's first revised
18 long-term renewable resources procurement plan
19 approved by the Commission on February 18, 2020,
20 such that the aggregate nameplate capacity exceeds
21 5,000 kilowatts; and

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

1 (iv) At least 15% from distributed renewable
2 generation devices or photovoltaic community renewable
3 generation projects installed on public school land.
4 The Agency may create subcategories within this
5 category to account for the differences between
6 project size or location. Projects located within
7 environmental justice communities or within
8 Organizational Units that fall within Tier 1 or Tier 2
9 shall be given priority. Each of the Agency's periodic
10 updates to its long-term renewable resources
11 procurement plan to incorporate the procurement
12 described in this subparagraph (iv) shall also include
13 the proposed quantities or blocks, pricing, and
14 contract terms applicable to the procurement as
15 indicated herein. In each such update and procurement,
16 the Agency shall set the renewable energy credit price
17 and establish payment terms for the renewable energy
18 credits procured pursuant to this subparagraph (iv)
19 that make it feasible and affordable for public
20 schools to install photovoltaic distributed renewable
21 energy devices on their premises, including, but not
22 limited to, those public schools subject to the
23 prioritization provisions of this subparagraph. For
24 the purposes of this item (iv):

25 "Environmental Justice Community" shall have the
26 same meaning set forth in the Agency's long-term

1 renewable resources procurement plan;

2 "Organization Unit", "Tier 1" and "Tier 2" shall
3 have the meanings set for in Section 18-8.15 of the
4 School Code;

5 "Public schools" shall have the meaning set forth
6 in Section 1-3 of the School Code and includes public
7 institutions of higher education, as defined in the
8 Board of Higher Education Act.

9 (v) At least 5% from community-driven community
10 solar projects intended to provide more direct and
11 tangible connection and benefits to the communities
12 which they serve or in which they operate and,
13 additionally, to increase the variety of community
14 solar locations, models, and options in Illinois. As
15 part of its long-term renewable resources procurement
16 plan, the Agency shall develop selection criteria for
17 projects participating in this category. Nothing in
18 this Section shall preclude the Agency from creating a
19 selection process that maximizes community ownership
20 and community benefits in selecting projects to
21 receive renewable energy credits. Selection criteria
22 shall include:

23 (1) community ownership or community
24 wealth-building;

25 (2) additional direct and indirect community
26 benefit, beyond project participation as a

1 subscriber, including, but not limited to,
2 economic, environmental, social, cultural, and
3 physical benefits;

4 (3) meaningful involvement in project
5 organization and development by community members
6 or nonprofit organizations or public entities
7 located in or serving the community;

8 (4) engagement in project operations and
9 management by nonprofit organizations, public
10 entities, or community members; and

11 (5) whether a project is developed in response
12 to a site-specific RFP developed by community
13 members or a nonprofit organization or public
14 entity located in or serving the community.

15 Selection criteria may also prioritize projects
16 that:

17 (1) are developed in collaboration with or to
18 provide complementary opportunities for the Clean
19 Jobs Workforce Network Program, the Illinois
20 Climate Works Preapprenticeship Program, the
21 Returning Residents Clean Jobs Training Program,
22 the Clean Energy Contractor Incubator Program, or
23 the Clean Energy Primes Contractor Accelerator
24 Program;

25 (2) increase the diversity of locations of
26 community solar projects in Illinois, including by

- 1 locating in urban areas and population centers;
- 2 (3) are located in Equity Investment Eligible
- 3 Communities;
- 4 (4) are not greenfield projects;
- 5 (5) serve only local subscribers;
- 6 (6) have a nameplate capacity that does not
- 7 exceed 500 kW;
- 8 (7) are developed by an equity eligible
- 9 contractor; or
- 10 (8) otherwise meaningfully advance the goals
- 11 of providing more direct and tangible connection
- 12 and benefits to the communities which they serve
- 13 or in which they operate and increasing the
- 14 variety of community solar locations, models, and
- 15 options in Illinois.

16 For the purposes of this item (v):

17 "Community" means a social unit in which people

18 come together regularly to effect change; a social

19 unit in which participants are marked by a cooperative

20 spirit, a common purpose, or shared interests or

21 characteristics; or a space understood by its

22 residents to be delineated through geographic

23 boundaries or landmarks.

24 "Community benefit" means a range of services and

25 activities that provide affirmative, economic,

26 environmental, social, cultural, or physical value to

1 a community; or a mechanism that enables economic
2 development, high-quality employment, and education
3 opportunities for local workers and residents, or
4 formal monitoring and oversight structures such that
5 community members may ensure that those services and
6 activities respond to local knowledge and needs.

7 "Community ownership" means an arrangement in
8 which an electric generating facility is, or over time
9 will be, in significant part, owned collectively by
10 members of the community to which an electric
11 generating facility provides benefits; members of that
12 community participate in decisions regarding the
13 governance, operation, maintenance, and upgrades of
14 and to that facility; and members of that community
15 benefit from regular use of that facility.

16 Terms and guidance within these criteria that are
17 not defined in this item (v) shall be defined by the
18 Agency, with stakeholder input, during the development
19 of the Agency's long-term renewable resources
20 procurement plan. The Agency shall develop regular
21 opportunities for projects to submit applications for
22 projects under this category, and develop selection
23 criteria that gives preference to projects that better
24 meet individual criteria as well as projects that
25 address a higher number of criteria.

26 (vi) At least 10% from distributed renewable

1 energy generation devices, which includes distributed
2 renewable energy devices with a nameplate capacity
3 under 5,000 kilowatts or photovoltaic community
4 renewable generation projects, from applicants that
5 are equity eligible contractors. The Agency may create
6 subcategories within this category to account for the
7 differences between project size and type. The Agency
8 shall propose to increase the percentage in this item
9 (vi) over time to 40% based on factors, including, but
10 not limited to, the number of equity eligible
11 contractors and capacity used in this item (vi) in
12 previous delivery years.

13 The Agency shall propose a payment structure for
14 contracts executed pursuant to this paragraph under
15 which, upon a demonstration of qualification or need,
16 applicant firms are advanced capital disbursed after
17 contract execution but before the contracted project's
18 energization. The amount or percentage of capital
19 advanced prior to project energization shall be
20 sufficient to both cover any increase in development
21 costs resulting from prevailing wage requirements or
22 project-labor agreements, and designed to overcome
23 barriers in access to capital faced by equity eligible
24 contractors. The amount or percentage of advanced
25 capital may vary by subcategory within this category
26 and by an applicant's demonstration of need, with such

1 levels to be established through the Long-Term
2 Renewable Resources Procurement Plan authorized under
3 subparagraph (A) of paragraph (1) of subsection (c) of
4 this Section.

5 Contracts developed featuring capital advanced
6 prior to a project's energization shall feature
7 provisions to ensure both the successful development
8 of applicant projects and the delivery of the
9 renewable energy credits for the full term of the
10 contract, including ongoing collateral requirements
11 and other provisions deemed necessary by the Agency,
12 and may include energization timelines longer than for
13 comparable project types. The percentage or amount of
14 capital advanced prior to project energization shall
15 not operate to increase the overall contract value,
16 however contracts executed under this subparagraph may
17 feature renewable energy credit prices higher than
18 those offered to similar projects participating in
19 other categories. Capital advanced prior to
20 energization shall serve to reduce the ratable
21 payments made after energization under items (ii) and
22 (iii) of subparagraph (L) or payments made for each
23 renewable energy credit delivery under item (iv) of
24 subparagraph (L).

25 (vii) The remaining capacity shall be allocated by
26 the Agency in order to respond to market demand. The

1 Agency shall allocate any discretionary capacity prior
2 to the beginning of each delivery year.

3 To the extent there is uncontracted capacity from any
4 block in any of categories (i) through (vi) at the end of a
5 delivery year, the Agency shall redistribute that capacity
6 to one or more other categories giving priority to
7 categories with projects on a waitlist. The redistributed
8 capacity shall be added to the annual capacity in the
9 subsequent delivery year, and the price for renewable
10 energy credits shall be the price for the new delivery
11 year. Redistributed capacity shall not be considered
12 redistributed when determining whether the goals in this
13 subsection (K) have been met.

14 Notwithstanding anything to the contrary, as the
15 Agency increases the capacity in item (vi) to 40% over
16 time, the Agency may reduce the capacity of items (i)
17 through (v) proportionate to the capacity of the
18 categories of projects in item (vi), to achieve a balance
19 of project types.

20 The Adjustable Block program shall be designed to
21 ensure that renewable energy credits are procured from
22 projects in diverse locations and are not concentrated in
23 a few regional areas.

24 (L) Notwithstanding provisions for advancing capital
25 prior to project energization found in item (vi) of
26 subparagraph (K), the procurement of photovoltaic

1 renewable energy credits under items (i) through (vi) of
2 subparagraph (K) of this paragraph (1) shall otherwise be
3 subject to the following contract and payment terms:

4 (i) (Blank).

5 (ii) For those renewable energy credits that
6 qualify and are procured under item (i) of
7 subparagraph (K) of this paragraph (1), and any
8 similar category projects that are procured under item
9 (vi) of subparagraph (K) of this paragraph (1) that
10 qualify and are procured under item (vi), the contract
11 length shall be 15 years. The renewable energy credit
12 delivery contract value shall be paid in full, based
13 on the estimated generation during the first 15 years
14 of operation, by the contracting utilities at the time
15 that the facility producing the renewable energy
16 credits is interconnected at the distribution system
17 level of the utility and verified as energized and
18 compliant by the Program Administrator. The electric
19 utility shall receive and retire all renewable energy
20 credits generated by the project for the first 15
21 years of operation. Renewable energy credits generated
22 by the project thereafter shall not be transferred
23 under the renewable energy credit delivery contract
24 with the counterparty electric utility.

25 (iii) For those renewable energy credits that
26 qualify and are procured under item (ii) and (v) of

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

20 (iv) For those renewable energy credits that
21 qualify and are procured under items (iii) and (iv) of
22 subparagraph (K) of this paragraph (1), and any like
23 projects that qualify and are procured under item
24 (vi), the renewable energy credit delivery contract
25 length shall be 20 years and shall be paid over the
26 delivery term, not to exceed during each delivery year

1 the contract price multiplied by the estimated annual
2 renewable energy credit generation amount. If
3 generation of renewable energy credits during a
4 delivery year exceeds the estimated annual generation
5 amount, the excess renewable energy credits shall be
6 carried forward to future delivery years and shall not
7 expire during the delivery term. If generation of
8 renewable energy credits during a delivery year,
9 including carried forward excess renewable energy
10 credits, if any, is less than the estimated annual
11 generation amount, payments during such delivery year
12 will not exceed the quantity generated plus the
13 quantity carried forward multiplied by the contract
14 price. The electric utility shall receive all
15 renewable energy credits generated by the project
16 during the first 20 years of operation and retire all
17 renewable energy credits paid for under this item (iv)
18 and return at the end of the delivery term all
19 renewable energy credits that were not paid for.
20 Renewable energy credits generated by the project
21 thereafter shall not be transferred under the
22 renewable energy credit delivery contract with the
23 counterparty electric utility. Notwithstanding the
24 preceding, for those projects participating under item
25 (iii) of subparagraph (K), the contract price for a
26 delivery year shall be based on subscription levels as

1 measured on the higher of the first business day of the
2 delivery year or the first business day 6 months after
3 the first business day of the delivery year.
4 Subscription of 90% of nameplate capacity or greater
5 shall be deemed to be fully subscribed for the
6 purposes of this item (iv). For projects receiving a
7 20-year delivery contract, REC prices shall be
8 adjusted downward for consistency with the incentive
9 levels previously determined to be necessary to
10 support projects under 15-year delivery contracts,
11 taking into consideration any additional new
12 requirements placed on the projects, including, but
13 not limited to, labor standards.

14 (v) Each contract shall include provisions to
15 ensure the delivery of the estimated quantity of
16 renewable energy credits and ongoing collateral
17 requirements and other provisions deemed appropriate
18 by the Agency.

19 (vi) The utility shall be the counterparty to the
20 contracts executed under this subparagraph (L) that
21 are approved by the Commission under the process
22 described in Section 16-111.5 of the Public Utilities
23 Act. No contract shall be executed for an amount that
24 is less than one renewable energy credit per year.

25 (vii) If, at any time, approved applications for
26 the Adjustable Block program exceed funds collected by

1 the electric utility or would cause the Agency to
2 exceed the limitation described in subparagraph (E) of
3 this paragraph (1) on the amount of renewable energy
4 resources that may be procured, then the Agency may
5 consider future uncommitted funds to be reserved for
6 these contracts on a first-come, first-served basis.

7 (viii) Nothing in this Section shall require the
8 utility to advance any payment or pay any amounts that
9 exceed the actual amount of revenues anticipated to be
10 collected by the utility under paragraph (6) of this
11 subsection (c) and subsection (k) of Section 16-108 of
12 the Public Utilities Act inclusive of eligible funds
13 collected in prior years and alternative compliance
14 payments for use by the utility, and contracts
15 executed under this Section shall expressly
16 incorporate this limitation.

17 (ix) Notwithstanding other requirements of this
18 subparagraph (L), no modification shall be required to
19 Adjustable Block program contracts if they were
20 already executed prior to the establishment, approval,
21 and implementation of new contract forms as a result
22 of this amendatory Act of the 102nd General Assembly.

23 (x) Contracts may be assignable, but only to
24 entities first deemed by the Agency to have met
25 program terms and requirements applicable to direct
26 program participation. In developing contracts for the

1 delivery of renewable energy credits, the Agency shall
2 be permitted to establish fees applicable to each
3 contract assignment.

4 (M) The Agency shall be authorized to retain one or
5 more experts or expert consulting firms to develop,
6 administer, implement, operate, and evaluate the
7 Adjustable Block program described in subparagraph (K) of
8 this paragraph (1), and the Agency shall retain the
9 consultant or consultants in the same manner, to the
10 extent practicable, as the Agency retains others to
11 administer provisions of this Act, including, but not
12 limited to, the procurement administrator. The selection
13 of experts and expert consulting firms and the procurement
14 process described in this subparagraph (M) are exempt from
15 the requirements of Section 20-10 of the Illinois
16 Procurement Code, under Section 20-10 of that Code. The
17 Agency shall strive to minimize administrative expenses in
18 the implementation of the Adjustable Block program.

19 The Program Administrator may charge application fees
20 to participating firms to cover the cost of program
21 administration. Any application fee amounts shall
22 initially be determined through the long-term renewable
23 resources procurement plan, and modifications to any
24 application fee that deviate more than 25% from the
25 Commission's approved value must be approved by the
26 Commission as a long-term plan revision under Section

1 16-111.5 of the Public Utilities Act. The Agency shall
2 consider stakeholder feedback when making adjustments to
3 application fees and shall notify stakeholders in advance
4 of any planned changes.

5 In addition to covering the costs of program
6 administration, the Agency, in conjunction with its
7 Program Administrator, may also use the proceeds of such
8 fees charged to participating firms to support public
9 education and ongoing regional and national coordination
10 with nonprofit organizations, public bodies, and others
11 engaged in the implementation of renewable energy
12 incentive programs or similar initiatives. This work may
13 include developing papers and reports, hosting regional
14 and national conferences, and other work deemed necessary
15 by the Agency to position the State of Illinois as a
16 national leader in renewable energy incentive program
17 development and administration.

18 The Agency and its consultant or consultants shall
19 monitor block activity, share program activity with
20 stakeholders and conduct quarterly meetings to discuss
21 program activity and market conditions. If necessary, the
22 Agency may make prospective administrative adjustments to
23 the Adjustable Block program design, such as making
24 adjustments to purchase prices as necessary to achieve the
25 goals of this subsection (c). Program modifications to any
26 block price that do not deviate from the Commission's

1 approved value by more than 10% shall take effect
2 immediately and are not subject to Commission review and
3 approval. Program modifications to any block price that
4 deviate more than 10% from the Commission's approved value
5 must be approved by the Commission as a long-term plan
6 amendment under Section 16-111.5 of the Public Utilities
7 Act. The Agency shall consider stakeholder feedback when
8 making adjustments to the Adjustable Block design and
9 shall notify stakeholders in advance of any planned
10 changes.

11 The Agency and its program administrators for both the
12 Adjustable Block program and the Illinois Solar for All
13 Program, consistent with the requirements of this
14 subsection (c) and subsection (b) of Section 1-56 of this
15 Act, shall propose the Adjustable Block program terms,
16 conditions, and requirements, including the prices to be
17 paid for renewable energy credits, where applicable, and
18 requirements applicable to participating entities and
19 project applications, through the development, review, and
20 approval of the Agency's long-term renewable resources
21 procurement plan described in this subsection (c) and
22 paragraph (5) of subsection (b) of Section 16-111.5 of the
23 Public Utilities Act. Terms, conditions, and requirements
24 for program participation shall include the following:

- 25 (i) The Agency shall establish a registration
26 process for entities seeking to qualify for

1 program-administered incentive funding and establish
2 baseline qualifications for vendor approval. The
3 Agency must maintain a list of approved entities on
4 each program's website, and may revoke a vendor's
5 ability to receive program-administered incentive
6 funding status upon a determination that the vendor
7 failed to comply with contract terms, the law, or
8 other program requirements.

9 (ii) The Agency shall establish program
10 requirements and minimum contract terms to ensure
11 projects are properly installed and produce their
12 expected amounts of energy. Program requirements may
13 include on-site inspections and photo documentation of
14 projects under construction. The Agency may require
15 repairs, alterations, or additions to remedy any
16 material deficiencies discovered. Vendors who have a
17 disproportionately high number of deficient systems
18 may lose their eligibility to continue to receive
19 State-administered incentive funding through Agency
20 programs and procurements.

21 (iii) To discourage deceptive marketing or other
22 bad faith business practices, the Agency may require
23 direct program participants, including agents
24 operating on their behalf, to provide standardized
25 disclosures to a customer prior to that customer's
26 execution of a contract for the development of a

1 distributed generation system or a subscription to a
2 community solar project.

3 (iv) The Agency shall establish one or multiple
4 Consumer Complaints Centers to accept complaints
5 regarding businesses that participate in, or otherwise
6 benefit from, State-administered incentive funding
7 through Agency-administered programs. The Agency shall
8 maintain a public database of complaints with any
9 confidential or particularly sensitive information
10 redacted from public entries.

11 (v) Through a filing in the proceeding for the
12 approval of its long-term renewable energy resources
13 procurement plan, the Agency shall provide an annual
14 written report to the Illinois Commerce Commission
15 documenting the frequency and nature of complaints and
16 any enforcement actions taken in response to those
17 complaints.

18 (vi) The Agency shall schedule regular meetings
19 with representatives of the Office of the Attorney
20 General, the Illinois Commerce Commission, consumer
21 protection groups, and other interested stakeholders
22 to share relevant information about consumer
23 protection, project compliance, and complaints
24 received.

25 (vii) To the extent that complaints received
26 implicate the jurisdiction of the Office of the

1 Attorney General, the Illinois Commerce Commission, or
2 local, State, or federal law enforcement, the Agency
3 shall also refer complaints to those entities as
4 appropriate.

5 (N) The Agency shall establish the terms, conditions,
6 and program requirements for photovoltaic community
7 renewable generation projects with a goal to expand access
8 to a broader group of energy consumers, to ensure robust
9 participation opportunities for residential and small
10 commercial customers and those who cannot install
11 renewable energy on their own properties. Subject to
12 reasonable limitations, any plan approved by the
13 Commission shall allow subscriptions to community
14 renewable generation projects to be portable and
15 transferable. For purposes of this subparagraph (N),
16 "portable" means that subscriptions may be retained by the
17 subscriber even if the subscriber relocates or changes its
18 address within the same utility service territory; and
19 "transferable" means that a subscriber may assign or sell
20 subscriptions to another person within the same utility
21 service territory.

22 Through the development of its long-term renewable
23 resources procurement plan, the Agency may consider
24 whether community renewable generation projects utilizing
25 technologies other than photovoltaics should be supported
26 through State-administered incentive funding, and may

1 issue requests for information to gauge market demand.

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

7 The Agency shall purchase renewable energy credits
8 from subscribed shares of photovoltaic community renewable
9 generation projects through the Adjustable Block program
10 described in subparagraph (K) of this paragraph (1) or
11 through the Illinois Solar for All Program described in
12 Section 1-56 of this Act. The electric utility shall
13 purchase any unsubscribed energy from community renewable
14 generation projects that are Qualifying Facilities ("QF")
15 under the electric utility's tariff for purchasing the
16 output from QFs under Public Utilities Regulatory Policies
17 Act of 1978.

18 The owners of and any subscribers to a community
19 renewable generation project shall not be considered
20 public utilities or alternative retail electricity
21 suppliers under the Public Utilities Act solely as a
22 result of their interest in or subscription to a community
23 renewable generation project and shall not be required to
24 become an alternative retail electric supplier by
25 participating in a community renewable generation project
26 with a public utility.

1 (O) For the delivery year beginning June 1, 2018, the
2 long-term renewable resources procurement plan required by
3 this subsection (c) shall provide for the Agency to
4 procure contracts to continue offering the Illinois Solar
5 for All Program described in subsection (b) of Section
6 1-56 of this Act, and the contracts approved by the
7 Commission shall be executed by the utilities that are
8 subject to this subsection (c). The long-term renewable
9 resources procurement plan shall allocate up to
10 \$50,000,000 per delivery year to fund the programs, and
11 the plan shall determine the amount of funding to be
12 apportioned to the programs identified in subsection (b)
13 of Section 1-56 of this Act; provided that for the
14 delivery years beginning June 1, 2021, June 1, 2022, and
15 June 1, 2023, the long-term renewable resources
16 procurement plan may average the annual budgets over a
17 3-year period to account for program ramp-up. For the
18 delivery years beginning June 1, 2021, June 1, 2024, June
19 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
20 be provided to the Department of Commerce and Economic
21 Opportunity to implement the workforce development
22 programs and reporting as outlined in Section 16-108.12 of
23 the Public Utilities Act. In making the determinations
24 required under this subparagraph (O), the Commission shall
25 consider the experience and performance under the programs
26 and any evaluation reports. The Commission shall also

1 provide for an independent evaluation of those programs on
2 a periodic basis that are funded under this subparagraph
3 (O).

4 (P) All programs and procurements under this
5 subsection (c) shall be designed to encourage
6 participating projects to use a diverse and equitable
7 workforce and a diverse set of contractors, including
8 minority-owned businesses, disadvantaged businesses,
9 trade unions, graduates of any workforce training programs
10 administered under this Act, and small businesses.

11 The Agency shall develop a method to optimize
12 procurement of renewable energy credits from proposed
13 utility-scale projects that are located in communities
14 eligible to receive Energy Transition Community Grants
15 pursuant to Section 10-20 of the Energy Community
16 Reinvestment Act. If this requirement conflicts with other
17 provisions of law or the Agency determines that full
18 compliance with the requirements of this subparagraph (P)
19 would be unreasonably costly or administratively
20 impractical, the Agency is to propose alternative
21 approaches to achieve development of renewable energy
22 resources in communities eligible to receive Energy
23 Transition Community Grants pursuant to Section 10-20 of
24 the Energy Community Reinvestment Act or seek an exemption
25 from this requirement from the Commission.

26 (Q) Each facility listed in subitems (i) through (ix)

1 of item (1) of this subparagraph (Q) for which a renewable
2 energy credit delivery contract is signed after the
3 effective date of this amendatory Act of the 102nd General
4 Assembly is subject to the following requirements through
5 the Agency's long-term renewable resources procurement
6 plan:

7 (1) Each facility shall be subject to the
8 prevailing wage requirements included in the
9 Prevailing Wage Act. The Agency shall require
10 verification that all construction performed on the
11 facility by the renewable energy credit delivery
12 contract holder, its contractors, or its
13 subcontractors relating to construction of the
14 facility is performed by construction employees
15 receiving an amount for that work equal to or greater
16 than the general prevailing rate, as that term is
17 defined in Section 3 of the Prevailing Wage Act. For
18 purposes of this item (1), "house of worship" means
19 property that is both (1) used exclusively by a
20 religious society or body of persons as a place for
21 religious exercise or religious worship and (2)
22 recognized as exempt from taxation pursuant to Section
23 15-40 of the Property Tax Code. This item (1) shall
24 apply to any the following:

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

26 (ii) all new utility-scale photovoltaic

1 projects;

2 (iii) all new brownfield photovoltaic
3 projects;

4 (iv) all new photovoltaic community renewable
5 energy facilities that qualify for item (iii) of
6 subparagraph (K) of this paragraph (1);

7 (v) all new community driven community
8 photovoltaic projects that qualify for item (v) of
9 subparagraph (K) of this paragraph (1);

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

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

21 (viii) all new photovoltaic distributed
22 renewable energy generation devices that (1)
23 qualify for item (ii) of subparagraph (K) of this
24 paragraph (1); (2) are not projects that serve
25 single-family or multi-family residential
26 buildings; and (3) are not houses of worship where

1 the aggregate capacity including collocated
2 projects would not exceed 100 kilowatts;

3 (ix) all new, modernized, or retooled
4 hydropower facilities.

5 (2) Renewable energy credits procured from new
6 utility-scale wind projects, new utility-scale solar
7 projects, and new brownfield solar projects pursuant
8 to Agency procurement events occurring after the
9 effective date of this amendatory Act of the 102nd
10 General Assembly must be from facilities built by
11 general contractors that must enter into a project
12 labor agreement, as defined by this Act, prior to
13 construction. The project labor agreement shall be
14 filed with the Director in accordance with procedures
15 established by the Agency through its long-term
16 renewable resources procurement plan. Any information
17 submitted to the Agency in this item (2) shall be
18 considered commercially sensitive information. At a
19 minimum, the project labor agreement must provide the
20 names, addresses, and occupations of the owner of the
21 plant and the individuals representing the labor
22 organization employees participating in the project
23 labor agreement consistent with the Project Labor
24 Agreements Act. The agreement must also specify the
25 terms and conditions as defined by this Act.

26 (3) It is the intent of this Section to ensure that

1 economic development occurs across Illinois
2 communities, that emerging businesses may grow, and
3 that there is improved access to the clean energy
4 economy by persons who have greater economic burdens
5 to success. The Agency shall take into consideration
6 the unique cost of compliance of this subparagraph (Q)
7 that might be borne by equity eligible contractors,
8 shall include such costs when determining the price of
9 renewable energy credits in the Adjustable Block
10 program, and shall take such costs into consideration
11 in a nondiscriminatory manner when comparing bids for
12 competitive procurements. The Agency shall consider
13 costs associated with compliance whether in the
14 development, financing, or construction of projects.
15 The Agency shall periodically review the assumptions
16 in these costs and may adjust prices, in compliance
17 with subparagraph (M) of this paragraph (1).

18 (R) In its long-term renewable resources procurement
19 plan, the Agency shall establish a self-direct renewable
20 portfolio standard compliance program for eligible
21 self-direct customers that purchase renewable energy
22 credits from utility-scale wind and solar projects through
23 long-term agreements for purchase of renewable energy
24 credits as described in this Section. Such long-term
25 agreements may include the purchase of energy or other
26 products on a physical or financial basis and may involve

1 an alternative retail electric supplier as defined in
2 Section 16-102 of the Public Utilities Act. This program
3 shall take effect in the delivery year commencing June 1,
4 2023.

5 (1) For the purposes of this subparagraph:

6 "Eligible self-direct customer" means any retail
7 customers of an electric utility that serves 3,000,000
8 or more retail customers in the State and whose total
9 highest 30-minute demand was more than 10,000
10 kilowatts, or any retail customers of an electric
11 utility that serves less than 3,000,000 retail
12 customers but more than 500,000 retail customers in
13 the State and whose total highest 15-minute demand was
14 more than 10,000 kilowatts.

15 "Retail customer" has the meaning set forth in
16 Section 16-102 of the Public Utilities Act and
17 multiple retail customer accounts under the same
18 corporate parent may aggregate their account demands
19 to meet the 10,000 kilowatt threshold. The criteria
20 for determining whether this subparagraph is
21 applicable to a retail customer shall be based on the
22 12 consecutive billing periods prior to the start of
23 the year in which the application is filed.

24 (2) For renewable energy credits to count toward
25 the self-direct renewable portfolio standard
26 compliance program, they must:

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

3 (ii) be sourced from one or more renewable
4 energy generating facilities that comply with the
5 geographic requirements as set forth in
6 subparagraph (I) of paragraph (1) of subsection
7 (c) as interpreted through the Agency's long-term
8 renewable resources procurement plan, or, where
9 applicable, the geographic requirements that
10 governed utility-scale renewable energy credits at
11 the time the eligible self-direct customer entered
12 into the applicable renewable energy credit
13 purchase agreement;

14 (iii) be procured through long-term contracts
15 with term lengths of at least 10 years either
16 directly with the renewable energy generating
17 facility or through a bundled power purchase
18 agreement, a virtual power purchase agreement, an
19 agreement between the renewable generating
20 facility, an alternative retail electric supplier,
21 and the customer, or such other structure as is
22 permissible under this subparagraph (R);

23 (iv) be equivalent in volume to at least 40%
24 of the eligible self-direct customer's usage,
25 determined annually by the eligible self-direct
26 customer's usage during the previous delivery

1 year, measured to the nearest megawatt-hour;

2 (v) be retired by or on behalf of the large
3 energy customer;

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

6 (vii) if the contracts for renewable energy
7 credits are entered into after the effective date
8 of this amendatory Act of the 102nd General
9 Assembly, the new utility-scale wind projects or
10 new utility-scale solar projects must comply with
11 the requirements established in subparagraphs (P)
12 and (Q) of paragraph (1) of this subsection (c)
13 and subsection (c-10).

14 (3) The self-direct renewable portfolio standard
15 compliance program shall be designed to allow eligible
16 self-direct customers to procure new renewable energy
17 credits from new utility-scale wind projects or new
18 utility-scale photovoltaic projects. The Agency shall
19 annually determine the amount of utility-scale
20 renewable energy credits it will include each year
21 from the self-direct renewable portfolio standard
22 compliance program, subject to receiving qualifying
23 applications. In making this determination, the Agency
24 shall evaluate publicly available analyses and studies
25 of the potential market size for utility-scale
26 renewable energy long-term purchase agreements by

1 commercial and industrial energy customers and make
2 that report publicly available. If demand for
3 participation in the self-direct renewable portfolio
4 standard compliance program exceeds availability, the
5 Agency shall ensure participation is evenly split
6 between commercial and industrial users to the extent
7 there is sufficient demand from both customer classes.
8 Each renewable energy credit procured pursuant to this
9 subparagraph (R) by a self-direct customer shall
10 reduce the total volume of renewable energy credits
11 the Agency is otherwise required to procure from new
12 utility-scale projects pursuant to subparagraph (C) of
13 paragraph (1) of this subsection (c) on behalf of
14 contracting utilities where the eligible self-direct
15 customer is located. The self-direct customer shall
16 file an annual compliance report with the Agency
17 pursuant to terms established by the Agency through
18 its long-term renewable resources procurement plan to
19 be eligible for participation in this program.
20 Customers must provide the Agency with their most
21 recent electricity billing statements or other
22 information deemed necessary by the Agency to
23 demonstrate they are an eligible self-direct customer.

24 (4) The Commission shall approve a reduction in
25 the volumetric charges collected pursuant to Section
26 16-108 of the Public Utilities Act for approved

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

1 existing eligible self-direct customers and submit
2 this to the Commission in an annual compliance filing.
3 The Commission must approve the self-direct credit
4 amount by June 1, 2023 and June 1 of each delivery year
5 thereafter.

6 (5) Customers described in this subparagraph (R)
7 shall apply, on a form developed by the Agency, to the
8 Agency to be designated as a self-direct eligible
9 customer. Once the Agency determines that a
10 self-direct customer is eligible for participation in
11 the program, the self-direct customer will remain
12 eligible until the end of the term of the contract.
13 Thereafter, application may be made not less than 12
14 months before the filing date of the long-term
15 renewable resources procurement plan described in this
16 Act. At a minimum, such application shall contain the
17 following:

18 (i) the customer's certification that, at the
19 time of the customer's application, the customer
20 qualifies to be a self-direct eligible customer,
21 including documents demonstrating that
22 qualification;

23 (ii) the customer's certification that the
24 customer has entered into or will enter into by
25 the beginning of the applicable procurement year,
26 one or more bilateral contracts for new wind

1 projects or new photovoltaic projects, including
2 supporting documentation;

3 (iii) certification that the contract or
4 contracts for new renewable energy resources are
5 long-term contracts with term lengths of at least
6 10 years, including supporting documentation;

7 (iv) certification of the quantities of
8 renewable energy credits that the customer will
9 purchase each year under such contract or
10 contracts, including supporting documentation;

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

16 (vi) certification that the customer intends
17 to maintain the contract for the duration of the
18 length of the contract.

19 (6) If a customer receives the self-direct credit
20 but fails to properly procure and retire renewable
21 energy credits as required under this subparagraph
22 (R), the Commission, on petition from the Agency and
23 after notice and hearing, may direct such customer's
24 utility to recover the cost of the wrongfully received
25 self-direct credits plus interest through an adder to
26 charges assessed pursuant to Section 16-108 of the

1 Public Utilities Act. Self-direct customers who
2 knowingly fail to properly procure and retire
3 renewable energy credits and do not notify the Agency
4 are ineligible for continued participation in the
5 self-direct renewable portfolio standard compliance
6 program.

7 (2) (Blank).

8 (3) (Blank).

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

11 (5) Beginning with the 2010 delivery year and ending
12 June 1, 2017, an electric utility subject to this
13 subsection (c) shall apply the lesser of the maximum
14 alternative compliance payment rate or the most recent
15 estimated alternative compliance payment rate for its
16 service territory for the corresponding compliance period,
17 established pursuant to subsection (d) of Section 16-115D
18 of the Public Utilities Act to its retail customers that
19 take service pursuant to the electric utility's hourly
20 pricing tariff or tariffs. The electric utility shall
21 retain all amounts collected as a result of the
22 application of the alternative compliance payment rate or
23 rates to such customers, and, beginning in 2011, the
24 utility shall include in the information provided under
25 item (1) of subsection (d) of Section 16-111.5 of the
26 Public Utilities Act the amounts collected under the

1 alternative compliance payment rate or rates for the prior
2 year ending May 31. Notwithstanding any limitation on the
3 procurement of renewable energy resources imposed by item
4 (2) of this subsection (c), the Agency shall increase its
5 spending on the purchase of renewable energy resources to
6 be procured by the electric utility for the next plan year
7 by an amount equal to the amounts collected by the utility
8 under the alternative compliance payment rate or rates in
9 the prior year ending May 31.

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

20 (7) Renewable energy credits procured from new
21 photovoltaic projects or new distributed renewable energy
22 generation devices under this Section after June 1, 2017
23 (the effective date of Public Act 99-906) must be procured
24 from devices installed by a qualified person in compliance
25 with the requirements of Section 16-128A of the Public
26 Utilities Act and any rules or regulations adopted

1 thereunder.

2 In meeting the renewable energy requirements of this
3 subsection (c), to the extent feasible and consistent with
4 State and federal law, the renewable energy credit
5 procurements, Adjustable Block solar program, and
6 community renewable generation program shall provide
7 employment opportunities for all segments of the
8 population and workforce, including minority-owned and
9 female-owned business enterprises, and shall not,
10 consistent with State and federal law, discriminate based
11 on race or socioeconomic status.

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

16 (1) In addition to the procurement of renewable energy
17 credits pursuant to long-term renewable resources
18 procurement plans in accordance with subsection (c) of
19 this Section and Section 16-111.5 of the Public Utilities
20 Act, the Agency shall conduct procurement events in
21 accordance with this subsection (c-5) for the procurement
22 by electric utilities that served more than 300,000 retail
23 customers in this State as of January 1, 2019 of renewable
24 energy credits from new renewable energy facilities to be
25 installed at or adjacent to the sites of electric
26 generating facilities that, as of January 1, 2016, burned

1 coal as their primary fuel source and meet the other
2 criteria specified in this subsection (c-5). For purposes
3 of this subsection (c-5), "new renewable energy facility"
4 means a new utility-scale solar project as defined in this
5 Section 1-75. The renewable energy credits procured
6 pursuant to this subsection (c-5) may be included or
7 counted for purposes of compliance with the amounts of
8 renewable energy credits required to be procured pursuant
9 to subsection (c) of this Section to the extent that there
10 are otherwise shortfalls in compliance with such
11 requirements. The procurement of renewable energy credits
12 by electric utilities pursuant to this subsection (c-5)
13 shall be funded solely by revenues collected from the Coal
14 to Solar and Energy Storage Initiative Charge provided for
15 in this subsection (c-5) and subsection (i-5) of Section
16 16-108 of the Public Utilities Act, shall not be funded by
17 revenues collected through any of the other funding
18 mechanisms provided for in subsection (c) of this Section,
19 and shall not be subject to the limitation imposed by
20 subsection (c) on charges to retail customers for costs to
21 procure renewable energy resources pursuant to subsection
22 (c), and shall not be subject to any other requirements or
23 limitations of subsection (c).

24 (2) The Agency shall conduct 2 procurement events to
25 select owners of electric generating facilities meeting
26 the eligibility criteria specified in this subsection

1 (c-5) to enter into long-term contracts to sell renewable
2 energy credits to electric utilities serving more than
3 300,000 retail customers in this State as of January 1,
4 2019. The first procurement event shall be conducted no
5 later than March 31, 2022, unless the Agency elects to
6 delay it, until no later than May 1, 2022, due to its
7 overall volume of work, and shall be to select owners of
8 electric generating facilities located in this State and
9 south of federal Interstate Highway 80 that meet the
10 eligibility criteria specified in this subsection (c-5).
11 The second procurement event shall be conducted no sooner
12 than September 30, 2022 and no later than October 31, 2022
13 and shall be to select owners of electric generating
14 facilities located anywhere in this State that meet the
15 eligibility criteria specified in this subsection (c-5).
16 The Agency shall establish and announce a time period,
17 which shall begin no later than 30 days prior to the
18 scheduled date for the procurement event, during which
19 applicants may submit applications to be selected as
20 suppliers of renewable energy credits pursuant to this
21 subsection (c-5). The eligibility criteria for selection
22 as a supplier of renewable energy credits pursuant to this
23 subsection (c-5) shall be as follows:

24 (A) The applicant owns an electric generating
25 facility located in this State that: (i) as of January
26 1, 2016, burned coal as its primary fuel to generate

1 electricity; and (ii) has, or had prior to retirement,
2 an electric generating capacity of at least 150
3 megawatts. The electric generating facility can be
4 either: (i) retired as of the date of the procurement
5 event; or (ii) still operating as of the date of the
6 procurement event.

7 (B) The applicant is not (i) an electric
8 cooperative 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 or
12 an entity owned by entities described in (i) or (ii);
13 and the coal-fueled electric generating facility was
14 at one time owned, in whole or in part, by a public
15 utility as defined in Section 3-105 of the Public
16 Utilities Act.

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

1 most 10 megawatts. If participating in the second
2 procurement event, the applicant proposes and commits
3 to construct and operate, at the site, and if
4 necessary for sufficient space on property adjacent to
5 the existing property, at which the electric
6 generating facility identified in paragraph (A) is
7 located: (i) a new renewable energy facility of at
8 least 5 megawatts but no more than 20 megawatts of
9 electric generating capacity, and (ii) an energy
10 storage facility having a storage capacity equal to at
11 least 0.5 megawatts and at most one megawatt.

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

18 (E) The applicant agrees that personnel operating
19 the new renewable energy facility and the energy
20 storage facility will have the requisite skills,
21 knowledge, training, experience, and competence, which
22 may be demonstrated by completion or current
23 participation and ultimate completion by employees of
24 an accredited or otherwise recognized apprenticeship
25 program for the employee's particular craft, trade, or
26 skill, including through training and education

1 courses and opportunities offered by the owner to
2 employees of the coal-fueled electric generating
3 facility or by previous employment experience
4 performing the employee's particular work skill or
5 function.

6 (F) The applicant commits that not less than the
7 prevailing wage, as determined pursuant to the
8 Prevailing Wage Act, will be paid to the applicant's
9 employees engaged in construction activities
10 associated with the new renewable energy facility and
11 the new energy storage facility and to the employees
12 of applicant's contractors engaged in construction
13 activities associated with the new renewable energy
14 facility and the new energy storage facility, and
15 that, on or before the commercial operation date of
16 the new renewable energy facility, the applicant shall
17 file a report with the Agency certifying that the
18 requirements of this subparagraph (F) have been met.

19 (G) The applicant commits that if selected, it
20 will negotiate a project labor agreement for the
21 construction of the new renewable energy facility and
22 associated energy storage facility that includes
23 provisions requiring the parties to the agreement to
24 work together to establish diversity threshold
25 requirements and to ensure best efforts to meet
26 diversity targets, improve diversity at the applicable

1 job site, create diverse apprenticeship opportunities,
2 and create opportunities to employ former coal-fired
3 power plant workers.

4 (H) The applicant commits to enter into a contract
5 or contracts for the applicable duration to provide
6 specified numbers of renewable energy credits each
7 year from the new renewable energy facility to
8 electric utilities that served more than 300,000
9 retail customers in this State as of January 1, 2019,
10 at a price of \$30 per renewable energy credit. The
11 price per renewable energy credit shall be fixed at
12 \$30 for the applicable duration and the renewable
13 energy credits shall not be indexed renewable energy
14 credits as provided for in item (v) of subparagraph
15 (G) of paragraph (1) of subsection (c) of Section 1-75
16 of this Act. The applicable duration of each contract
17 shall be 20 years, unless the applicant is physically
18 interconnected to the PJM Interconnection, LLC
19 transmission grid and had a generating capacity of at
20 least 1,200 megawatts as of January 1, 2021, in which
21 case the applicable duration of the contract shall be
22 15 years.

23 (I) The applicant's application is certified by an
24 officer of the applicant and by an officer of the
25 applicant's ultimate parent company, if any.

26 (3) An applicant may submit applications to contract

1 to supply renewable energy credits from more than one new
2 renewable energy facility to be constructed at or adjacent
3 to one or more qualifying electric generating facilities
4 owned by the applicant. The Agency may select new
5 renewable energy facilities to be located at or adjacent
6 to the sites of more than one qualifying electric
7 generation facility owned by an applicant to contract with
8 electric utilities to supply renewable energy credits from
9 such facilities.

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

19 (5) The Agency shall select the applicants and the new
20 renewable energy facilities to contract with electric
21 utilities to supply renewable energy credits in accordance
22 with this subsection (c-5). In the first procurement
23 event, the Agency shall select applicants and new
24 renewable energy facilities to supply renewable energy
25 credits, at a price of \$30 per renewable energy credit,
26 aggregating to no less than 400,000 renewable energy

1 credits per year for the applicable duration, assuming
2 sufficient qualifying applications to supply, in the
3 aggregate, at least that amount of renewable energy
4 credits per year; and not more than 580,000 renewable
5 energy credits per year for the applicable duration. In
6 the second procurement event, the Agency shall select
7 applicants and new renewable energy facilities to supply
8 renewable energy credits, at a price of \$30 per renewable
9 energy credit, aggregating to no more than 625,000
10 renewable energy credits per year less the amount of
11 renewable energy credits each year contracted for as a
12 result of the first procurement event, for the applicable
13 durations. The number of renewable energy credits to be
14 procured as specified in this paragraph (5) shall not be
15 reduced based on renewable energy credits procured in the
16 self-direct renewable energy credit compliance program
17 established pursuant to subparagraph (R) of paragraph (1)
18 of subsection (c) of Section 1-75.

19 (6) The obligation to purchase renewable energy
20 credits from the applicants and their new renewable energy
21 facilities selected by the Agency shall be allocated to
22 the electric utilities based on their respective
23 percentages of kilowatthours delivered to delivery
24 services customers to the aggregate kilowatthour
25 deliveries by the electric utilities to delivery services
26 customers for the year ended December 31, 2021. In order

1 to achieve these allocation percentages between or among
2 the electric utilities, the Agency shall require each
3 applicant that is selected in the procurement event to
4 enter into a contract with each electric utility for the
5 sale and purchase of renewable energy credits from each
6 new renewable energy facility to be constructed and
7 operated by the applicant, with the sale and purchase
8 obligations under the contracts to aggregate to the total
9 number of renewable energy credits per year to be supplied
10 by the applicant from the new renewable energy facility.

11 (7) The Agency shall submit its proposed selection of
12 applicants, new renewable energy facilities to be
13 constructed, and renewable energy credit amounts for each
14 procurement event to the Commission for approval. The
15 Commission shall, within 2 business days after receipt of
16 the Agency's proposed selections, approve the proposed
17 selections if it determines that the applicants and the
18 new renewable energy facilities to be constructed meet the
19 selection criteria set forth in this subsection (c-5) and
20 that the Agency seeks approval for contracts of applicable
21 durations aggregating to no more than the maximum amount
22 of renewable energy credits per year authorized by this
23 subsection (c-5) for the procurement event, at a price of
24 \$30 per renewable energy credit.

25 (8) The Agency, in conjunction with its procurement
26 administrator if one is retained, the electric utilities,

1 and potential applicants for contracts to produce and
2 supply renewable energy credits pursuant to this
3 subsection (c-5), shall develop a standard form contract
4 for the sale, delivery and purchase of renewable energy
5 credits pursuant to this subsection (c-5). Each contract
6 resulting from the first procurement event shall allow for
7 a commercial operation date for the new renewable energy
8 facility of either June 1, 2023 or June 1, 2024, with such
9 dates subject to adjustment as provided in this paragraph.
10 Each contract resulting from the second procurement event
11 shall provide for a commercial operation date on June 1
12 next occurring up to 48 months after execution of the
13 contract. Each contract shall provide that the owner shall
14 receive payments for renewable energy credits for the
15 applicable durations beginning with the commercial
16 operation date of the new renewable energy facility. The
17 form contract shall provide for adjustments to the
18 commercial operation and payment start dates as needed due
19 to any delays in completing the procurement and
20 contracting processes, in finalizing interconnection
21 agreements and installing interconnection facilities, and
22 in obtaining other necessary governmental permits and
23 approvals. The form contract shall be, to the maximum
24 extent possible, consistent with standard electric
25 industry contracts for sale, delivery, and purchase of
26 renewable energy credits while taking into account the

1 specific requirements of this subsection (c-5). The form
2 contract shall provide for over-delivery and
3 under-delivery of renewable energy credits within
4 reasonable ranges during each 12-month period and penalty,
5 default, and enforcement provisions for failure of the
6 selling party to deliver renewable energy credits as
7 specified in the contract and to comply with the
8 requirements of this subsection (c-5). The standard form
9 contract shall specify that all renewable energy credits
10 delivered to the electric utility pursuant to the contract
11 shall be retired. The Agency shall make the proposed
12 contracts available for a reasonable period for comment by
13 potential applicants, and shall publish the final form
14 contract at least 30 days before the date of the first
15 procurement event.

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

18 (A) By no later than July 1, 2022, each electric
19 utility that served more than 300,000 retail customers
20 in this State as of January 1, 2019 shall file a tariff
21 with the Commission for the billing and collection of
22 a Coal to Solar and Energy Storage Initiative Charge
23 in accordance with subsection (i-5) of Section 16-108
24 of the Public Utilities Act, with such tariff to be
25 effective, following review and approval or
26 modification by the Commission, beginning January 1,

1 2023. The tariff shall provide for the calculation and
2 setting of the electric utility's Coal to Solar and
3 Energy Storage Initiative Charge to collect revenues
4 estimated to be sufficient, in the aggregate, (i) to
5 enable the electric utility to pay for the renewable
6 energy credits it has contracted to purchase in the
7 delivery year beginning June 1, 2023 and each delivery
8 year thereafter from new renewable energy facilities
9 located at the sites of qualifying electric generating
10 facilities, and (ii) to fund the grant payments to be
11 made in each delivery year by the Department of
12 Commerce and Economic Opportunity, or any successor
13 department or agency, which shall be referred to in
14 this subsection (c-5) as the Department, pursuant to
15 paragraph (10) of this subsection (c-5). The electric
16 utility's tariff shall provide for the billing and
17 collection of the Coal to Solar and Energy Storage
18 Initiative Charge on each kilowatthour of electricity
19 delivered to its delivery services customers within
20 its service territory and shall provide for an annual
21 reconciliation of revenues collected with actual
22 costs, in accordance with subsection (i-5) of Section
23 16-108 of the Public Utilities Act.

24 (B) Each electric utility shall remit on a monthly
25 basis to the State Treasurer, for deposit in the Coal
26 to Solar and Energy Storage Initiative Fund provided

1 for in this subsection (c-5), the electric utility's
2 collections of the Coal to Solar and Energy Storage
3 Initiative Charge in the amount estimated to be needed
4 by the Department for grant payments pursuant to grant
5 contracts entered into by the Department pursuant to
6 paragraph (10) of this subsection (c-5).

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

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

23 (B) The Coal to Solar and Energy Storage
24 Initiative Fund shall not be subject to sweeps,
25 administrative charges, or chargebacks, including, but
26 not limited to, those authorized under Section 8h of

1 the State Finance Act, that would in any way result in
2 the transfer of those funds from the Coal to Solar and
3 Energy Storage Initiative Fund to any other fund of
4 this State or in having any such funds utilized for any
5 purpose other than the express purposes set forth in
6 this paragraph (10).

7 (C) The Department shall utilize up to
8 \$280,500,000 in the Coal to Solar and Energy Storage
9 Initiative Fund for grants, assuming sufficient
10 qualifying applicants, to support installation of
11 energy storage facilities at the sites of up to 3
12 qualifying electric generating facilities located in
13 the Midcontinent Independent System Operator, Inc.,
14 region in Illinois and the sites of up to 2 qualifying
15 electric generating facilities located in the PJM
16 Interconnection, LLC region in Illinois that meet the
17 criteria set forth in this subparagraph (C). The
18 criteria for receipt of a grant pursuant to this
19 subparagraph (C) are as follows:

20 (1) the electric generating facility at the
21 site has, or had prior to retirement, an electric
22 generating capacity of at least 150 megawatts;

23 (2) the electric generating facility burns (or
24 burned prior to retirement) coal as its primary
25 source of fuel;

26 (3) if the electric generating facility is

1 retired, it was retired subsequent to January 1,
2 2016;

3 (4) the owner of the electric generating
4 facility has not been selected by the Agency
5 pursuant to this subsection (c-5) of this Section
6 to enter into a contract to sell renewable energy
7 credits to one or more electric utilities from a
8 new renewable energy facility located or to be
9 located at or adjacent to the site at which the
10 electric generating facility is located;

11 (5) the electric generating facility located
12 at the site was at one time owned, in whole or in
13 part, by a public utility as defined in Section
14 3-105 of the Public Utilities Act;

15 (6) the electric generating facility at the
16 site is not owned by (i) an electric cooperative
17 as defined in Section 3-119 of the Public
18 Utilities Act, or (ii) an entity described in
19 subsection (b)(1) of Section 3-105 of the Public
20 Utilities Act, or an association or consortium of
21 or an entity owned by entities described in items
22 (i) or (ii);

23 (7) the proposed energy storage facility at
24 the site will have energy storage capacity of at
25 least 37 megawatts;

26 (8) the owner commits to place the energy

1 storage facility into commercial operation on
2 either June 1, 2023, June 1, 2024, or June 1, 2025,
3 with such date subject to adjustment as needed due
4 to any delays in completing the grant contracting
5 process, in finalizing interconnection agreements
6 and in installing interconnection facilities, and
7 in obtaining necessary governmental permits and
8 approvals;

9 (9) the owner agrees that the new energy
10 storage facility will be constructed or installed
11 by a qualified entity or entities consistent with
12 the requirements of subsection (g) of Section
13 16-128A of the Public Utilities Act and any rules
14 adopted under that Section;

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

1 performing the employee's particular work skill or
2 function;

3 (11) the owner commits that not less than the
4 prevailing wage, as determined pursuant to the
5 Prevailing Wage Act, will be paid to the owner's
6 employees engaged in construction activities
7 associated with the new energy storage facility
8 and to the employees of the owner's contractors
9 engaged in construction activities associated with
10 the new energy storage facility, and that, on or
11 before the commercial operation date of the new
12 energy storage facility, the owner shall file a
13 report with the Department certifying that the
14 requirements of this subparagraph (11) have been
15 met; and

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

1 The Department shall accept applications for this
2 grant program until March 31, 2022 and shall announce
3 the award of grants no later than June 1, 2022. The
4 Department shall make the grant payments to a
5 recipient in equal annual amounts for 10 years
6 following the date the energy storage facility is
7 placed into commercial operation. The annual grant
8 payments to a qualifying energy storage facility shall
9 be \$110,000 per megawatt of energy storage capacity,
10 with total annual grant payments pursuant to this
11 subparagraph (C) for qualifying energy storage
12 facilities not to exceed \$28,050,000 in any year.

13 (D) Grants of funding for energy storage
14 facilities pursuant to subparagraph (C) of this
15 paragraph (10), from the Coal to Solar and Energy
16 Storage Initiative Fund, shall be memorialized in
17 grant contracts between the Department and the
18 recipient. The grant contracts shall specify the date
19 or dates in each year on which the annual grant
20 payments shall be paid.

21 (E) All disbursements from the Coal to Solar and
22 Energy Storage Initiative Fund shall be made only upon
23 warrants of the Comptroller drawn upon the Treasurer
24 as custodian of the Fund upon vouchers signed by the
25 Director of the Department or by the person or persons
26 designated by the Director of the Department for that

1 purpose. The Comptroller is authorized to draw the
2 warrants upon vouchers so signed. The Treasurer shall
3 accept all written warrants so signed and shall be
4 released from liability for all payments made on those
5 warrants.

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

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

1 (B) For purposes of this paragraph (11), diversity
2 composition shall be based on the percentage, which
3 shall be a minimum of 25%, of eligible expenditures
4 for contract awards for materials and services (which
5 shall be defined in the plan) to business enterprises
6 owned by minority persons, women, or persons with
7 disabilities as defined in Section 2 of the Business
8 Enterprise for Minorities, Women, and Persons with
9 Disabilities Act, to LGBTQ business enterprises, to
10 veteran-owned business enterprises, and to business
11 enterprises located in environmental justice
12 communities. The diversity composition goals of the
13 plan may include eligible expenditures in areas for
14 vendor or supplier opportunities in addition to
15 development and construction of the project, and may
16 exclude from eligible expenditures materials and
17 services with limited market availability, limited
18 production and availability from suppliers in the
19 United States, such as solar panels and storage
20 batteries, and material and services that are subject
21 to critical energy infrastructure or cybersecurity
22 requirements or restrictions. The plan may provide
23 that the diversity composition goals may be met
24 through Tier 1 Direct or Tier 2 subcontracting
25 expenditures or a combination thereof for the project.

26 (C) The plan shall provide for, but not be limited

1 to: (i) internal initiatives, including multi-tier
2 initiatives, by the applicant or owner, or by its
3 engineering, procurement and construction contractor
4 if one is used for the project, which for purposes of
5 this paragraph (11) shall be referred to as the EPC
6 contractor, to enable diverse businesses to be
7 considered fairly for selection to provide materials
8 and services; (ii) requirements for the applicant or
9 owner or its EPC contractor to proactively solicit and
10 utilize diverse businesses to provide materials and
11 services; and (iii) requirements for the applicant or
12 owner or its EPC contractor to hire a diverse
13 workforce for the project. The plan shall include a
14 description of the applicant's or owner's diversity
15 recruiting efforts both for the project and for other
16 areas of the applicant's or owner's business
17 operations. The plan shall provide for the imposition
18 of financial penalties on the applicant's or owner's
19 EPC contractor for failure to exercise best efforts to
20 comply with and execute the EPC contractor's diversity
21 obligations under the plan. The plan may provide for
22 the applicant or owner to set aside a portion of the
23 work on the project to serve as an incubation program
24 for qualified businesses, as specified in the plan,
25 owned by minority persons, women, persons with
26 disabilities, LGBTQ persons, and veterans, and

1 businesses located in environmental justice
2 communities, seeking to enter the renewable energy
3 industry.

4 (D) The applicant or owner may submit a revised or
5 updated plan to the Commission from time to time as
6 circumstances warrant. The applicant or owner shall
7 file annual reports with the Commission detailing the
8 applicant's or owner's progress in implementing its
9 plan and achieving its goals and any modifications the
10 applicant or owner has made to its plan to better
11 achieve its diversity, equity and inclusion goals. The
12 applicant or owner shall file a final report on the
13 fifth June 1 following the commercial operation date
14 of the new renewable energy resource or new energy
15 storage facility, but the applicant or owner shall
16 thereafter continue to be subject to applicable
17 reporting requirements of Section 5-117 of the Public
18 Utilities Act.

19 (c-10) Equity accountability system. It is the purpose of
20 this subsection (c-10) to create an equity accountability
21 system, which includes the minimum equity standards for all
22 renewable energy procurements, the equity category of the
23 Adjustable Block Program, and the equity prioritization for
24 noncompetitive procurements, that is successful in advancing
25 priority access to the clean energy economy for businesses and
26 workers from communities that have been excluded from economic

1 opportunities in the energy sector, have been subject to
2 disproportionate levels of pollution, and have
3 disproportionately experienced negative public health
4 outcomes. Further, it is the purpose of this subsection to
5 ensure that this equity accountability system is successful in
6 advancing equity across Illinois by providing access to the
7 clean energy economy for businesses and workers from
8 communities that have been historically excluded from economic
9 opportunities in the energy sector, have been subject to
10 disproportionate levels of pollution, and have
11 disproportionately experienced negative public health
12 outcomes.

13 (1) Minimum equity standards. The Agency shall create
14 programs with the purpose of increasing access to and
15 development of equity eligible contractors, who are prime
16 contractors and subcontractors, across all of the programs
17 it manages. All applications for renewable energy credit
18 procurements shall comply with specific minimum equity
19 commitments. Starting in the delivery year immediately
20 following the next long-term renewable resources
21 procurement plan, at least 10% of the project workforce
22 for each entity participating in a procurement program
23 outlined in this subsection (c-10) must be done by equity
24 eligible persons or equity eligible contractors. The
25 Agency shall increase the minimum percentage each delivery
26 year thereafter by increments that ensure a statewide

1 average of 30% of the project workforce for each entity
2 participating in a procurement program is done by equity
3 eligible persons or equity eligible contractors by 2030.
4 The Agency shall propose a schedule of percentage
5 increases to the minimum equity standards in its draft
6 revised renewable energy resources procurement plan
7 submitted to the Commission for approval pursuant to
8 paragraph (5) of subsection (b) of Section 16-111.5 of the
9 Public Utilities Act. In determining these annual
10 increases, the Agency shall have the discretion to
11 establish different minimum equity standards for different
12 types of procurements and different regions of the State
13 if the Agency finds that doing so will further the
14 purposes of this subsection (c-10). The proposed schedule
15 of annual increases shall be revisited and updated on an
16 annual basis. Revisions shall be developed with
17 stakeholder input, including from equity eligible persons,
18 equity eligible contractors, clean energy industry
19 representatives, and community-based organizations that
20 work with such persons and contractors.

21 (A) At the start of each delivery year, the Agency
22 shall require a compliance plan from each entity
23 participating in a procurement program of subsection
24 (c) of this Section that demonstrates how they will
25 achieve compliance with the minimum equity standard
26 percentage for work completed in that delivery year.

1 If an entity applies for its approved vendor or
2 designee status between delivery years, the Agency
3 shall require a compliance plan at the time of
4 application.

5 (B) Halfway through each delivery year, the Agency
6 shall require each entity participating in a
7 procurement program to confirm that it will achieve
8 compliance in that delivery year, when applicable. The
9 Agency may offer corrective action plans to entities
10 that are not on track to achieve compliance.

11 (C) At the end of each delivery year, each entity
12 participating and completing work in that delivery
13 year in a procurement program of subsection (c) shall
14 submit a report to the Agency that demonstrates how it
15 achieved compliance with the minimum equity standards
16 percentage for that delivery year.

17 (D) The Agency shall prohibit participation in
18 procurement programs by an approved vendor or
19 designee, as applicable, or entities with which an
20 approved vendor or designee, as applicable, shares a
21 common parent company if an approved vendor or
22 designee, as applicable, failed to meet the minimum
23 equity standards for the prior delivery year. Waivers
24 approved for lack of equity eligible persons or equity
25 eligible contractors in a geographic area of a project
26 shall not count against the approved vendor or

1 designee. The Agency shall offer a corrective action
2 plan for any such entities to assist them in obtaining
3 compliance and shall allow continued access to
4 procurement programs upon an approved vendor or
5 designee demonstrating compliance.

6 (E) The Agency shall pursue efficiencies achieved
7 by combining with other approved vendor or designee
8 reporting.

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

13 (3) Equity accountability system within competitive
14 procurements. Through its long-term renewable resources
15 procurement plan, the Agency shall develop requirements
16 for ensuring that competitive procurement processes,
17 including utility-scale solar, utility-scale wind, and
18 brownfield site photovoltaic projects, advance the equity
19 goals of this subsection (c-10). Subject to Commission
20 approval, the Agency shall develop bid application
21 requirements and a bid evaluation methodology for ensuring
22 that utilization of equity eligible contractors, whether
23 as bidders or as participants on project development, is
24 optimized, including requiring that winning or successful
25 applicants for utility-scale projects are or will partner
26 with equity eligible contractors and giving preference to

1 bids through which a higher portion of contract value
2 flows to equity eligible contractors. To the extent
3 practicable, entities participating in competitive
4 procurements shall also be required to meet all the equity
5 accountability requirements for approved vendors and their
6 designees under this subsection (c-10). In developing
7 these requirements, the Agency shall also consider whether
8 equity goals can be further advanced through additional
9 measures.

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

13 (A) The current status and number of equity
14 eligible contractors listed in the Energy Workforce
15 Equity Database designed in subsection (c-25),
16 including the number of equity eligible contractors
17 with current certifications as issued by the Agency.

18 (B) A mechanism for measuring, tracking, and
19 reporting project workforce at the approved vendor or
20 designee level, as applicable, which shall include a
21 measurement methodology and records to be made
22 available for audit by the Agency or the Program
23 Administrator.

24 (C) A program for approved vendors, designees,
25 eligible persons, and equity eligible contractors to
26 receive trainings, guidance, and other support from

1 the Agency or its designee regarding the equity
2 category outlined in item (vi) of subparagraph (K) of
3 paragraph (1) of subsection (c) and in meeting the
4 minimum equity standards of this subsection (c-10).

5 (D) A process for certifying equity eligible
6 contractors and equity eligible persons. The
7 certification process shall coordinate with the Energy
8 Workforce Equity Database set forth in subsection
9 (c-25).

10 (E) An application for waiver of the minimum
11 equity standards of this subsection, which the Agency
12 shall have the discretion to grant in rare
13 circumstances. The Agency may grant such a waiver
14 where the applicant provides evidence of significant
15 efforts toward meeting the minimum equity commitment,
16 including: use of the Energy Workforce Equity
17 Database; efforts to hire or contract with entities
18 that hire eligible persons; and efforts to establish
19 contracting relationships with eligible contractors.
20 The Agency shall support applicants in understanding
21 the Energy Workforce Equity Database and other
22 resources for pursuing compliance of the minimum
23 equity standards. Waivers shall be project-specific,
24 unless the Agency deems it necessary to grant a waiver
25 across a portfolio of projects, and in effect for no
26 longer than one year. Any waiver extension or

1 subsequent waiver request from an applicant shall be
2 subject to the requirements of this Section and shall
3 specify efforts made to reach compliance. When
4 considering whether to grant a waiver, and to what
5 extent, the Agency shall consider the degree to which
6 similarly situated applicants have been able to meet
7 these minimum equity commitments. For repeated waiver
8 requests for specific lack of eligible persons or
9 eligible contractors available, the Agency shall make
10 recommendations to target recruitment to add such
11 eligible persons or eligible contractors to the
12 database.

13 (5) The Agency shall collect information about work on
14 projects or portfolios of projects subject to these
15 minimum equity standards to ensure compliance with this
16 subsection (c-10). Reporting in furtherance of this
17 requirement may be combined with other annual reporting
18 requirements. Such reporting shall include proof of
19 certification of each equity eligible contractor or equity
20 eligible person during the applicable time period.

21 (6) The Agency shall keep confidential all information
22 and communication that provides private or personal
23 information.

24 (7) Modifications to the equity accountability system.
25 As part of the update of the long-term renewable resources
26 procurement plan to be initiated in 2023, or sooner if the

1 Agency deems necessary, the Agency shall determine the
2 extent to which the equity accountability system described
3 in this subsection (c-10) has advanced the goals of this
4 amendatory Act of the 102nd General Assembly, including
5 through the inclusion of equity eligible persons and
6 equity eligible contractors in renewable energy credit
7 projects. If the Agency finds that the equity
8 accountability system has failed to meet those goals to
9 its fullest potential, the Agency may revise the following
10 criteria for future Agency procurements: (A) the
11 percentage of project workforce, or other appropriate
12 workforce measure, certified as equity eligible persons or
13 equity eligible contractors; (B) definitions for equity
14 investment eligible persons and equity investment eligible
15 community; and (C) such other modifications necessary to
16 advance the goals of this amendatory Act of the 102nd
17 General Assembly effectively. Such revised criteria may
18 also establish distinct equity accountability systems for
19 different types of procurements or different regions of
20 the State if the Agency finds that doing so will further
21 the purposes of such programs. Revisions shall be
22 developed with stakeholder input, including from equity
23 eligible persons, equity eligible contractors, and
24 community-based organizations that work with such persons
25 and contractors.

26 (c-15) Racial discrimination elimination powers and

1 process.

2 (1) Purpose. It is the purpose of this subsection to
3 empower the Agency and other State actors to remedy racial
4 discrimination in Illinois' clean energy economy as
5 effectively and expediently as possible, including through
6 the use of race-conscious remedies, such as race-conscious
7 contracting and hiring goals, as consistent with State and
8 federal law.

9 (2) Racial disparity and discrimination review
10 process.

11 (A) Within one year after awarding contracts using
12 the equity actions processes established in this
13 Section, the Agency shall publish a report evaluating
14 the effectiveness of the equity actions point criteria
15 of this Section in increasing participation of equity
16 eligible persons and equity eligible contractors. The
17 report shall disaggregate participating workers and
18 contractors by race and ethnicity. The report shall be
19 forwarded to the Governor, the General Assembly, and
20 the Illinois Commerce Commission and be made available
21 to the public.

22 (B) As soon as is practicable thereafter, the
23 Agency, in consultation with the Department of
24 Commerce and Economic Opportunity, Department of
25 Labor, and other agencies that may be relevant, shall
26 commission and publish a disparity and availability

1 study that measures the presence and impact of
2 discrimination on minority businesses and workers in
3 Illinois' clean energy economy. The Agency may hire
4 consultants and experts to conduct the disparity and
5 availability study, with the retention of those
6 consultants and experts exempt from the requirements
7 of Section 20-10 of the Illinois Procurement Code. The
8 Illinois Power Agency shall forward a copy of its
9 findings and recommendations to the Governor, the
10 General Assembly, and the Illinois Commerce
11 Commission. If the disparity and availability study
12 establishes a strong basis in evidence that there is
13 discrimination in Illinois' clean energy economy, the
14 Agency, Department of Commerce and Economic
15 Opportunity, Department of Labor, Department of
16 Corrections, and other appropriate agencies shall take
17 appropriate remedial actions, including race-conscious
18 remedial actions as consistent with State and federal
19 law, to effectively remedy this discrimination. Such
20 remedies may include modification of the equity
21 accountability system as described in subsection
22 (c-10).

23 (c-20) Program data collection.

24 (1) Purpose. Data collection, data analysis, and
25 reporting are critical to ensure that the benefits of the
26 clean energy economy provided to Illinois residents and

1 businesses are equitably distributed across the State. The
2 Agency shall collect data from program applicants in order
3 to track and improve equitable distribution of benefits
4 across Illinois communities for all procurements the
5 Agency conducts. The Agency shall use this data to, among
6 other things, measure any potential impact of racial
7 discrimination on the distribution of benefits and provide
8 information necessary to correct any discrimination
9 through methods consistent with State and federal law.

10 (2) Agency collection of program data. The Agency
11 shall collect demographic and geographic data for each
12 entity awarded contracts under any Agency-administered
13 program.

14 (3) Required information to be collected. The Agency
15 shall collect the following information from applicants
16 and program participants where applicable:

17 (A) demographic information, including racial or
18 ethnic identity for real persons employed, contracted,
19 or subcontracted through the program and owners of
20 businesses or entities that apply to receive renewable
21 energy credits from the Agency;

22 (B) geographic location of the residency of real
23 persons employed, contracted, or subcontracted through
24 the program and geographic location of the
25 headquarters of the business or entity that applies to
26 receive renewable energy credits from the Agency; and

1 (C) any other information the Agency determines is
2 necessary for the purpose of achieving the purpose of
3 this subsection.

4 (4) Publication of collected information. The Agency
5 shall publish, at least annually, information on the
6 demographics of program participants on an aggregate
7 basis.

8 (5) Nothing in this subsection shall be interpreted to
9 limit the authority of the Agency, or other agency or
10 department of the State, to require or collect demographic
11 information from applicants of other State programs.

12 (c-25) Energy Workforce Equity Database.

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

23 (A) publicly accessible;

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

25 (C) organized by company specialty or field;

26 (D) region-specific; and

1 (E) populated with information including, but not
2 limited to, contacts for suppliers, vendors, or
3 subcontractors who are minority and women-owned
4 business enterprise certified or who participate or
5 have participated in any of the programs described in
6 this Act.

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

10 (A) a map of environmental justice and equity
11 investment eligible communities;

12 (B) job postings and recruiting opportunities;

13 (C) a means by which recruiting clean energy
14 companies can find and interact with current or former
15 participants of clean energy workforce training
16 programs;

17 (D) information on workforce training service
18 providers and training opportunities available to
19 prospective workers;

20 (E) renewable energy company diversity reporting;

21 (F) a list of equity eligible contractors with
22 their contact information, types of work performed,
23 and locations worked in;

24 (G) reporting on outcomes of the programs
25 described in the workforce programs of the Energy
26 Transition Act, including information such as, but not

1 limited to, retention rate, graduation rate, and
2 placement rates of trainees; and

3 (H) information about the Jobs and Environmental
4 Justice Grant Program, the Clean Energy Jobs and
5 Justice Fund, and other sources of capital.

6 (3) The Agency shall ensure the database is regularly
7 updated to ensure information is current and shall
8 coordinate with the Department of Commerce and Economic
9 Opportunity to ensure that it includes information on
10 individuals and entities that are or have participated in
11 the Clean Jobs Workforce Network Program, Clean Energy
12 Contractor Incubator Program, Returning Residents Clean
13 Jobs Training Program, or Clean Energy Primes Contractor
14 Accelerator Program.

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

1 subparagraph (c-10) may reapply once they have a corrective
2 action plan and achieve compliance with the minimum equity
3 standards.

4 (d) Clean coal portfolio standard.

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

1 Agency staff, and the procurement monitor and shall be
2 subject to Commission review and approval.

3 A utility party to a sourcing agreement shall
4 immediately retire any emission credits that it receives
5 in connection with the electricity covered by such
6 agreement.

7 Utilities shall maintain adequate records documenting
8 the purchases under the sourcing agreement to comply with
9 this subsection (d) and shall file an accounting with the
10 load forecast that must be filed with the Agency by July 15
11 of each year, in accordance with subsection (d) of Section
12 16-111.5 of the Public Utilities Act.

13 A utility shall be deemed to have complied with the
14 clean coal portfolio standard specified in this subsection
15 (d) if the utility enters into a sourcing agreement as
16 required by this subsection (d).

17 (2) For purposes of this subsection (d), the required
18 execution of sourcing agreements with the initial clean
19 coal facility for a particular year shall be measured as a
20 percentage of the actual amount of electricity
21 (megawatt-hours) supplied by the electric utility to
22 eligible retail customers in the planning year ending
23 immediately prior to the agreement's execution. For
24 purposes of this subsection (d), the amount paid per
25 kilowatthour means the total amount paid for electric
26 service expressed on a per kilowatthour basis. For

1 purposes of this subsection (d), the total amount paid for
2 electric service includes without limitation amounts paid
3 for supply, transmission, distribution, surcharges and
4 add-on taxes.

5 Notwithstanding the requirements of this subsection
6 (d), the total amount paid under sourcing agreements with
7 clean coal facilities pursuant to the procurement plan for
8 any given year shall be reduced by an amount necessary to
9 limit the annual estimated average net increase due to the
10 costs of these resources included in the amounts paid by
11 eligible retail customers in connection with electric
12 service to:

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

16 (B) in 2011, the greater of an additional 0.5% of
17 the amount paid per kilowatthour by those customers
18 during the year ending May 31, 2010 or 1% of the amount
19 paid per kilowatthour by those customers during the
20 year ending May 31, 2009;

21 (C) in 2012, the greater of an additional 0.5% of
22 the amount paid per kilowatthour by those customers
23 during the year ending May 31, 2011 or 1.5% of the
24 amount paid per kilowatthour by those customers during
25 the year ending May 31, 2009;

26 (D) in 2013, the greater of an additional 0.5% of

1 the amount paid per kilowatthour by those customers
2 during the year ending May 31, 2012 or 2% of the amount
3 paid per kilowatthour by those customers during the
4 year ending May 31, 2009; and

5 (E) thereafter, the total amount paid under
6 sourcing agreements with clean coal facilities
7 pursuant to the procurement plan for any single year
8 shall be reduced by an amount necessary to limit the
9 estimated average net increase due to the cost of
10 these resources included in the amounts paid by
11 eligible retail customers in connection with electric
12 service to no more than the greater of (i) 2.015% of
13 the amount paid per kilowatthour by those customers
14 during the year ending May 31, 2009 or (ii) the
15 incremental amount per kilowatthour paid for these
16 resources in 2013. These requirements may be altered
17 only as provided by statute.

18 No later than June 30, 2015, the Commission shall
19 review the limitation on the total amount paid under
20 sourcing agreements, if any, with clean coal facilities
21 pursuant to this subsection (d) and report to the General
22 Assembly its findings as to whether that limitation unduly
23 constrains the amount of electricity generated by
24 cost-effective clean coal facilities that is covered by
25 sourcing agreements.

26 (3) Initial clean coal facility. In order to promote

1 development of clean coal facilities in Illinois, each
2 electric utility subject to this Section shall execute a
3 sourcing agreement to source electricity from a proposed
4 clean coal facility in Illinois (the "initial clean coal
5 facility") that will have a nameplate capacity of at least
6 500 MW when commercial operation commences, that has a
7 final Clean Air Act permit on June 1, 2009 (the effective
8 date of Public Act 95-1027), and that will meet the
9 definition of clean coal facility in Section 1-10 of this
10 Act when commercial operation commences. The sourcing
11 agreements with this initial clean coal facility shall be
12 subject to both approval of the initial clean coal
13 facility by the General Assembly and satisfaction of the
14 requirements of paragraph (4) of this subsection (d) and
15 shall be executed within 90 days after any such approval
16 by the General Assembly. The Agency and the Commission
17 shall have authority to inspect all books and records
18 associated with the initial clean coal facility during the
19 term of such a sourcing agreement. A utility's sourcing
20 agreement for electricity produced by the initial clean
21 coal facility shall include:

22 (A) a formula contractual price (the "contract
23 price") approved pursuant to paragraph (4) of this
24 subsection (d), which shall:

25 (i) be determined using a cost of service
26 methodology employing either a level or deferred

1 capital recovery component, based on a capital
2 structure consisting of 45% equity and 55% debt,
3 and a return on equity as may be approved by the
4 Federal Energy Regulatory Commission, which in any
5 case may not exceed the lower of 11.5% or the rate
6 of return approved by the General Assembly
7 pursuant to paragraph (4) of this subsection (d);
8 and

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

25 (B) power purchase provisions, which shall:

26 (i) provide that the utility party to such

1 sourcing agreement shall pay the contract price
2 for electricity delivered under such sourcing
3 agreement;

4 (ii) require delivery of electricity to the
5 regional transmission organization market of the
6 utility that is party to such sourcing agreement;

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

1 this subsection (d); and

2 (iv) be considered pre-existing contracts in
3 such utility's procurement plans for eligible
4 retail customers;

5 (C) contract for differences provisions, which
6 shall:

7 (i) require the utility party to such sourcing
8 agreement to contract with the initial clean coal
9 facility in each hour with respect to an amount of
10 energy equal to all clean coal energy made
11 available from the initial clean coal facility
12 during such hour times a fraction, the numerator
13 of which is such utility's retail market sales of
14 electricity (expressed in kilowatthours sold) in
15 the utility's service territory in the State
16 during the prior calendar month and the
17 denominator of which is the total retail market
18 sales of electricity (expressed in kilowatthours
19 sold) in the State by utilities during such prior
20 month and the sales of electricity (expressed in
21 kilowatthours sold) in the State by alternative
22 retail electric suppliers during such prior month
23 that are subject to the requirements of this
24 subsection (d) and paragraph (5) of subsection (d)
25 of Section 16-115 of the Public Utilities Act,
26 provided that the amount paid by the utility in

1 any year will be limited by paragraph (2) of this
2 subsection (d);

3 (ii) provide that the utility's payment
4 obligation in respect of the quantity of
5 electricity determined pursuant to the preceding
6 clause (i) shall be limited to an amount equal to
7 (1) the difference between the contract price
8 determined pursuant to subparagraph (A) of
9 paragraph (3) of this subsection (d) and the
10 day-ahead price for electricity delivered to the
11 regional transmission organization market of the
12 utility that is party to such sourcing agreement
13 (or any successor delivery point at which such
14 utility's supply obligations are financially
15 settled on an hourly basis) (the "reference
16 price") on the day preceding the day on which the
17 electricity is delivered to the initial clean coal
18 facility busbar, multiplied by (2) the quantity of
19 electricity determined pursuant to the preceding
20 clause (i); and

21 (iii) not require the utility to take physical
22 delivery of the electricity produced by the
23 facility;

24 (D) general provisions, which shall:

25 (i) specify a term of no more than 30 years,
26 commencing on the commercial operation date of the

1 facility;

2 (ii) provide that utilities shall maintain
3 adequate records documenting purchases under the
4 sourcing agreements entered into to comply with
5 this subsection (d) and shall file an accounting
6 with the load forecast that must be filed with the
7 Agency by July 15 of each year, in accordance with
8 subsection (d) of Section 16-111.5 of the Public
9 Utilities Act;

10 (iii) provide that all costs associated with
11 the initial clean coal facility will be
12 periodically reported to the Federal Energy
13 Regulatory Commission and to purchasers in
14 accordance with applicable laws governing
15 cost-based wholesale power contracts;

16 (iv) permit the Illinois Power Agency to
17 assume ownership of the initial clean coal
18 facility, without monetary consideration and
19 otherwise on reasonable terms acceptable to the
20 Agency, if the Agency so requests no less than 3
21 years prior to the end of the stated contract
22 term;

23 (v) require the owner of the initial clean
24 coal facility to provide documentation to the
25 Commission each year, starting in the facility's
26 first year of commercial operation, accurately

1 reporting the quantity of carbon emissions from
2 the facility that have been captured and
3 sequestered and report any quantities of carbon
4 released from the site or sites at which carbon
5 emissions were sequestered in prior years, based
6 on continuous monitoring of such sites. If, in any
7 year after the first year of commercial operation,
8 the owner of the facility fails to demonstrate
9 that the initial clean coal facility captured and
10 sequestered at least 50% of the total carbon
11 emissions that the facility would otherwise emit
12 or that sequestration of emissions from prior
13 years has failed, resulting in the release of
14 carbon dioxide into the atmosphere, the owner of
15 the facility must offset excess emissions. Any
16 such carbon offsets must be permanent, additional,
17 verifiable, real, located within the State of
18 Illinois, and legally and practicably enforceable.
19 The cost of such offsets for the facility that are
20 not recoverable shall not exceed \$15 million in
21 any given year. No costs of any such purchases of
22 carbon offsets may be recovered from a utility or
23 its customers. All carbon offsets purchased for
24 this purpose and any carbon emission credits
25 associated with sequestration of carbon from the
26 facility must be permanently retired. The initial

1 clean coal facility shall not forfeit its
2 designation as a clean coal facility if the
3 facility fails to fully comply with the applicable
4 carbon sequestration requirements in any given
5 year, provided the requisite offsets are
6 purchased. However, the Attorney General, on
7 behalf of the People of the State of Illinois, may
8 specifically enforce the facility's sequestration
9 requirement and the other terms of this contract
10 provision. Compliance with the sequestration
11 requirements and offset purchase requirements
12 specified in paragraph (3) of this subsection (d)
13 shall be reviewed annually by an independent
14 expert retained by the owner of the initial clean
15 coal facility, with the advance written approval
16 of the Attorney General. The Commission may, in
17 the course of the review specified in item (vii),
18 reduce the allowable return on equity for the
19 facility if the facility willfully fails to comply
20 with the carbon capture and sequestration
21 requirements set forth in this item (v);

22 (vi) include limits on, and accordingly
23 provide for modification of, the amount the
24 utility is required to source under the sourcing
25 agreement consistent with paragraph (2) of this
26 subsection (d);

1 (vii) require Commission review: (1) to
2 determine the justness, reasonableness, and
3 prudence of the inputs to the formula referenced
4 in subparagraphs (A)(i) through (A)(iii) of
5 paragraph (3) of this subsection (d), prior to an
6 adjustment in those inputs including, without
7 limitation, the capital structure and return on
8 equity, fuel costs, and other operations and
9 maintenance costs and (2) to approve the costs to
10 be passed through to customers under the sourcing
11 agreement by which the utility satisfies its
12 statutory obligations. Commission review shall
13 occur no less than every 3 years, regardless of
14 whether any adjustments have been proposed, and
15 shall be completed within 9 months;

16 (viii) limit the utility's obligation to such
17 amount as the utility is allowed to recover
18 through tariffs filed with the Commission,
19 provided that neither the clean coal facility nor
20 the utility waives any right to assert federal
21 pre-emption or any other argument in response to a
22 purported disallowance of recovery costs;

23 (ix) limit the utility's or alternative retail
24 electric supplier's obligation to incur any
25 liability until such time as the facility is in
26 commercial operation and generating power and

1 energy and such power and energy is being
2 delivered to the facility busbar;

3 (x) provide that the owner or owners of the
4 initial clean coal facility, which is the
5 counterparty to such sourcing agreement, shall
6 have the right from time to time to elect whether
7 the obligations of the utility party thereto shall
8 be governed by the power purchase provisions or
9 the contract for differences provisions;

10 (xi) append documentation showing that the
11 formula rate and contract, insofar as they relate
12 to the power purchase provisions, have been
13 approved by the Federal Energy Regulatory
14 Commission pursuant to Section 205 of the Federal
15 Power Act;

16 (xii) provide that any changes to the terms of
17 the contract, insofar as such changes relate to
18 the power purchase provisions, are subject to
19 review under the public interest standard applied
20 by the Federal Energy Regulatory Commission
21 pursuant to Sections 205 and 206 of the Federal
22 Power Act; and

23 (xiii) conform with customary lender
24 requirements in power purchase agreements used as
25 the basis for financing non-utility generators.

26 (4) Effective date of sourcing agreements with the

1 initial clean coal facility. Any proposed sourcing
2 agreement with the initial clean coal facility shall not
3 become effective unless the following reports are prepared
4 and submitted and authorizations and approvals obtained:

5 (i) Facility cost report. The owner of the initial
6 clean coal facility shall submit to the Commission,
7 the Agency, and the General Assembly a front-end
8 engineering and design study, a facility cost report,
9 method of financing (including but not limited to
10 structure and associated costs), and an operating and
11 maintenance cost quote for the facility (collectively
12 "facility cost report"), which shall be prepared in
13 accordance with the requirements of this paragraph (4)
14 of subsection (d) of this Section, and shall provide
15 the Commission and the Agency access to the work
16 papers, relied upon documents, and any other backup
17 documentation related to the facility cost report.

18 (ii) Commission report. Within 6 months following
19 receipt of the facility cost report, the Commission,
20 in consultation with the Agency, shall submit a report
21 to the General Assembly setting forth its analysis of
22 the facility cost report. Such report shall include,
23 but not be limited to, a comparison of the costs
24 associated with electricity generated by the initial
25 clean coal facility to the costs associated with
26 electricity generated by other types of generation

1 facilities, an analysis of the rate impacts on
2 residential and small business customers over the life
3 of the sourcing agreements, and an analysis of the
4 likelihood that the initial clean coal facility will
5 commence commercial operation by and be delivering
6 power to the facility's busbar by 2016. To assist in
7 the preparation of its report, the Commission, in
8 consultation with the Agency, may hire one or more
9 experts or consultants, the costs of which shall be
10 paid for by the owner of the initial clean coal
11 facility. The Commission and Agency may begin the
12 process of selecting such experts or consultants prior
13 to receipt of the facility cost report.

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

25 (iv) Commission review. If the General Assembly
26 enacts authorizing legislation pursuant to

1 subparagraph (iii) approving a sourcing agreement, the
2 Commission shall, within 90 days of such enactment,
3 complete a review of such sourcing agreement. During
4 such time period, the Commission shall implement any
5 directive of the General Assembly, resolve any
6 disputes between the parties to the sourcing agreement
7 concerning the terms of such agreement, approve the
8 form of such agreement, and issue an order finding
9 that the sourcing agreement is prudent and reasonable.
10 The facility cost report shall be prepared as follows:

11 (A) The facility cost report shall be prepared by
12 duly licensed engineering and construction firms
13 detailing the estimated capital costs payable to one
14 or more contractors or suppliers for the engineering,
15 procurement and construction of the components
16 comprising the initial clean coal facility and the
17 estimated costs of operation and maintenance of the
18 facility. The facility cost report shall include:

19 (i) an estimate of the capital cost of the
20 core plant based on one or more front end
21 engineering and design studies for the
22 gasification island and related facilities. The
23 core plant shall include all civil, structural,
24 mechanical, electrical, control, and safety
25 systems.

26 (ii) an estimate of the capital cost of the

1 balance of the plant, including any capital costs
2 associated with sequestration of carbon dioxide
3 emissions and all interconnects and interfaces
4 required to operate the facility, such as
5 transmission of electricity, construction or
6 backfeed power supply, pipelines to transport
7 substitute natural gas or carbon dioxide, potable
8 water supply, natural gas supply, water supply,
9 water discharge, landfill, access roads, and coal
10 delivery.

11 The quoted construction costs shall be expressed
12 in nominal dollars as of the date that the quote is
13 prepared and shall include capitalized financing costs
14 during construction, taxes, insurance, and other
15 owner's costs, and an assumed escalation in materials
16 and labor beyond the date as of which the construction
17 cost quote is expressed.

18 (B) The front end engineering and design study for
19 the gasification island and the cost study for the
20 balance of plant shall include sufficient design work
21 to permit quantification of major categories of
22 materials, commodities and labor hours, and receipt of
23 quotes from vendors of major equipment required to
24 construct and operate the clean coal facility.

25 (C) The facility cost report shall also include an
26 operating and maintenance cost quote that will provide

1 the estimated cost of delivered fuel, personnel,
2 maintenance contracts, chemicals, catalysts,
3 consumables, spares, and other fixed and variable
4 operations and maintenance costs. The delivered fuel
5 cost estimate will be provided by a recognized third
6 party expert or experts in the fuel and transportation
7 industries. The balance of the operating and
8 maintenance cost quote, excluding delivered fuel
9 costs, will be developed based on the inputs provided
10 by duly licensed engineering and construction firms
11 performing the construction cost quote, potential
12 vendors under long-term service agreements and plant
13 operating agreements, or recognized third party plant
14 operator or operators.

15 The operating and maintenance cost quote
16 (including the cost of the front end engineering and
17 design study) shall be expressed in nominal dollars as
18 of the date that the quote is prepared and shall
19 include taxes, insurance, and other owner's costs, and
20 an assumed escalation in materials and labor beyond
21 the date as of which the operating and maintenance
22 cost quote is expressed.

23 (D) The facility cost report shall also include an
24 analysis of the initial clean coal facility's ability
25 to deliver power and energy into the applicable
26 regional transmission organization markets and an

1 analysis of the expected capacity factor for the
2 initial clean coal facility.

3 (E) Amounts paid to third parties unrelated to the
4 owner or owners of the initial clean coal facility to
5 prepare the core plant construction cost quote,
6 including the front end engineering and design study,
7 and the operating and maintenance cost quote will be
8 reimbursed through Coal Development Bonds.

9 (5) Re-powering and retrofitting coal-fired power
10 plants previously owned by Illinois utilities to qualify
11 as clean coal facilities. During the 2009 procurement
12 planning process and thereafter, the Agency and the
13 Commission shall consider sourcing agreements covering
14 electricity generated by power plants that were previously
15 owned by Illinois utilities and that have been or will be
16 converted into clean coal facilities, as defined by
17 Section 1-10 of this Act. Pursuant to such procurement
18 planning process, the owners of such facilities may
19 propose to the Agency sourcing agreements with utilities
20 and alternative retail electric suppliers required to
21 comply with subsection (d) of this Section and item (5) of
22 subsection (d) of Section 16-115 of the Public Utilities
23 Act, covering electricity generated by such facilities. In
24 the case of sourcing agreements that are power purchase
25 agreements, the contract price for electricity sales shall
26 be established on a cost of service basis. In the case of

1 sourcing agreements that are contracts for differences,
2 the contract price from which the reference price is
3 subtracted shall be established on a cost of service
4 basis. The Agency and the Commission may approve any such
5 utility sourcing agreements that do not exceed cost-based
6 benchmarks developed by the procurement administrator, in
7 consultation with the Commission staff, Agency staff and
8 the procurement monitor, subject to Commission review and
9 approval. The Commission shall have authority to inspect
10 all books and records associated with these clean coal
11 facilities during the term of any such contract.

12 (6) Costs incurred under this subsection (d) or
13 pursuant to a contract entered into under this subsection
14 (d) shall be deemed prudently incurred and reasonable in
15 amount and the electric utility shall be entitled to full
16 cost recovery pursuant to the tariffs filed with the
17 Commission.

18 (d-5) Zero emission standard.

19 (1) Beginning with the delivery year commencing on
20 June 1, 2017, the Agency shall, for electric utilities
21 that serve at least 100,000 retail customers in this
22 State, procure contracts with zero emission facilities
23 that are reasonably capable of generating cost-effective
24 zero emission credits in an amount approximately equal to
25 16% of the actual amount of electricity delivered by each
26 electric utility to retail customers in the State during

1 calendar year 2014. For an electric utility serving fewer
2 than 100,000 retail customers in this State that
3 requested, under Section 16-111.5 of the Public Utilities
4 Act, that the Agency procure power and energy for all or a
5 portion of the utility's Illinois load for the delivery
6 year commencing June 1, 2016, the Agency shall procure
7 contracts with zero emission facilities that are
8 reasonably capable of generating cost-effective zero
9 emission credits in an amount approximately equal to 16%
10 of the portion of power and energy to be procured by the
11 Agency for the utility. The duration of the contracts
12 procured under this subsection (d-5) shall be for a term
13 of 10 years ending May 31, 2027. The quantity of zero
14 emission credits to be procured under the contracts shall
15 be all of the zero emission credits generated by the zero
16 emission facility in each delivery year; however, if the
17 zero emission facility is owned by more than one entity,
18 then the quantity of zero emission credits to be procured
19 under the contracts shall be the amount of zero emission
20 credits that are generated from the portion of the zero
21 emission facility that is owned by the winning supplier.

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

26 The procurement process shall be subject to the

1 following provisions:

2 (A) Those zero emission facilities that intend to
3 participate in the procurement shall submit to the
4 Agency the following eligibility information for each
5 zero emission facility on or before the date
6 established by the Agency:

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

9 (ii) the amount of power generated annually
10 for each of the years 2005 through 2015, and the
11 projected zero emission credits to be generated
12 over the remaining useful life of the zero
13 emission facility, which shall be used to
14 determine the capability of each facility;

15 (iii) the annual zero emission facility cost
16 projections, expressed on a per megawatthour
17 basis, over the next 6 delivery years, which shall
18 include the following: operation and maintenance
19 expenses; fully allocated overhead costs, which
20 shall be allocated using the methodology developed
21 by the Institute for Nuclear Power Operations;
22 fuel expenditures; non-fuel capital expenditures;
23 spent fuel expenditures; a return on working
24 capital; the cost of operational and market risks
25 that could be avoided by ceasing operation; and
26 any other costs necessary for continued

1 operations, provided that "necessary" means, for
2 purposes of this item (iii), that the costs could
3 reasonably be avoided only by ceasing operations
4 of the zero emission facility; and

5 (iv) a commitment to continue operating, for
6 the duration of the contract or contracts executed
7 under the procurement held under this subsection
8 (d-5), the zero emission facility that produces
9 the zero emission credits to be procured in the
10 procurement.

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

22 (B) The price for each zero emission credit
23 procured under this subsection (d-5) for each delivery
24 year shall be in an amount that equals the Social Cost
25 of Carbon, expressed on a price per megawatthour
26 basis. However, to ensure that the procurement remains

1 affordable to retail customers in this State if
2 electricity prices increase, the price in an
3 applicable delivery year shall be reduced below the
4 Social Cost of Carbon by the amount ("Price
5 Adjustment") by which the market price index for the
6 applicable delivery year exceeds the baseline market
7 price index for the consecutive 12-month period ending
8 May 31, 2016. If the Price Adjustment is greater than
9 or equal to the Social Cost of Carbon in an applicable
10 delivery year, then no payments shall be due in that
11 delivery year. The components of this calculation are
12 defined as follows:

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

25 (ii) Baseline market price index: The baseline
26 market price index for the consecutive 12-month

1 period ending May 31, 2016 is \$31.40 per
2 megawatthour, which is based on the sum of (aa)
3 the average day-ahead energy price across all
4 hours of such 12-month period at the PJM
5 Interconnection LLC Northern Illinois Hub, (bb)
6 50% multiplied by the Base Residual Auction, or
7 its successor, capacity price for the rest of the
8 RTO zone group determined by PJM Interconnection
9 LLC, divided by 24 hours per day, and (cc) 50%
10 multiplied by the Planning Resource Auction, or
11 its successor, capacity price for Zone 4
12 determined by the Midcontinent Independent System
13 Operator, Inc., divided by 24 hours per day.

14 (iii) Market price index: The market price
15 index for a delivery year shall be the sum of
16 projected energy prices and projected capacity
17 prices determined as follows:

18 (aa) Projected energy prices: the
19 projected energy prices for the applicable
20 delivery year shall be calculated once for the
21 year using the forward market price for the
22 PJM Interconnection, LLC Northern Illinois
23 Hub. The forward market price shall be
24 calculated as follows: the energy forward
25 prices for each month of the applicable
26 delivery year averaged for each trade date

1 during the calendar year immediately preceding
2 that delivery year to produce a single energy
3 forward price for the delivery year. The
4 forward market price calculation shall use
5 data published by the Intercontinental
6 Exchange, or its successor.

7 (bb) Projected capacity prices:

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

26 (II) For the delivery year commencing

1 June 1, 2020, and each year thereafter,
2 the projected capacity price shall be
3 equal to the sum of (1) 50% multiplied by
4 the Base Residual Auction, or its
5 successor, price for the ComEd zone as
6 determined by PJM Interconnection LLC,
7 divided by 24 hours per day, and (2) 50%
8 multiplied by the resource auction price
9 determined in the resource auction
10 administered by the Midcontinent
11 Independent System Operator, Inc., in
12 which the largest percentage of load
13 cleared for Local Resource Zone 4, divided
14 by 24 hours per day, and where such price
15 is determined by the Midcontinent
16 Independent System Operator, Inc.

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

18 "Rest of the RTO" and "ComEd Zone" shall have
19 the meaning ascribed to them by PJM
20 Interconnection, LLC.

21 "RTO" means regional transmission
22 organization.

23 (C) No later than 45 days after June 1, 2017 (the
24 effective date of Public Act 99-906), the Agency shall
25 publish its proposed zero emission standard
26 procurement plan. The plan shall be consistent with

1 the provisions of this paragraph (1) and shall provide
2 that winning bids shall be selected based on public
3 interest criteria that include, but are not limited
4 to, minimizing carbon dioxide emissions that result
5 from electricity consumed in Illinois and minimizing
6 sulfur dioxide, nitrogen oxide, and particulate matter
7 emissions that adversely affect the citizens of this
8 State. In particular, the selection of winning bids
9 shall take into account the incremental environmental
10 benefits resulting from the procurement, such as any
11 existing environmental benefits that are preserved by
12 the procurements held under Public Act 99-906 and
13 would cease to exist if the procurements were not
14 held, including the preservation of zero emission
15 facilities. The plan shall also describe in detail how
16 each public interest factor shall be considered and
17 weighted in the bid selection process to ensure that
18 the public interest criteria are applied to the
19 procurement and given full effect.

20 For purposes of developing the plan, the Agency
21 shall consider any reports issued by a State agency,
22 board, or commission under House Resolution 1146 of
23 the 98th General Assembly and paragraph (4) of
24 subsection (d) of this Section, as well as publicly
25 available analyses and studies performed by or for
26 regional transmission organizations that serve the

1 State and their independent market monitors.

2 Upon publishing of the zero emission standard
3 procurement plan, copies of the plan shall be posted
4 and made publicly available on the Agency's website.
5 All interested parties shall have 10 days following
6 the date of posting to provide comment to the Agency on
7 the plan. All comments shall be posted to the Agency's
8 website. Following the end of the comment period, but
9 no more than 60 days later than June 1, 2017 (the
10 effective date of Public Act 99-906), the Agency shall
11 revise the plan as necessary based on the comments
12 received and file its zero emission standard
13 procurement plan with the Commission.

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

24 (C-5) As part of the Commission's review and
25 acceptance or rejection of the procurement results,
26 the Commission shall, in its public notice of

1 successful bidders:

2 (i) identify how the winning bids satisfy the
3 public interest criteria described in subparagraph
4 (C) of this paragraph (1) of minimizing carbon
5 dioxide emissions that result from electricity
6 consumed in Illinois and minimizing sulfur
7 dioxide, nitrogen oxide, and particulate matter
8 emissions that adversely affect the citizens of
9 this State;

10 (ii) specifically address how the selection of
11 winning bids takes into account the incremental
12 environmental benefits resulting from the
13 procurement, including any existing environmental
14 benefits that are preserved by the procurements
15 held under Public Act 99-906 and would have ceased
16 to exist if the procurements had not been held,
17 such as the preservation of zero emission
18 facilities;

19 (iii) quantify the environmental benefit of
20 preserving the resources identified in item (ii)
21 of this subparagraph (C-5), including the
22 following:

23 (aa) the value of avoided greenhouse gas
24 emissions measured as the product of the zero
25 emission facilities' output over the contract
26 term multiplied by the U.S. Environmental

1 Protection Agency eGrid subregion carbon
2 dioxide emission rate and the U.S. Interagency
3 Working Group on Social Cost of Carbon's price
4 in the August 2016 Technical Update using a 3%
5 discount rate, adjusted for inflation for each
6 delivery year; and

7 (bb) the costs of replacement with other
8 zero carbon dioxide resources, including wind
9 and photovoltaic, based upon the simple
10 average of the following:

11 (I) the price, or if there is more
12 than one price, the average of the prices,
13 paid for renewable energy credits from new
14 utility-scale wind projects in the
15 procurement events specified in item (i)
16 of subparagraph (G) of paragraph (1) of
17 subsection (c) of this Section; and

18 (II) the price, or if there is more
19 than one price, the average of the prices,
20 paid for renewable energy credits from new
21 utility-scale solar projects and
22 brownfield site photovoltaic projects in
23 the procurement events specified in item
24 (ii) of subparagraph (G) of paragraph (1)
25 of subsection (c) of this Section and,
26 after January 1, 2015, renewable energy

1 credits from photovoltaic distributed
2 generation projects in procurement events
3 held under subsection (c) of this Section.

4 Each utility shall enter into binding contractual
5 arrangements with the winning suppliers.

6 The procurement described in this subsection
7 (d-5), including, but not limited to, the execution of
8 all contracts procured, shall be completed no later
9 than May 10, 2017. Based on the effective date of
10 Public Act 99-906, the Agency and Commission may, as
11 appropriate, modify the various dates and timelines
12 under this subparagraph and subparagraphs (C) and (D)
13 of this paragraph (1). The procurement and plan
14 approval processes required by this subsection (d-5)
15 shall be conducted in conjunction with the procurement
16 and plan approval processes required by subsection (c)
17 of this Section and Section 16-111.5 of the Public
18 Utilities Act, to the extent practicable.
19 Notwithstanding whether a procurement event is
20 conducted under Section 16-111.5 of the Public
21 Utilities Act, the Agency shall immediately initiate a
22 procurement process on June 1, 2017 (the effective
23 date of Public Act 99-906).

24 (D) Following the procurement event described in
25 this paragraph (1) and consistent with subparagraph
26 (B) of this paragraph (1), the Agency shall calculate

1 the payments to be made under each contract for the
2 next delivery year based on the market price index for
3 that delivery year. The Agency shall publish the
4 payment calculations no later than May 25, 2017 and
5 every May 25 thereafter.

6 (E) Notwithstanding the requirements of this
7 subsection (d-5), the contracts executed under this
8 subsection (d-5) shall provide that the zero emission
9 facility may, as applicable, suspend or terminate
10 performance under the contracts in the following
11 instances:

12 (i) A zero emission facility shall be excused
13 from its performance under the contract for any
14 cause beyond the control of the resource,
15 including, but not restricted to, acts of God,
16 flood, drought, earthquake, storm, fire,
17 lightning, epidemic, war, riot, civil disturbance
18 or disobedience, labor dispute, labor or material
19 shortage, sabotage, acts of public enemy,
20 explosions, orders, regulations or restrictions
21 imposed by governmental, military, or lawfully
22 established civilian authorities, which, in any of
23 the foregoing cases, by exercise of commercially
24 reasonable efforts the zero emission facility
25 could not reasonably have been expected to avoid,
26 and which, by the exercise of commercially

1 reasonable efforts, it has been unable to
2 overcome. In such event, the zero emission
3 facility shall be excused from performance for the
4 duration of the event, including, but not limited
5 to, delivery of zero emission credits, and no
6 payment shall be due to the zero emission facility
7 during the duration of the event.

8 (ii) A zero emission facility shall be
9 permitted to terminate the contract if legislation
10 is enacted into law by the General Assembly that
11 imposes or authorizes a new tax, special
12 assessment, or fee on the generation of
13 electricity, the ownership or leasehold of a
14 generating unit, or the privilege or occupation of
15 such generation, ownership, or leasehold of
16 generation units by a zero emission facility.
17 However, the provisions of this item (ii) do not
18 apply to any generally applicable tax, special
19 assessment or fee, or requirements imposed by
20 federal law.

21 (iii) A zero emission facility shall be
22 permitted to terminate the contract in the event
23 that the resource requires capital expenditures in
24 excess of \$40,000,000 that were neither known nor
25 reasonably foreseeable at the time it executed the
26 contract and that a prudent owner or operator of

1 such resource would not undertake.

2 (iv) A zero emission facility shall be
3 permitted to terminate the contract in the event
4 the Nuclear Regulatory Commission terminates the
5 resource's license.

6 (F) If the zero emission facility elects to
7 terminate a contract under subparagraph (E) of this
8 paragraph (1), then the Commission shall reopen the
9 docket in which the Commission approved the zero
10 emission standard procurement plan under subparagraph
11 (C) of this paragraph (1) and, after notice and
12 hearing, enter an order acknowledging the contract
13 termination election if such termination is consistent
14 with the provisions of this subsection (d-5).

15 (2) For purposes of this subsection (d-5), the amount
16 paid per kilowatthour means the total amount paid for
17 electric service expressed on a per kilowatthour basis.
18 For purposes of this subsection (d-5), the total amount
19 paid for electric service includes, without limitation,
20 amounts paid for supply, transmission, distribution,
21 surcharges, and add-on taxes.

22 Notwithstanding the requirements of this subsection
23 (d-5), the contracts executed under this subsection (d-5)
24 shall provide that the total of zero emission credits
25 procured under a procurement plan shall be subject to the
26 limitations of this paragraph (2). For each delivery year,

1 the contractual volume receiving payments in such year
2 shall be reduced for all retail customers based on the
3 amount necessary to limit the net increase that delivery
4 year to the costs of those credits included in the amounts
5 paid by eligible retail customers in connection with
6 electric service to no more than 1.65% of the amount paid
7 per kilowatthour by eligible retail customers during the
8 year ending May 31, 2009. The result of this computation
9 shall apply to and reduce the procurement for all retail
10 customers, and all those customers shall pay the same
11 single, uniform cents per kilowatthour charge under
12 subsection (k) of Section 16-108 of the Public Utilities
13 Act. To arrive at a maximum dollar amount of zero emission
14 credits to be paid for the particular delivery year, the
15 resulting per kilowatthour amount shall be applied to the
16 actual amount of kilowatthours of electricity delivered by
17 the electric utility in the delivery year immediately
18 prior to the procurement, to all retail customers in its
19 service territory. Unpaid contractual volume for any
20 delivery year shall be paid in any subsequent delivery
21 year in which such payments can be made without exceeding
22 the amount specified in this paragraph (2). The
23 calculations required by this paragraph (2) shall be made
24 only once for each procurement plan year. Once the
25 determination as to the amount of zero emission credits to
26 be paid is made based on the calculations set forth in this

1 paragraph (2), no subsequent rate impact determinations
2 shall be made and no adjustments to those contract amounts
3 shall be allowed. All costs incurred under those contracts
4 and in implementing this subsection (d-5) shall be
5 recovered by the electric utility as provided in this
6 Section.

7 No later than June 30, 2019, the Commission shall
8 review the limitation on the amount of zero emission
9 credits procured under this subsection (d-5) and report to
10 the General Assembly its findings as to whether that
11 limitation unduly constrains the procurement of
12 cost-effective zero emission credits.

13 (3) Six years after the execution of a contract under
14 this subsection (d-5), the Agency shall determine whether
15 the actual zero emission credit payments received by the
16 supplier over the 6-year period exceed the Average ZEC
17 Payment. In addition, at the end of the term of a contract
18 executed under this subsection (d-5), or at the time, if
19 any, a zero emission facility's contract is terminated
20 under subparagraph (E) of paragraph (1) of this subsection
21 (d-5), then the Agency shall determine whether the actual
22 zero emission credit payments received by the supplier
23 over the term of the contract exceed the Average ZEC
24 Payment, after taking into account any amounts previously
25 credited back to the utility under this paragraph (3). If
26 the Agency determines that the actual zero emission credit

1 payments received by the supplier over the relevant period
2 exceed the Average ZEC Payment, then the supplier shall
3 credit the difference back to the utility. The amount of
4 the credit shall be remitted to the applicable electric
5 utility no later than 120 days after the Agency's
6 determination, which the utility shall reflect as a credit
7 on its retail customer bills as soon as practicable;
8 however, the credit remitted to the utility shall not
9 exceed the total amount of payments received by the
10 facility under its contract.

11 For purposes of this Section, the Average ZEC Payment
12 shall be calculated by multiplying the quantity of zero
13 emission credits delivered under the contract times the
14 average contract price. The average contract price shall
15 be determined by subtracting the amount calculated under
16 subparagraph (B) of this paragraph (3) from the amount
17 calculated under subparagraph (A) of this paragraph (3),
18 as follows:

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

22 (B) The average of the market price indices, as
23 defined in subparagraph (B) of paragraph (1) of this
24 subsection (d-5), during the term of the contract,
25 minus the baseline market price index, as defined in
26 subparagraph (B) of paragraph (1) of this subsection

1 (d-5).

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

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

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

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

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

22 (d-10) Nuclear Plant Assistance; carbon mitigation
23 credits.

24 (1) The General Assembly finds:

25 (A) The health, welfare, and prosperity of all
26 Illinois citizens require that the State of Illinois act

1 to avoid and not increase carbon emissions from electric
2 generation sources while continuing to ensure affordable,
3 stable, and reliable electricity to all citizens.

4 (B) Absent immediate action by the State to preserve
5 existing carbon-free energy resources, those resources may
6 retire, and the electric generation needs of Illinois'
7 retail customers may be met instead by facilities that
8 emit significant amounts of carbon pollution and other
9 harmful air pollutants at a high social and economic cost
10 until Illinois is able to develop other forms of clean
11 energy.

12 (C) The General Assembly finds that nuclear power
13 generation is necessary for the State's transition to 100%
14 clean energy, and ensuring continued operation of nuclear
15 plants advances environmental and public health interests
16 through providing carbon-free electricity while reducing
17 the air pollution profile of the Illinois energy
18 generation fleet.

19 (D) The clean energy attributes of nuclear generation
20 facilities support the State in its efforts to achieve
21 100% clean energy.

22 (E) The State currently invests in various forms of
23 clean energy, including, but not limited to, renewable
24 energy, energy efficiency, and low-emission vehicles,
25 among others.

26 (F) The Environmental Protection Agency commissioned

1 an independent audit which provided a detailed assessment
2 of the financial condition of the Illinois nuclear fleet
3 to evaluate its financial viability and whether the
4 environmental benefits of such resources were at risk. The
5 report identified the risk of losing the environmental
6 benefits of several specific nuclear units. The report
7 also identified that the LaSalle County Generating Station
8 will continue to operate through 2026 and therefore is not
9 eligible to participate in the carbon mitigation credit
10 program.

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

14 (H) The procurement of carbon mitigation credits
15 representing the environmental benefits of carbon-free
16 generation will further the State's efforts at achieving
17 100% clean energy and decarbonizing the electricity sector
18 in a safe, reliable, and affordable manner. Further, the
19 procurement of carbon emission credits will enhance the
20 health and welfare of Illinois residents through decreased
21 reliance on more highly polluting generation.

22 (I) The General Assembly therefore finds it necessary
23 to establish carbon mitigation credits to ensure decreased
24 reliance on more carbon-intensive energy resources, for
25 transitioning to a fully decarbonized electricity sector,
26 and to help ensure health and welfare of the State's

1 residents.

2 (2) As used in this subsection:

3 "Baseline costs" means costs used to establish a customer
4 protection cap that have been evaluated through an independent
5 audit of a carbon-free energy resource conducted by the
6 Environmental Protection Agency that evaluated projected
7 annual costs for operation and maintenance expenses; fully
8 allocated overhead costs, which shall be allocated using the
9 methodology developed by the Institute for Nuclear Power
10 Operations; fuel expenditures; nonfuel capital expenditures;
11 spent fuel expenditures; a return on working capital; the cost
12 of operational and market risks that could be avoided by
13 ceasing operation; and any other costs necessary for continued
14 operations, provided that "necessary" means, for purposes of
15 this definition, that the costs could reasonably be avoided
16 only by ceasing operations of the carbon-free energy resource.

17 "Carbon mitigation credit" means a tradable credit that
18 represents the carbon emission reduction attributes of one
19 megawatt-hour of energy produced from a carbon-free energy
20 resource.

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

24 (3) Procurement.

25 (A) Beginning with the delivery year commencing on
26 June 1, 2022, the Agency shall, for electric utilities

1 serving at least 3,000,000 retail customers in the State,
2 seek to procure contracts for no more than approximately
3 54,500,000 cost-effective carbon mitigation credits from
4 carbon-free energy resources because such credits are
5 necessary to support current levels of carbon-free energy
6 generation and ensure the State meets its carbon dioxide
7 emissions reduction goals. The Agency shall not make a
8 partial award of a contract for carbon mitigation credits
9 covering a fractional amount of a carbon-free energy
10 resource's projected output.

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

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

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

20 (iii) a commitment to be reflected in any contract
21 entered into pursuant to this subsection (d-10) to
22 continue operating the carbon-free energy resource at
23 a capacity factor of at least 88% annually on average
24 for the duration of the contract or contracts executed
25 under the procurement held under this subsection
26 (d-10), except in an instance described in

1 subparagraph (E) of paragraph (1) of subsection (d-5)
2 of this Section or made impracticable as a result of
3 compliance with law or regulation;

4 (iv) financial need and the risk of loss of the
5 environmental benefits of such resource, which shall
6 include the following information:

7 (I) the carbon-free energy resource's cost
8 projections, expressed on a per megawatt-hour
9 basis, over the next 5 delivery years, which shall
10 include the following: operation and maintenance
11 expenses; fully allocated overhead costs, which
12 shall be allocated using the methodology developed
13 by the Institute for Nuclear Power Operations;
14 fuel expenditures; nonfuel capital expenditures;
15 spent fuel expenditures; a return on working
16 capital; the cost of operational and market risks
17 that could be avoided by ceasing operation; and
18 any other costs necessary for continued
19 operations, provided that "necessary" means, for
20 purposes of this subitem (I), that the costs could
21 reasonably be avoided only by ceasing operations
22 of the carbon-free energy resource; and

23 (II) the carbon-free energy resource's revenue
24 projections, including energy, capacity, ancillary
25 services, any other direct State support, known or
26 anticipated federal attribute credits, known or

1 anticipated tax credits, and any other direct
2 federal support.

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

13 (C) The Agency shall solicit bids for the contracts
14 described in this subsection (d-10) from carbon-free
15 energy resources that have satisfied the requirements of
16 subparagraph (B) of this paragraph (3). The contracts
17 procured pursuant to a procurement event shall reflect,
18 and be subject to, the following terms, requirements, and
19 limitations:

20 (i) Contracts are for delivery of carbon
21 mitigation credits, and are not energy or capacity
22 sales contracts requiring physical delivery. Pursuant
23 to item (iii), contract payments shall fully deduct
24 the value of any monetized federal production tax
25 credits, credits issued pursuant to a federal clean
26 energy standard, and other federal credits if

1 applicable.

2 (ii) Contracts for carbon mitigation credits shall
3 commence with the delivery year beginning on June 1,
4 2022 and shall be for a term of 5 delivery years
5 concluding on May 31, 2027.

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

9 (I) one of the following energy price indices,
10 selected by the bidder at the time of the bid for
11 the term of the contract:

12 (aa) the weighted-average hourly day-ahead
13 price for the applicable delivery year at the
14 busbar of all resources procured pursuant to
15 this subsection (d-10), weighted by actual
16 production from the resources; or

17 (bb) the projected energy price for the
18 PJM Interconnection, LLC Northern Illinois Hub
19 for the applicable delivery year determined
20 according to subitem (aa) of item (iii) of
21 subparagraph (B) of paragraph (1) of
22 subsection (d-5).

23 (II) the Base Residual Auction Capacity Price
24 for the ComEd zone as determined by PJM
25 Interconnection, LLC, divided by 24 hours per day,
26 for the applicable delivery year for the first 3

1 delivery years, and then any subsequent delivery
2 years unless the PJM Interconnection, LLC applies
3 the Minimum Offer Price Rule to participating
4 carbon-free energy resources because they supply
5 carbon mitigation credits pursuant to this Section
6 at which time, upon notice by the carbon-free
7 energy resource to the Commission and subject to
8 the Commission's confirmation, the value under
9 this subitem shall be zero, as further described
10 in the carbon mitigation credit procurement plan;
11 and

12 (III) any value of monetized federal tax
13 credits, direct payments, or similar subsidy
14 provided to the carbon-free energy resource from
15 any unit of government that is not already
16 reflected in energy prices.

17 If the price-per-megawatt-hour calculation
18 performed under item (iii) of this subparagraph (C)
19 for a given delivery year results in a net positive
20 value, then the electric utility counterparty to the
21 contract shall multiply such net value by the
22 applicable contract quantity and remit the amount to
23 the supplier.

24 To protect retail customers from retail rate
25 impacts that may arise upon the initiation of carbon
26 policy changes, if the price-per-megawatt-hour

1 calculation performed under item (iii) of this
2 subparagraph (C) for a given delivery year results in
3 a net negative value, then the supplier counterparty
4 to the contract shall multiply such net value by the
5 applicable contract quantity and remit such amount to
6 the electric utility counterparty. The electric
7 utility shall reflect such amounts remitted by
8 suppliers as a credit on its retail customer bills as
9 soon as practicable.

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

17 The baseline costs for the applicable year shall
18 be the following:

19 (I) For the delivery year beginning June 1,
20 2022, the baseline costs shall be an amount equal
21 to \$30.30 per megawatt-hour.

22 (II) For the delivery year beginning June 1,
23 2023, the baseline costs shall be an amount equal
24 to \$32.50 per megawatt-hour.

25 (III) For the delivery year beginning June 1,
26 2024, the baseline costs shall be an amount equal

1 to \$33.43 per megawatt-hour.

2 (IV) For the delivery year beginning June 1,
3 2025, the baseline costs shall be an amount equal
4 to \$33.50 per megawatt-hour.

5 (V) For the delivery year beginning June 1,
6 2026, the baseline costs shall be an amount equal
7 to \$34.50 per megawatt-hour.

8 An Environmental Protection Agency consultant
9 forecast, included in a report issued April 14, 2021,
10 projects that a carbon-free energy resource has the
11 opportunity to earn on average approximately \$30.28
12 per megawatt-hour, for the sale of energy and capacity
13 during the time period between 2022 and 2027.
14 Therefore, the sale of carbon mitigation credits
15 provides the opportunity to receive an additional
16 amount per megawatt-hour in addition to the projected
17 prices for energy and capacity.

18 Although actual energy and capacity prices may
19 vary from year-to-year, the General Assembly finds
20 that this customer protection cap will help ensure
21 that the cost of carbon mitigation credits will be
22 less than its value, based upon the social cost of
23 carbon identified in the Technical Support Document
24 issued in February 2021 by the U.S. Interagency
25 Working Group on Social Cost of Greenhouse Gases and
26 the PJM Interconnection, LLC carbon dioxide marginal

1 emission rate for 2020, and that a carbon-free energy
2 resource receiving payment for carbon mitigation
3 credits receives no more than necessary to keep those
4 units in operation.

5 (D) No later than 7 days after the effective date of
6 this amendatory Act of the 102nd General Assembly, the
7 Agency shall publish its proposed carbon mitigation credit
8 procurement plan. The Plan shall provide that winning bids
9 shall be selected by taking into consideration which
10 resources best match public interest criteria that
11 include, but are not limited to, minimizing carbon dioxide
12 emissions that result from electricity consumed in
13 Illinois and minimizing sulfur dioxide, nitrogen oxide,
14 and particulate matter emissions that adversely affect the
15 citizens of this State. The selection of winning bids
16 shall also take into account the incremental environmental
17 benefits resulting from the procurement or procurements,
18 such as any existing environmental benefits that are
19 preserved by a procurement held under this subsection
20 (d-10) and would cease to exist if the procurement were
21 not held, including the preservation of carbon-free energy
22 resources. For those bidders having the same public
23 interest criteria score, the relative ranking of such
24 bidders shall be determined by price. The Plan shall
25 describe in detail how each public interest factor shall
26 be considered and weighted in the bid selection process to

1 ensure that the public interest criteria are applied to
2 the procurement. The Plan shall, to the extent practical
3 and permissible by federal law, ensure that successful
4 bidders make commercially reasonable efforts to apply for
5 federal tax credits, direct payments, or similar subsidy
6 programs that support carbon-free generation and for which
7 the successful bidder is eligible. Upon publishing of the
8 carbon mitigation credit procurement plan, copies of the
9 plan shall be posted and made publicly available on the
10 Agency's website. All interested parties shall have 7 days
11 following the date of posting to provide comment to the
12 Agency on the plan. All comments shall be posted to the
13 Agency's website. Following the end of the comment period,
14 but no more than 19 days later than the effective date of
15 this amendatory Act of the 102nd General Assembly, the
16 Agency shall revise the plan as necessary based on the
17 comments received and file its carbon mitigation credit
18 procurement plan with the Commission.

19 (E) If the Commission determines that the plan is
20 likely to result in the procurement of cost-effective
21 carbon mitigation credits, then the Commission shall,
22 after notice and hearing and opportunity for comment, but
23 no later than 42 days after the Agency filed the plan,
24 approve the plan or approve it with modification. For
25 purposes of this subsection (d-10), "cost-effective" means
26 carbon mitigation credits that are procured from

1 carbon-free energy resources at prices that are within the
2 limits specified in this paragraph (3). As part of the
3 Commission's review and acceptance or rejection of the
4 procurement results, the Commission shall, in its public
5 notice of successful bidders:

6 (i) identify how the selected carbon-free energy
7 resources satisfy the public interest criteria
8 described in this paragraph (3) of minimizing carbon
9 dioxide emissions that result from electricity
10 consumed in Illinois and minimizing sulfur dioxide,
11 nitrogen oxide, and particulate matter emissions that
12 adversely affect the citizens of this State;

13 (ii) specifically address how the selection of
14 carbon-free energy resources takes into account the
15 incremental environmental benefits resulting from the
16 procurement, including any existing environmental
17 benefits that are preserved by the procurements held
18 under this amendatory Act of the 102nd General
19 Assembly and would have ceased to exist if the
20 procurements had not been held, such as the
21 preservation of carbon-free energy resources;

22 (iii) quantify the environmental benefit of
23 preserving the carbon-free energy resources procured
24 pursuant to this subsection (d-10), including the
25 following:

26 (I) an assessment value of avoided greenhouse

1 gas emissions measured as the product of the
2 carbon-free energy resources' output over the
3 contract term, using generally accepted
4 methodologies for the valuation of avoided
5 emissions; and

6 (II) an assessment of costs of replacement
7 with other carbon-free energy resources and
8 renewable energy resources, including wind and
9 photovoltaic generation, based upon an assessment
10 of the prices paid for renewable energy credits
11 through programs and procurements conducted
12 pursuant to subsection (c) of Section 1-75 of this
13 Act, and the additional storage necessary to
14 produce the same or similar capability of matching
15 customer usage patterns.

16 (F) The procurements described in this paragraph (3),
17 including, but not limited to, the execution of all
18 contracts procured, shall be completed no later than
19 December 3, 2021. The procurement and plan approval
20 processes required by this paragraph (3) shall be
21 conducted in conjunction with the procurement and plan
22 approval processes required by Section 16-111.5 of the
23 Public Utilities Act, to the extent practicable. However,
24 the Agency and Commission may, as appropriate, modify the
25 various dates and timelines under this subparagraph and
26 subparagraphs (D) and (E) of this paragraph (3) to meet

1 the December 3, 2021 contract execution deadline.
2 Following the completion of such procurements, and
3 consistent with this paragraph (3), the Agency shall
4 calculate the payments to be made under each contract in a
5 timely fashion.

6 (F-1) Costs incurred by the electric utility pursuant
7 to a contract authorized by this subsection (d-10) shall
8 be deemed prudently incurred and reasonable in amount, and
9 the electric utility shall be entitled to full cost
10 recovery pursuant to a tariff or tariffs filed with the
11 Commission.

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

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

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

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

24 (f) The Agency shall submit the final procurement plan to
25 the Commission. The Agency shall revise a procurement plan if
26 the Commission determines that it does not meet the standards

1 set forth in Section 16-111.5 of the Public Utilities Act.

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

5 (h) The Agency shall assess fees to each bidder to recover
6 the costs incurred in connection with a competitive
7 procurement process.

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

21 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
22 103-580, eff. 12-8-23.)

23 Section 105. The State Finance Act is amended by adding
24 Section 5.1030 as follows:

1 (30 ILCS 105/5.1030 new)

2 Sec. 5.1030. The Illinois Rust Belt to Green Belt Fund.

3 Section 999. Effective date. This Act takes effect upon
4 becoming law.