



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4823

by Rep. Lawrence "Larry" Walsh, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Creates the Transmission Ownership and Reliability Act. Defines terms. Provides that all new electric transmission facilities located wholly or partly within the geographic boundaries of the State shall be owned, operated, and maintained exclusively by a Commission-regulated and investor-owned utility. Provides that any entity proposing to construct a new electric transmission facility in the State shall obtain a certificate of public convenience and necessity under the Public Utilities Act. Provides that the construction of electric transmission facilities shall comply with all provisions of the Electric Transmission Systems Construction Standards Act and that third-party constructors shall adhere to prevailing wage, safety, and diversity requirements under that Act. Sets forth rulemaking provisions. Provides that any entity that constructs or operates an electric transmission facility in violation of the Act may be subject to monetary penalties, revocation of certification, or transfer orders issued by the Commission. Amends the Illinois Works Jobs Program Act. Provides that, to qualify as a "community-based organization", an organization must demonstrate, among other things, a plan to provide the skills and knowledge necessary to obtain a commercial driver's license (CDL). Creates the Transmission Efficiency and Cooperation Law within the Public Utilities Act. Provides that an incumbent electric transmission owner has the right to construct, own, and maintain an electric transmission line that has been approved for construction in a transmission plan and that will connect to facilities that are owned by the incumbent electric transmission owner and are or will be under the functional control of a regional transmission operator. Provides that the right to construct, own, and maintain an electric transmission line belongs individually and proportionally to each incumbent electric transmission owner, unless otherwise agreed upon in writing. Provides that proportionality shall be determined based on the location of the electric transmission line relative to each incumbent electric transmission owner's retail service territory. Provides that an incumbent electric transmission owner may assign its right to construct, own, and maintain an electric transmission line to a transmission affiliate. Makes other changes. Effective immediately.

LRB104 19410 AAS 32858 b

A BILL FOR

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 Transmission Ownership and Reliability Act.

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

8 (1) The reliable operation of the electric
9 transmission grid in Illinois is a matter of vital public
10 interest and is essential to the health, safety, and
11 welfare of the State's residents and businesses.

12 (2) Investor-owned public utilities regulated by the
13 Commission have demonstrated long-standing operational
14 competence, accountability, and maintenance of ratepayer
15 protections under Illinois law.

16 (3) The increasing participation of unregulated or
17 out-of-state entities in transmission development has
18 created potential risks to grid reliability, transparency,
19 and consumer protection.

20 (4) Ensuring that all transmission assets located in
21 Illinois remain under the ownership, operational control,
22 and maintenance of Commission-regulated public utilities
23 will preserve safety, reliability, and local oversight

1 while enabling continued renewable energy development and
2 regional integration.

3 Section 10. Purpose. It is the purpose of this Act to:

4 (1) require that ownership, operation, and maintenance
5 of all electric transmission facilities within Illinois
6 rest solely with Commission-regulated and investor-owned
7 utilities;

8 (2) allow third-party developers, contractors, and
9 construction entities to design and construct electric
10 transmission facilities under contract if ownership and
11 operational control are transferred to a
12 Commission-regulated and investor-owned utility; and

13 (3) ensure consistent regulation, safety standards,
14 and consumer accountability across all transmission assets
15 in Illinois.

16 Section 15. Definitions. As used in this Act:

17 "Commission" means the Illinois Commerce Commission.

18 "Electric transmission facility" or "transmission asset"
19 means any line, pole, tower, substation, converter station, or
20 other infrastructure operated at a nominal voltage of 69
21 kilovolts or higher for the transmission of electric power.

22 "Commission-regulated and investor-owned utility" means a
23 public utility, as defined in Section 3-105 of the Public
24 Utilities Act, that is headquartered and incorporated in this

1 State and subject to rate regulation by the Commission.

2 "Third-party constructor" means a non-utility entity that
3 designs, constructs, or installs an electric transmission
4 facility for compensation and that does not operate as a
5 public utility under State law.

6 Section 20. Ownership and operational control.

7 (a) All new electric transmission facilities located
8 wholly or partly within the geographic boundaries of this
9 State shall be owned, operated, and maintained exclusively by
10 a Commission-regulated and investor-owned utility.

11 (b) Nothing in this Section prohibits a third-party
12 constructor from performing engineering, procurement,
13 construction, or commissioning work on new electric
14 transmission facilities if the following criteria are met:

15 (1) legal and operational ownership of the electric
16 transmission facility transfers to the
17 Commission-regulated and investor-owned utility before
18 initial energization; and

19 (2) the third-party constructor has no ongoing
20 ownership interest in or operational control of the
21 electric transmission facility following commercial
22 operation.

23 (c) The Commission shall ensure compliance with this
24 Section as part of any certificate of public convenience and
25 necessity issued under Section 8-406 or 8-406.1 of the Public

1 Utilities Act.

2 Section 25. Certificate proceedings; coordination with the
3 Public Utilities Act.

4 (a) Any entity proposing to construct a new electric
5 transmission facility in this State shall obtain a certificate
6 of public convenience and necessity under Section 8-406.1 of
7 the Public Utilities Act.

8 (b) The Commission shall not issue a certificate of public
9 convenience and necessity unless an applicant demonstrates
10 that final ownership and operational control of a new electric
11 transmission facility will vest in a Commission-regulated and
12 investor-owned utility.

13 (c) The Commission may require documentation of transfer
14 agreements, ownership assignments, and maintenance plans as a
15 condition of certification.

16 Section 30. Safety, labor, and training standards.

17 (a) Construction of electric transmission facilities shall
18 comply with all provisions of the Electric Transmission
19 Systems Construction Standards Act.

20 (b) Third-party constructors shall adhere to prevailing
21 wage, safety, and diversity requirements under the Electric
22 Transmission Systems Construction Standards Act.

23 (c) A Commission-regulated and investor-owned utility
24 assuming ownership of an electric transmission facility shall

1 ensure continuing compliance with all applicable Commission
2 reliability, maintenance, and safety rules.

3 Section 35. Enforcement; rulemaking.

4 (a) The Commission shall adopt rules to enforce this Act,
5 including rules regarding reporting, transferring
6 documentation, and imposing civil penalties for noncompliance.

7 (b) Any entity that constructs or operates an electric
8 transmission facility in violation of this Act may be subject
9 to monetary civil penalties, revocation of certification, or
10 transfer orders issued by the Commission.

11 Section 97. Severability. The provisions of this Act are
12 severable under Section 1.31 of the Statute on Statutes.

13 Section 100. The Illinois Works Jobs Program Act is
14 amended by changing Section 20-10 as follows:

15 (30 ILCS 559/20-10)

16 Sec. 20-10. Definitions.

17 "Apprentice" means a participant in an apprenticeship
18 program approved by and registered with the United States
19 Department of Labor's Bureau of Apprenticeship and Training.

20 "Apprenticeship program" means an apprenticeship and
21 training program approved by and registered with the United
22 States Department of Labor's Bureau of Apprenticeship and

1 Training.

2 "Bid credit" means a virtual dollar for a contractor or
3 subcontractor to use toward future bids on contracts with the
4 State for public works projects.

5 "Community-based organization" means a nonprofit
6 organization, including an accredited public college or
7 university, selected by the Department to participate in the
8 Illinois Works Preapprenticeship Program. To qualify as a
9 "community-based organization", the organization must
10 demonstrate the following:

11 (1) the ability to effectively serve diverse and
12 underrepresented populations, including by providing
13 employment services to such populations;

14 (2) knowledge of the construction and building trades;

15 (3) the ability to recruit, prescreen, and provide
16 preapprenticeship training to prepare workers for
17 employment in the construction and building trades; and

18 (4) a plan to provide the following:

19 (A) preparatory classes;

20 (B) workplace readiness skills, such as resume
21 preparation and interviewing techniques;

22 (C) strategies for overcoming barriers to entry
23 and completion of an apprenticeship program; ~~and~~

24 (D) any prerequisites for acceptance into an
25 apprenticeship program; and -

26 (E) the skills and knowledge necessary to obtain a

1 commercial driver's license (CDL).

2 "Contractor" means a person, corporation, partnership,
3 limited liability company, or joint venture entering into a
4 contract to construct a public work.

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

7 "Labor hours" means the total hours for workers who are
8 receiving an hourly wage and who are directly employed for the
9 public works project. "Labor hours" includes hours performed
10 by workers employed by the contractor and subcontractors on
11 the public works project. "Labor hours" does not include hours
12 worked by the forepersons, superintendents, owners, and
13 workers who are not subject to prevailing wage requirements.

14 "Minorities" means minority persons as defined in the
15 Business Enterprise for Minorities, Women, and Persons with
16 Disabilities Act.

17 "Public works" means all projects, contracted or funded by
18 the State or any agency of the State, in whole or in part, from
19 appropriated capital funds, that constitute public works under
20 the Prevailing Wage Act.

21 "Subcontractor" means a person, corporation, partnership,
22 limited liability company, or joint venture that has
23 contracted with the contractor to perform all or part of the
24 work to construct a public work by a contractor.

25 "Underrepresented populations" means populations
26 identified by the Department that historically have had

1 barriers to entry or advancement in the workforce.
2 "Underrepresented populations" includes, but is not limited
3 to, minorities, women, and veterans.
4 (Source: P.A. 101-31, eff. 6-28-19; 101-601, eff. 12-10-19.)

5 Section 200. The Public Utilities Act is amended by adding
6 Article XXIV as follows:

7 (220 ILCS 5/Art. XXIV heading new)

8 ARTICLE XXIV. TRANSMISSION EFFICIENCY AND COOPERATION LAW

9 (220 ILCS 5/24-100 new)

10 Sec. 24-100. Short title. This Article may be cited as the
11 Transmission Efficiency and Cooperation Law.

12 (220 ILCS 5/24-105 new)

13 Sec. 24-105. Incumbent electric transmission owner rights.

14 (a) As used in this Section:

15 "Electric transmission line" means a transmission line
16 that is designed and constructed with the capability of being
17 safely and reliably energized at 100 kilovolts or more and its
18 associated transmission facilities, including transmission
19 substations. "Electric transmission line" does not include
20 electric transmission lines located on an electric generating
21 facility's side of the facility's point of interconnection
22 with an incumbent electric transmission line owner.

1 "Incumbent electric transmission owner" means any public
2 utility, municipal corporation, or electric cooperative that
3 owns, operates, and maintains at least one electric
4 transmission line in this State.

5 "Regional transmission operator" means a regional
6 transmission organization, independent system operator, or
7 equivalent entity approved by the Federal Energy Regulatory
8 Commission, or its successor agency, that exercises functional
9 control over electric transmission lines located in this
10 State.

11 "Transmission affiliate" means any company that (i) has
12 been issued a certificate of public convenience and necessity
13 in this State authorizing the company to own and operate an
14 electric transmission line and (ii) is an electric utility, as
15 defined in Section 16-102, in this State or an affiliate of an
16 electric utility through a common ownership structure.

17 "Transmission plan" means a transmission plan adopted by a
18 regional transmission operator.

19 (b) An incumbent electric transmission owner has the right
20 to construct, own, and maintain an electric transmission line
21 that has been approved for construction in a transmission plan
22 and that will connect to facilities that are owned by the
23 incumbent electric transmission owner and that are or will be,
24 once construction is completed, under the functional control
25 of a regional transmission operator. The right to construct,
26 own, and maintain an electric transmission line that will

1 connect to facilities owned by 2 or more incumbent electric
2 transmission owners belongs individually and proportionally to
3 each incumbent electric transmission owner, unless otherwise
4 agreed upon in writing. Proportionality shall be determined
5 based on the location of the electric transmission line
6 relative to each incumbent electric transmission owner's
7 retail service territory. An incumbent electric transmission
8 owner shall be permitted to assign its right to construct,
9 own, and maintain an electric transmission line to a
10 transmission affiliate.

11 (c) Nothing in this Section limits the right of any
12 incumbent electric transmission owner to construct, own, and
13 maintain any transmission equipment or facilities that have a
14 capacity of less than 100 kilovolts or the right of any entity
15 otherwise qualified under this Act to own, operate, and
16 maintain electric transmission facilities that are not
17 approved for construction in a transmission plan or that will
18 not connect to facilities under the functional control of a
19 regional transmission operator.

20 (d) Nothing in this Section shall be construed to impair,
21 abridge, or diminish in any way the powers, rights, and
22 privileges of municipal corporations that are not incumbent
23 electric transmission owners to partner with an incumbent
24 electric transmission owner on the development and ownership
25 of an electric transmission line included in a transmission
26 plan or to develop, construct, own, operate, maintain,

1 upgrade, and renew facilities that are not included in a
2 transmission plan but that are necessary or convenient in the
3 provision of electric service, directly or indirectly, to
4 citizens and businesses located in the service areas of
5 municipal systems, as that term is described in Section
6 17-100, including the rights of the municipal systems and of
7 municipal power agencies, as defined in Section 11-119.1-3 of
8 the Illinois Municipal Code, to develop, construct, own,
9 operate, maintain, upgrade, and renew such electric
10 transmission lines and related facilities.

11 (e) Nothing in this Section shall relieve an incumbent
12 electric transmission owner asserting its right to construct
13 an electric transmission line, or a transmission affiliate of
14 an incumbent electric transmission owner, as applicable, of
15 the requirement to file an application for a certificate of
16 public convenience and necessity to the extent otherwise
17 required by this Act.

18 (f) Within 90 days after the effective date of this
19 amendatory Act of the 104th General Assembly or the date of
20 approval of the construction of an electric transmission line
21 by a regional transmission operator, whichever is later, an
22 incumbent electric transmission owner otherwise authorized to
23 engage in construction under this Section may provide notice
24 to the Commission and the applicable regional transmission
25 operator indicating that it will not construct any or all of
26 the approved electric transmission line or that it will assign

1 any or all of the construction to a transmission affiliate. If
2 the incumbent electric transmission owner elects to not
3 construct any or all of the approved electric transmission
4 line, the incumbent electric transmission owner shall indicate
5 the reason for that election, and the Commission may grant
6 permission and approval for such construction to another
7 entity otherwise qualified to own and operate the electric
8 transmission line under this Act.

9 Section 999. Effective date. This Act takes effect upon
10 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 New Act

4 30 ILCS 559/20-10

5 220 ILCS 5/Art. XXIV

6 heading new

7 220 ILCS 5/24-100 new

8 220 ILCS 5/24-105 new