



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB1361

Introduced 1/28/2025, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

20 ILCS 655/5.5	from Ch. 67 1/2, par. 609.1
20 ILCS 3855/1-5	
20 ILCS 3855/1-10	
20 ILCS 3855/1-75	
20 ILCS 3855/1-126 new	
220 ILCS 5/3-105	from Ch. 111 2/3, par. 3-105
220 ILCS 5/16-108	
220 ILCS 5/16-111.11	
820 ILCS 130/2	

Amends the Illinois Enterprise Zone Act. Makes technical changes. Amends the Illinois Power Agency Act. Provides that the long-term renewable resources procurement plan shall include the procurement of renewable energy credits from high voltage direct current renewable energy credits. Provides that the Illinois Power Agency shall conduct at least one forward procurement for high voltage direct current renewable energy credits within 240 days after the effective date of the amendatory Act. Sets forth procedures for application and bidding. Provides that, no later than December 1, 2025, the Agency shall create and issue a report that describes how transmission systems limit the ability of electric utilities to meet renewable resource procurement goals. Makes changes in provisions concerning legislative declarations and findings and definitions. Makes conforming changes. Amends the Public Utilities Act. Provides that an electric utility that has entered into a contract to purchase high voltage direct current renewable energy credits shall be entitled to recover through tariffed charges all costs related to the purchase of high voltage direct current renewable energy credits under the contract. Provides that an entity that received a contract to provide high voltage direct current renewable energy credits and the associated high voltage direct current transmission lines shall not be obligated to submit an annual supplier diversity report to the Illinois Commerce Commission. Makes changes to provisions concerning definitions. Amends the Prevailing Wage Act to make a conforming change. Effective immediately.

LRB104 08313 AAS 18364 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. References to Act. This Act may be referred to
5 as the Transmission for Transition Law.

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

8 (1) Illinois is committed to addressing climate change
9 through the development and delivery of renewable energy
10 resources.

11 (2) A robust transmission system is critical to the
12 State's regional and national economic and energy
13 security.

14 (3) Deploying interregional transmission,
15 specifically high voltage direct current transmission
16 lines connecting multiple independent system operator
17 service areas or regional transmission organization
18 service areas, so that abundant, high-capacity renewable
19 energy resources are connected to demand centers, will
20 increase the reliability and resilience of the electric
21 grid.

22 (4) The United States Department of Energy has
23 determined that increased transmission is a cost-effective

1 means to access low-cost renewable generation to serve
2 load centers and facilitate the transition to clean
3 energy.

4 (5) The Illinois Commerce Commission's Renewable
5 Energy Access Plan recommends the development of a
6 strategy for proactive interregional transmission
7 planning.

8 (6) Meeting the State's decarbonization goals with
9 geographically diverse renewable energy resources will
10 require long-term procurement of renewable energy
11 resources and infrastructure necessary to transmit those
12 renewable energy resources.

13 (7) The health, welfare, and prosperity of the
14 residents of the State will improve if new interregional
15 transmission projects bring renewable resources from
16 geographically diverse sources to the State.

17 (8) It is beneficial for new transmission projects to
18 transmit renewable energy resources procured by the
19 Illinois Power Agency on behalf of the residents and
20 ratepayers of the State. New transmission projects
21 participating in Agency procurements or delivering
22 renewable energy resources procured by the Illinois Power
23 Agency can provide significant economic benefits to equity
24 investment eligible communities, equity eligible persons,
25 minority-owned businesses, women-owned businesses, and
26 other economically disadvantaged populations and

1 businesses.

2 (9) New interregional transmission projects create
3 economic opportunity and thousands of new
4 family-sustaining jobs to construct the projects.

5 (10) The State and all of its residents will benefit
6 from the development of interregional high voltage direct
7 current transmission facilities.

8 Therefore, the General Assembly finds that it is necessary
9 to enact this Act to encourage the responsible development of
10 high voltage direct current transmission lines in the State in
11 pursuit of an affordable, reliable transition to a clean
12 energy future.

13 Section 10. The Illinois Enterprise Zone Act is amended by
14 changing Section 5.5 as follows:

15 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

16 Sec. 5.5. High Impact Business.

17 (a) In order to respond to unique opportunities to assist
18 in the encouragement, development, growth, and expansion of
19 the private sector through large scale investment and
20 development projects, the Department is authorized to receive
21 and approve applications for the designation of "High Impact
22 Businesses" in Illinois, for an initial term of 20 years with
23 an option for renewal for a term not to exceed 20 years,
24 subject to the following conditions:

1 (1) such applications may be submitted at any time
2 during the year;

3 (2) such business is not located, at the time of
4 designation, in an enterprise zone designated pursuant to
5 this Act, except for grocery stores, as defined in the
6 Grocery Initiative Act;

7 (3) the business intends to do, commits to do, or is
8 one or more of the following:

9 (A) the business intends to make a minimum
10 investment of \$12,000,000 which will be placed in
11 service in qualified property and intends to create
12 500 full-time equivalent jobs at a designated location
13 in Illinois or intends to make a minimum investment of
14 \$30,000,000 which will be placed in service in
15 qualified property and intends to retain 1,500
16 full-time retained jobs at a designated location in
17 Illinois. The terms "placed in service" and "qualified
18 property" have the same meanings as described in
19 subsection (h) of Section 201 of the Illinois Income
20 Tax Act; or

21 (B) the business intends to establish a new
22 electric generating facility at a designated location
23 in Illinois. "New electric generating facility", for
24 purposes of this Section, means a newly constructed
25 electric generation plant or a newly constructed
26 generation capacity expansion at an existing electric

1 generation plant, including the transmission lines and
2 associated equipment that transfers electricity from
3 points of supply to points of delivery, and for which
4 such new foundation construction commenced not sooner
5 than July 1, 2001. Such facility shall be designed to
6 provide baseload electric generation and shall operate
7 on a continuous basis throughout the year; and (i)
8 shall have an aggregate rated generating capacity of
9 at least 1,000 megawatts for all new units at one site
10 if it uses natural gas as its primary fuel and
11 foundation construction of the facility is commenced
12 on or before December 31, 2004, or shall have an
13 aggregate rated generating capacity of at least 400
14 megawatts for all new units at one site if it uses coal
15 or gases derived from coal as its primary fuel and
16 shall support the creation of at least 150 new
17 Illinois coal mining jobs, or (ii) shall be funded
18 through a federal Department of Energy grant before
19 December 31, 2010 and shall support the creation of
20 Illinois coal mining jobs, or (iii) shall use coal
21 gasification or integrated gasification-combined cycle
22 units that generate electricity or chemicals, or both,
23 and shall support the creation of Illinois coal mining
24 jobs. The term "placed in service" has the same
25 meaning as described in subsection (h) of Section 201
26 of the Illinois Income Tax Act; or

1 (B-5) the business intends to establish a new
2 gasification facility at a designated location in
3 Illinois. As used in this Section, "new gasification
4 facility" means a newly constructed coal gasification
5 facility that generates chemical feedstocks or
6 transportation fuels derived from coal (which may
7 include, but are not limited to, methane, methanol,
8 and nitrogen fertilizer), that supports the creation
9 or retention of Illinois coal mining jobs, and that
10 qualifies for financial assistance from the Department
11 before December 31, 2010. A new gasification facility
12 does not include a pilot project located within
13 Jefferson County or within a county adjacent to
14 Jefferson County for synthetic natural gas from coal;
15 or

16 (C) the business intends to establish production
17 operations at a new coal mine, re-establish production
18 operations at a closed coal mine, or expand production
19 at an existing coal mine at a designated location in
20 Illinois not sooner than July 1, 2001; provided that
21 the production operations result in the creation of
22 150 new Illinois coal mining jobs as described in
23 subdivision (a)(3)(B) of this Section, and further
24 provided that the coal extracted from such mine is
25 utilized as the predominant source for a new electric
26 generating facility. The term "placed in service" has

1 the same meaning as described in subsection (h) of
2 Section 201 of the Illinois Income Tax Act; or

3 (D) the business intends to construct new
4 transmission facilities or upgrade existing
5 transmission facilities at designated locations in
6 Illinois, for which construction commenced not sooner
7 than July 1, 2001. For the purposes of this Section,
8 "transmission facilities" means transmission lines
9 with a voltage rating of 115 kilovolts or above,
10 including associated equipment, that transfer
11 electricity from points of supply to points of
12 delivery and that transmit a majority of the
13 electricity generated by a new electric generating
14 facility designated as a High Impact Business in
15 accordance with this Section. The term "placed in
16 service" has the same meaning as described in
17 subsection (h) of Section 201 of the Illinois Income
18 Tax Act; or

19 (E) the business intends to establish a new wind
20 power facility at a designated location in Illinois.
21 For purposes of this Section, "new wind power
22 facility" means a newly constructed electric
23 generation facility, a newly constructed expansion of
24 an existing electric generation facility, or the
25 replacement of an existing electric generation
26 facility, including the demolition and removal of an

1 electric generation facility irrespective of whether
2 it will be replaced, placed in service or replaced on
3 or after July 1, 2009, that generates electricity
4 using wind energy devices, and such facility shall be
5 deemed to include any permanent structures associated
6 with the electric generation facility and all
7 associated transmission lines, substations, and other
8 equipment related to the generation of electricity
9 from wind energy devices. For purposes of this
10 Section, "wind energy device" means any device, with a
11 nameplate capacity of at least 0.5 megawatts, that is
12 used in the process of converting kinetic energy from
13 the wind to generate electricity; or

14 (E-5) the business intends to establish a new
15 utility-scale solar facility at a designated location
16 in Illinois. For purposes of this Section, "new
17 utility-scale solar power facility" means a newly
18 constructed electric generation facility, or a newly
19 constructed expansion of an existing electric
20 generation facility, placed in service on or after
21 July 1, 2021, that (i) generates electricity using
22 photovoltaic cells and (ii) has a nameplate capacity
23 that is greater than 5,000 kilowatts, and such
24 facility shall be deemed to include all associated
25 transmission lines, substations, energy storage
26 facilities, and other equipment related to the

1 generation and storage of electricity from
2 photovoltaic cells; or

3 (F) the business commits to (i) make a minimum
4 investment of \$500,000,000, which will be placed in
5 service in a qualified property, (ii) create 125
6 full-time equivalent jobs at a designated location in
7 Illinois, (iii) establish a fertilizer plant at a
8 designated location in Illinois that complies with the
9 set-back standards as described in Table 1: Initial
10 Isolation and Protective Action Distances in the 2012
11 Emergency Response Guidebook published by the United
12 States Department of Transportation, (iv) pay a
13 prevailing wage for employees at that location who are
14 engaged in construction activities, and (v) secure an
15 appropriate level of general liability insurance to
16 protect against catastrophic failure of the fertilizer
17 plant or any of its constituent systems; in addition,
18 the business must agree to enter into a construction
19 project labor agreement including provisions
20 establishing wages, benefits, and other compensation
21 for employees performing work under the project labor
22 agreement at that location; for the purposes of this
23 Section, "fertilizer plant" means a newly constructed
24 or upgraded plant utilizing gas used in the production
25 of anhydrous ammonia and downstream nitrogen
26 fertilizer products for resale; for the purposes of

1 this Section, "prevailing wage" means the hourly cash
2 wages plus fringe benefits for training and
3 apprenticeship programs approved by the U.S.
4 Department of Labor, Bureau of Apprenticeship and
5 Training, health and welfare, insurance, vacations and
6 pensions paid generally, in the locality in which the
7 work is being performed, to employees engaged in work
8 of a similar character on public works; this paragraph
9 (F) applies only to businesses that submit an
10 application to the Department within 60 days after
11 July 25, 2013 (the effective date of Public Act
12 98-109); or

13 (G) the business intends to establish a new
14 cultured cell material food production facility at a
15 designated location in Illinois. As used in this
16 paragraph (G):

17 "Cultured cell material food production facility"
18 means a facility (i) at which cultured animal cell
19 food is developed using animal cell culture
20 technology, (ii) at which production processes occur
21 that include the establishment of cell lines and cell
22 banks, manufacturing controls, and all components and
23 inputs, and (iii) that complies with all existing
24 registrations, inspections, licensing, and approvals
25 from all applicable and participating State and
26 federal food agencies, including the Department of

1 Agriculture, the Department of Public Health, and the
2 United States Food and Drug Administration, to ensure
3 that all food production is safe and lawful under
4 provisions of the Federal Food, Drug and Cosmetic Act
5 related to the development, production, and storage of
6 cultured animal cell food.

7 "New cultured cell material food production
8 facility" means a newly constructed cultured cell
9 material food production facility that is placed in
10 service on or after June 7, 2023 (the effective date of
11 Public Act 103-9) or a newly constructed expansion of
12 an existing cultured cell material food production
13 facility, in a controlled environment, when the
14 improvements are placed in service on or after June 7,
15 2023 (the effective date of Public Act 103-9); or

16 (H) the business is an existing or planned grocery
17 store, as that term is defined in Section 5 of the
18 Grocery Initiative Act, and receives financial support
19 under that Act within the 10 years before submitting
20 its application under this Act; and

21 (4) no later than 90 days after an application is
22 submitted, the Department shall notify the applicant of
23 the Department's determination of the qualification of the
24 proposed High Impact Business under this Section.

25 (b) Businesses designated as High Impact Businesses
26 pursuant to subdivision (a)(3)(A) of this Section shall

1 qualify for the credits and exemptions described in the
2 following Acts: Section 9-222 and Section 9-222.1A of the
3 Public Utilities Act, subsection (h) of Section 201 of the
4 Illinois Income Tax Act, and Section 1d of the Retailers'
5 Occupation Tax Act; provided that these credits and exemptions
6 described in these Acts shall not be authorized until the
7 minimum investments set forth in subdivision (a) (3) (A) of this
8 Section have been placed in service in qualified properties
9 and, in the case of the exemptions described in the Public
10 Utilities Act and Section 1d of the Retailers' Occupation Tax
11 Act, the minimum full-time equivalent jobs or full-time
12 retained jobs set forth in subdivision (a) (3) (A) of this
13 Section have been created or retained. Businesses designated
14 as High Impact Businesses under this Section shall also
15 qualify for the exemption described in Section 51 of the
16 Retailers' Occupation Tax Act. The credit provided in
17 subsection (h) of Section 201 of the Illinois Income Tax Act
18 shall be applicable to investments in qualified property as
19 set forth in subdivision (a) (3) (A) of this Section.

20 (b-5) Businesses designated as High Impact Businesses
21 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),
22 (a) (3) (D), (a) (3) (G), and (a) (3) (H) of this Section shall
23 qualify for the credits and exemptions described in the
24 following Acts: Section 51 of the Retailers' Occupation Tax
25 Act, Section 9-222 and Section 9-222.1A of the Public
26 Utilities Act, and subsection (h) of Section 201 of the

1 Illinois Income Tax Act; however, the credits and exemptions
2 authorized under Section 9-222 and Section 9-222.1A of the
3 Public Utilities Act, and subsection (h) of Section 201 of the
4 Illinois Income Tax Act shall not be authorized until the new
5 electric generating facility, the new gasification facility,
6 the new transmission facility, the new, expanded, or reopened
7 coal mine, the new cultured cell material food production
8 facility, or the existing or planned grocery store is
9 operational, except that a new electric generating facility
10 whose primary fuel source is natural gas is eligible only for
11 the exemption under Section 51 of the Retailers' Occupation
12 Tax Act.

13 (b-6) Businesses designated as High Impact Businesses
14 pursuant to subdivision (a) (3) (E) or (a) (3) (E-5) of this
15 Section shall qualify for the exemptions described in Section
16 51 of the Retailers' Occupation Tax Act; any business so
17 designated as a High Impact Business being, for purposes of
18 this Section, a "Wind Energy Business".

19 (b-7) Beginning on January 1, 2021, businesses designated
20 as High Impact Businesses by the Department shall qualify for
21 the High Impact Business construction jobs credit under
22 subsection (h-5) of Section 201 of the Illinois Income Tax Act
23 if the business meets the criteria set forth in subsection (i)
24 of this Section. The total aggregate amount of credits awarded
25 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
26 shall not exceed \$20,000,000 in any State fiscal year.

1 (c) High Impact Businesses located in federally designated
2 foreign trade zones or sub-zones are also eligible for
3 additional credits, exemptions and deductions as described in
4 the following Acts: Section 9-221 and Section 9-222.1 of the
5 Public Utilities Act; and subsection (g) of Section 201, and
6 Section 203 of the Illinois Income Tax Act.

7 (d) Except for businesses contemplated under subdivision
8 (a) (3) (E), (a) (3) (E-5), (a) (3) (G), or (a) (3) (H) of this
9 Section, existing Illinois businesses which apply for
10 designation as a High Impact Business must provide the
11 Department with the prospective plan for which 1,500 full-time
12 retained jobs would be eliminated in the event that the
13 business is not designated.

14 (e) Except for new businesses contemplated under
15 subdivision (a) (3) (D), (a) (3) (E), ~~subdivision~~ (a) (3) (G), or
16 ~~subdivision~~ (a) (3) (H) of this Section, new proposed facilities
17 which apply for designation as High Impact Business must
18 provide the Department with proof of alternative non-Illinois
19 sites which would receive the proposed investment and job
20 creation in the event that the business is not designated as a
21 High Impact Business.

22 (f) Except for businesses contemplated under subdivision
23 (a) (3) (D), (a) (3) (E), ~~subdivision~~ (a) (3) (G), or ~~subdivision~~
24 (a) (3) (H) of this Section, in the event that a business is
25 designated a High Impact Business and it is later determined
26 after reasonable notice and an opportunity for a hearing as

1 provided under the Illinois Administrative Procedure Act, that
2 the business would have placed in service in qualified
3 property the investments and created or retained the requisite
4 number of jobs without the benefits of the High Impact
5 Business designation, the Department shall be required to
6 immediately revoke the designation and notify the Director of
7 the Department of Revenue who shall begin proceedings to
8 recover all wrongfully exempted State taxes with interest. The
9 business shall also be ineligible for all State funded
10 Department programs for a period of 10 years.

11 (g) The Department shall revoke a High Impact Business
12 designation if the participating business fails to comply with
13 the terms and conditions of the designation.

14 (h) Prior to designating a business, the Department shall
15 provide the members of the General Assembly and Commission on
16 Government Forecasting and Accountability with a report
17 setting forth the terms and conditions of the designation and
18 guarantees that have been received by the Department in
19 relation to the proposed business being designated.

20 (i) High Impact Business construction jobs credit.
21 Beginning on January 1, 2021, a High Impact Business may
22 receive a tax credit against the tax imposed under subsections
23 (a) and (b) of Section 201 of the Illinois Income Tax Act in an
24 amount equal to 50% of the amount of the incremental income tax
25 attributable to High Impact Business construction jobs credit
26 employees employed in the course of completing a High Impact

1 Business construction jobs project. However, the High Impact
2 Business construction jobs credit may equal 75% of the amount
3 of the incremental income tax attributable to High Impact
4 Business construction jobs credit employees if the High Impact
5 Business construction jobs credit project is located in an
6 underserved area.

7 The Department shall certify to the Department of Revenue:

8 (1) the identity of taxpayers that are eligible for the High
9 Impact Business construction jobs credit; and (2) the amount
10 of High Impact Business construction jobs credits that are
11 claimed pursuant to subsection (h-5) of Section 201 of the
12 Illinois Income Tax Act in each taxable year.

13 As used in this subsection (i):

14 "High Impact Business construction jobs credit" means an
15 amount equal to 50% (or 75% if the High Impact Business
16 construction project is located in an underserved area) of the
17 incremental income tax attributable to High Impact Business
18 construction job employees. The total aggregate amount of
19 credits awarded under the Blue Collar Jobs Act (Article 20 of
20 Public Act 101-9) shall not exceed \$20,000,000 in any State
21 fiscal year

22 "High Impact Business construction job employee" means a
23 laborer or worker who is employed by a contractor or
24 subcontractor in the actual construction work on the site of a
25 High Impact Business construction job project.

26 "High Impact Business construction jobs project" means

1 building a structure or building or making improvements of any
2 kind to real property, undertaken and commissioned by a
3 business that was designated as a High Impact Business by the
4 Department. The term "High Impact Business construction jobs
5 project" does not include the routine operation, routine
6 repair, or routine maintenance of existing structures,
7 buildings, or real property.

8 "Incremental income tax" means the total amount withheld
9 during the taxable year from the compensation of High Impact
10 Business construction job employees.

11 "Underserved area" means a geographic area that meets one
12 or more of the following conditions:

13 (1) the area has a poverty rate of at least 20%
14 according to the latest American Community Survey;

15 (2) 35% or more of the families with children in the
16 area are living below 130% of the poverty line, according
17 to the latest American Community Survey;

18 (3) at least 20% of the households in the area receive
19 assistance under the Supplemental Nutrition Assistance
20 Program (SNAP); or

21 (4) the area has an average unemployment rate, as
22 determined by the Illinois Department of Employment
23 Security, that is more than 120% of the national
24 unemployment average, as determined by the U.S. Department
25 of Labor, for a period of at least 2 consecutive calendar
26 years preceding the date of the application.

1 (j) (Blank).

2 (j-5) Annually, until construction is completed, a company
3 seeking High Impact Business Construction Job credits shall
4 submit a report that, at a minimum, describes the projected
5 project scope, timeline, and anticipated budget. Once the
6 project has commenced, the annual report shall include actual
7 data for the prior year as well as projections for each
8 additional year through completion of the project. The
9 Department shall issue detailed reporting guidelines
10 prescribing the requirements of construction-related reports.

11 In order to receive credit for construction expenses, the
12 company must provide the Department with evidence that a
13 certified third-party executed an Agreed-Upon Procedure (AUP)
14 verifying the construction expenses or accept the standard
15 construction wage expense estimated by the Department.

16 Upon review of the final project scope, timeline, budget,
17 and AUP, the Department shall issue a tax credit certificate
18 reflecting a percentage of the total construction job wages
19 paid throughout the completion of the project.

20 (k) Upon 7 business days' notice, each taxpayer shall make
21 available to each State agency and to federal, State, or local
22 law enforcement agencies and prosecutors for inspection and
23 copying at a location within this State during reasonable
24 hours, the report under subsection (j-5).

25 (l) The changes made to this Section by Public Act
26 102-1125, other than the changes in subsection (a), apply to

1 High Impact Businesses that submit applications on or after
2 February 3, 2023 (the effective date of Public Act 102-1125).
3 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;
4 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.
5 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,
6 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;
7 103-605, eff. 7-1-24.)

8 Section 15. The Illinois Power Agency Act is amended by
9 changing Sections 1-5, 1-10, and 1-75 and by adding Section
10 1-126 as follows:

11 (20 ILCS 3855/1-5)

12 Sec. 1-5. Legislative declarations and findings. The
13 General Assembly finds and declares:

14 (1) The health, welfare, and prosperity of all
15 Illinois residents require the provision of adequate,
16 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.

19 (1.5) To provide the highest quality of life for the
20 residents of Illinois and to provide for a clean and
21 healthy environment, it is the policy of this State to
22 rapidly transition to 100% clean energy by 2050.

23 (2) (Blank).

24 (3) (Blank).

1 (4) It is necessary to improve the process of
2 procuring electricity to serve Illinois residents, to
3 promote investment in energy efficiency and
4 demand-response measures, and to maintain and support
5 development of clean coal technologies, generation
6 resources that operate at all hours of the day and under
7 all weather conditions, zero emission facilities, and
8 renewable resources.

9 (5) Procuring a diverse electricity supply portfolio
10 will ensure the lowest total cost over time for adequate,
11 reliable, efficient, and environmentally sustainable
12 electric service.

13 (6) Including renewable resources and zero emission
14 credits from zero emission facilities in that portfolio
15 will reduce long-term direct and indirect costs to
16 consumers by decreasing environmental impacts and by
17 avoiding or delaying the need for new generation,
18 transmission, and distribution infrastructure. Developing
19 new renewable energy resources in Illinois, including
20 brownfield solar projects and community solar projects,
21 will help to diversify Illinois electricity supply, avoid
22 and reduce pollution, reduce peak demand, and enhance
23 public health and well-being of Illinois residents.

24 (7) Developing community solar projects in Illinois
25 will help to expand access to renewable energy resources
26 to more Illinois residents.

1 (8) Developing brownfield solar projects in Illinois
2 will help return blighted or contaminated land to
3 productive use while enhancing public health and the
4 well-being of Illinois residents, including those in
5 environmental justice communities.

6 (9) Energy efficiency, demand-response measures, zero
7 emission energy, and renewable energy are resources
8 currently underused in Illinois. These resources should be
9 used, when cost effective, to reduce costs to consumers,
10 improve reliability, and improve environmental quality and
11 public health.

12 (10) The State should encourage the use of advanced
13 clean coal technologies that capture and sequester carbon
14 dioxide emissions to advance environmental protection
15 goals and to demonstrate the viability of coal and
16 coal-derived fuels in a carbon-constrained economy.

17 (10.5) The State should encourage the development of
18 interregional high voltage direct current (HVDC)
19 transmission lines that benefit Illinois. All ratepayers
20 in the State served by the regional transmission
21 organization where the HVDC converter station is
22 interconnected benefit from the long-term price stability
23 and market access provided by interregional HVDC
24 transmission facilities. The benefits to Illinois include:
25 reduction in wholesale power prices; access to lower-cost
26 markets; enabling the integration of additional renewable

1 generating units within the State through near
2 instantaneous dispatchability and the provision of
3 ancillary services; creating good-paying union jobs in
4 Illinois; and, enhancing grid reliability and climate
5 resilience via HVDC facilities that are installed
6 underground.

7 (10.6) The health, welfare, and safety of the people
8 of the State are advanced by developing new HVDC
9 transmission lines that are capable of transmitting power
10 to PJM Interconnection, LLC or Midcontinent Independent
11 System Operator, Inc. in Illinois or an adjacent state
12 ~~predominantly along transportation rights of way, with an~~
13 ~~HVDC converter station that is located in the service~~
14 ~~territory of a public utility as defined in Section 3-105~~
15 ~~of the Public Utilities Act serving more than 3,000,000~~
16 ~~retail customers, and with a project labor agreement as~~
17 ~~defined in Section 1-10 of this Act.~~

18 (11) The General Assembly enacted Public Act 96-0795
19 to reform the State's purchasing processes, recognizing
20 that government procurement is susceptible to abuse if
21 structural and procedural safeguards are not in place to
22 ensure independence, insulation, oversight, and
23 transparency.

24 (12) The principles that underlie the procurement
25 reform legislation apply also in the context of power
26 purchasing.

1 (13) To ensure that the benefits of installing
2 renewable resources are available to all Illinois
3 residents and located across the State, subject to
4 appropriation, it is necessary for the Agency to provide
5 public information and educational resources on how
6 residents can benefit from the expansion of renewable
7 energy in Illinois and participate in the Illinois Solar
8 for All Program established in Section 1-56, the
9 Adjustable Block program established in Section 1-75, the
10 job training programs established by paragraph (1) of
11 subsection (a) of Section 16-108.12 of the Public
12 Utilities Act, and the programs and resources established
13 by the Energy Transition Act.

14 The General Assembly therefore finds that it is necessary
15 to create the Illinois Power Agency and that the goals and
16 objectives of that Agency are to accomplish each of the
17 following:

18 (A) Develop electricity procurement plans to ensure
19 adequate, reliable, affordable, efficient, and
20 environmentally sustainable electric service at the lowest
21 total cost over time, taking into account any benefits of
22 price stability, for electric utilities that on December
23 31, 2005 provided electric service to at least 100,000
24 customers in Illinois and for small multi-jurisdictional
25 electric utilities that (i) on December 31, 2005 served
26 less than 100,000 customers in Illinois and (ii) request a

1 procurement plan for their Illinois jurisdictional load.
2 The procurement plan shall be updated on an annual basis
3 and shall include renewable energy resources and,
4 beginning with the delivery year commencing June 1, 2017,
5 zero emission credits from zero emission facilities
6 sufficient to achieve the standards specified in this Act.

7 (B) Conduct the competitive procurement processes
8 identified in this Act.

9 (C) Develop electric generation and co-generation
10 facilities that use indigenous coal or renewable
11 resources, or both, financed with bonds issued by the
12 Illinois Finance Authority.

13 (D) Supply electricity from the Agency's facilities at
14 cost to one or more of the following: municipal electric
15 systems, governmental aggregators, or rural electric
16 cooperatives in Illinois.

17 (E) Ensure that the process of power procurement is
18 conducted in an ethical and transparent fashion, immune
19 from improper influence.

20 (F) Continue to review its policies and practices to
21 determine how best to meet its mission of providing the
22 lowest cost power to the greatest number of people, at any
23 given point in time, in accordance with applicable law.

24 (G) Operate in a structurally insulated, independent,
25 and transparent fashion so that nothing impedes the
26 Agency's mission to secure power at the best prices the

1 market will bear, provided that the Agency meets all
2 applicable legal requirements.

3 (H) Implement renewable energy procurement and
4 training programs throughout the State to diversify
5 Illinois electricity supply, improve reliability, avoid
6 and reduce pollution, reduce peak demand, and enhance
7 public health and well-being of Illinois residents,
8 including low-income residents.

9 (Source: P.A. 102-662, eff. 9-15-21.)

10 (20 ILCS 3855/1-10)

11 Sec. 1-10. Definitions.

12 "Agency" means the Illinois Power Agency.

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

21 "Authority" means the Illinois Finance Authority.

22 "Brownfield site photovoltaic project" means photovoltaics
23 that are either:

24 (1) interconnected to an electric utility as defined
25 in this Section, a municipal utility as defined in this

1 Section, a public utility as defined in Section 3-105 of
2 the Public Utilities Act, or an electric cooperative as
3 defined in Section 3-119 of the Public Utilities Act and
4 located at a site that is regulated by any of the following
5 entities under the following programs:

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

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

14 (C) the Illinois Environmental Protection Agency
15 under the Illinois Site Remediation Program; or

16 (D) the Illinois Environmental Protection Agency
17 under the Illinois Solid Waste Program; or

18 (2) located at the site of a coal mine that has
19 permanently ceased coal production, permanently halted any
20 re-mining operations, and is no longer accepting any coal
21 combustion residues; has both completed all clean-up and
22 remediation obligations under the federal Surface Mining
23 and Reclamation Act of 1977 and all applicable Illinois
24 rules and any other clean-up, remediation, or ongoing
25 monitoring to safeguard the health and well-being of the
26 people of the State of Illinois, as well as demonstrated

1 compliance with all applicable federal and State
2 environmental rules and regulations, including, but not
3 limited, to 35 Ill. Adm. Code Part 845 and any rules for
4 historic fill of coal combustion residuals, including any
5 rules finalized in Subdocket A of Illinois Pollution
6 Control Board docket R2020-019.

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

1 bituminous rank and greater than 1.7 pounds of sulfur per
2 million Btu content, unless the clean coal facility does not
3 use gasification technology and was operating as a
4 conventional coal-fired electric generating facility on June
5 1, 2009 (the effective date of Public Act 95-1027).

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

22 "Clean coal SNG facility" means a facility that uses a
23 gasification process to produce substitute natural gas, that
24 sequesters at least 90% of the total carbon dioxide emissions
25 that the facility would otherwise emit, that uses at least 90%
26 coal as a feedstock, with all such coal having a high

1 bituminous rank and greater than 1.7 pounds of sulfur per
2 million Btu content, and that has a valid and effective permit
3 to construct emission sources and air pollution control
4 equipment and approval with respect to the federal regulations
5 for Prevention of Significant Deterioration of Air Quality
6 (PSD) for the plant pursuant to the federal Clean Air Act;
7 provided, however, a clean coal SNG brownfield facility shall
8 not be a clean coal SNG facility.

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

11 "Commission" means the Illinois Commerce Commission.

12 "Community renewable generation project" means an electric
13 generating facility that:

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

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

25 (3) credits the value of electricity generated by the
26 facility to the subscribers of the facility; and

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

3 "Costs incurred in connection with the development and
4 construction of a facility" means:

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

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

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

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

21 (5) the costs of plans, specifications, site study and
22 investigation, installation, surveys, other Agency costs
23 and estimates of costs, and other expenses necessary or
24 incidental to determining the feasibility of any project,
25 together with such other expenses as may be necessary or
26 incidental to the financing, insuring, acquisition, and

1 construction of a specific project and starting up,
2 commissioning, and placing that project in operation.

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

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

8 "Department" means the Department of Commerce and Economic
9 Opportunity.

10 "Director" means the Director of the Illinois Power
11 Agency.

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

15 "Distributed renewable energy generation device" means a
16 device that is:

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

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

1 electric cooperative as defined in Section 3-119 of the
2 Public Utilities Act;

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

6 (4) (blank).

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

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

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

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

1 opportunities, including opportunities in the energy
2 sector; and

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

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

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

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

22 (3) persons who were formerly incarcerated;

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

25 "Equity eligible contractor" means a business that is
26 majority-owned by eligible persons, or a nonprofit or

1 cooperative that is majority-governed by eligible persons, or
2 is a natural person that is an eligible person offering
3 personal services as an independent contractor.

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

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

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

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

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

1 transmission facilities.

2 "High voltage direct current transmission facilities"
3 means the collection of installed equipment that converts
4 alternating current energy in one balancing authority location
5 to direct current and transmits that direct current energy to
6 a high voltage direct current converter station in another
7 balancing authority using Voltage Source Conversion
8 technology. "High voltage direct current transmission
9 facilities" includes the high voltage direct current converter
10 station itself and associated high voltage direct current
11 transmission lines. Notwithstanding the preceding, ~~after~~
12 ~~September 15, 2021 (the effective date of Public Act 102-662),~~
13 an otherwise qualifying collection of equipment does not
14 qualify as high voltage direct current transmission facilities
15 unless either: (1) its developer entered into a project labor
16 agreement, is capable of transmitting electricity at 525
17 kilovolts 525kv with an Illinois converter station located and
18 interconnected in the region of the PJM Interconnection, LLC,
19 and the system does not operate as a public utility, as that
20 term is defined in Section 3-105 of the Public Utilities Act
21 servng more than 100,000 customers as of January 1, 2021; or
22 (2) its developer has entered into a project labor agreement
23 prior to construction, the project is capable of transmitting
24 electricity at 600 kilovolts or above and has a converter
25 station that is located in Illinois or in a state adjacent to
26 Illinois and is interconnected to PJM Interconnection, LLC,

1 the Midcontinent Independent System Operator, Inc., or their
2 successors.

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

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

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

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

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

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

26 "Municipality" means a city, village, or incorporated

1 town.

2 "Municipal utility" means a public utility owned and
3 operated by any subdivision or municipal corporation of this
4 State.

5 "Nameplate capacity" means the aggregate inverter
6 nameplate capacity in kilowatts AC.

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

12 "Project" means the planning, bidding, and construction of
13 a facility.

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

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

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

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

25 (4) provisions establishing that no lockout or
26 disputes will be engaged in by the general contractor

1 building the project; and

2 (5) provisions for minorities and women, as defined
3 under the Business Enterprise for Minorities, Women, and
4 Persons with Disabilities Act, setting forth goals for
5 apprenticeship hours to be performed by minorities and
6 women and setting forth goals for total hours to be
7 performed by underrepresented minorities and women.

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

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

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

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

1 "Renewable energy credit" means a tradable credit that
2 represents the environmental attributes of one megawatt hour
3 of energy produced from a renewable energy resource.

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

1 facilities have ownership rights over the unretired associated
2 high voltage direct current renewable energy credit.

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

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

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

18 "Service area" has the same definition as found in Section
19 16-102 of the Public Utilities Act.

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

23 "Sourcing agreement" means (i) in the case of an electric
24 utility, an agreement between the owner of a clean coal
25 facility and such electric utility, which agreement shall have
26 terms and conditions meeting the requirements of paragraph (3)

1 of subsection (d) of Section 1-75, (ii) in the case of an
2 alternative retail electric supplier, an agreement between the
3 owner of a clean coal facility and such alternative retail
4 electric supplier, which agreement shall have terms and
5 conditions meeting the requirements of Section 16-115(d)(5) of
6 the Public Utilities Act, and (iii) in case of a gas utility,
7 an agreement between the owner of a clean coal SNG brownfield
8 facility and the gas utility, which agreement shall have the
9 terms and conditions meeting the requirements of subsection
10 (h-1) of Section 9-220 of the Public Utilities Act.

11 "Strike price" means a contract price for energy and
12 renewable energy credits from a new utility-scale wind project
13 or a new utility-scale photovoltaic project or a contract
14 price for high voltage direct current renewable energy credits
15 as defined in item (iii-5) of subparagraph (G) of paragraph
16 (1) of subsection (c) of Section 1-75 of this Act.

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

1 "Subscription" means an interest in a community renewable
2 generation project expressed in kilowatts, which is sized
3 primarily to offset part or all of the subscriber's
4 electricity usage.

5 "Substitute natural gas" or "SNG" means a gas manufactured
6 by gasification of hydrocarbon feedstock, which is
7 substantially interchangeable in use and distribution with
8 conventional natural gas.

9 "Total resource cost test" or "TRC test" means a standard
10 that is met if, for an investment in energy efficiency or
11 demand-response measures, the benefit-cost ratio is greater
12 than one. The benefit-cost ratio is the ratio of the net
13 present value of the total benefits of the program to the net
14 present value of the total costs as calculated over the
15 lifetime of the measures. A total resource cost test compares
16 the sum of avoided electric utility costs, representing the
17 benefits that accrue to the system and the participant in the
18 delivery of those efficiency measures and including avoided
19 costs associated with reduced use of natural gas or other
20 fuels, avoided costs associated with reduced water
21 consumption, and avoided costs associated with reduced
22 operation and maintenance costs, as well as other quantifiable
23 societal benefits, to the sum of all incremental costs of
24 end-use measures that are implemented due to the program
25 (including both utility and participant contributions), plus
26 costs to administer, deliver, and evaluate each demand-side

1 program, to quantify the net savings obtained by substituting
2 the demand-side program for supply resources. In calculating
3 avoided costs of power and energy that an electric utility
4 would otherwise have had to acquire, reasonable estimates
5 shall be included of financial costs likely to be imposed by
6 future regulations and legislation on emissions of greenhouse
7 gases. In discounting future societal costs and benefits for
8 the purpose of calculating net present values, a societal
9 discount rate based on actual, long-term Treasury bond yields
10 should be used. Notwithstanding anything to the contrary, the
11 TRC test shall not include or take into account a calculation
12 of market price suppression effects or demand reduction
13 induced price effects.

14 "Utility-scale solar project" means an electric generating
15 facility that:

- 16 (1) generates electricity using photovoltaic cells;
17 and
18 (2) has a nameplate capacity that is greater than
19 5,000 kilowatts.

20 "Utility-scale wind project" means an electric generating
21 facility that:

- 22 (1) generates electricity using wind; and
23 (2) has a nameplate capacity that is greater than
24 5,000 kilowatts.

25 "Waste Heat to Power Systems" means systems that capture
26 and generate electricity from energy that would otherwise be

1 lost to the atmosphere without the use of additional fuel.

2 "Zero emission credit" means a tradable credit that
3 represents the environmental attributes of one megawatt hour
4 of energy produced from a zero emission facility.

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

9 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;
10 103-380, eff. 1-1-24.)

11 (20 ILCS 3855/1-75)

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

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

1 Section. Beginning on the effective date of this amendatory
2 Act of the 102nd General Assembly, the Planning and
3 Procurement Bureau shall develop plans and processes for the
4 procurement of carbon mitigation credits from carbon-free
5 energy resources in accordance with the requirements of
6 subsection (d-10) of this Section. The Planning and
7 Procurement Bureau shall also develop procurement plans and
8 conduct competitive procurement processes in accordance with
9 the requirements of Section 16-111.5 of the Public Utilities
10 Act for the eligible retail customers of small
11 multi-jurisdictional electric utilities that (i) on December
12 31, 2005 served less than 100,000 customers in Illinois and
13 (ii) request a procurement plan for their Illinois
14 jurisdictional load. This Section shall not apply to a small
15 multi-jurisdictional utility until such time as a small
16 multi-jurisdictional utility requests the Agency to prepare a
17 procurement plan for their Illinois jurisdictional load. For
18 the purposes of this Section, the term "eligible retail
19 customers" has the same definition as found in Section
20 16-111.5(a) of the Public Utilities Act.

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

1 resources procurement plan in accordance with subsection (c)
2 of this Section and Section 16-111.5 of the Public Utilities
3 Act.

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

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

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

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

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

1 (D) expertise in wholesale electricity market
2 rules, including those established by the Federal
3 Energy Regulatory Commission and regional transmission
4 organizations;

5 (E) expertise in credit protocols and familiarity
6 with contract protocols;

7 (F) adequate resources to perform and fulfill the
8 required functions and responsibilities; and

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

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

18 (A) direct previous experience administering a
19 large-scale competitive procurement process;

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

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

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

1 organizations;

2 (E) expertise in credit and contract protocols;

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

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

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

23 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

1 Commission approval.

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

16 (c) Renewable portfolio standard.

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

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

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

1 determine the annual increase between delivery year 2030
2 and delivery year 2040, if any, taking into account energy
3 demand, other energy resources, and other public policy
4 goals. In the event of a conflict between these goals and
5 the new wind, new photovoltaic, and hydropower procurement
6 requirements described in items (i) through (iii) of
7 subparagraph (C) of this paragraph (1), the long-term plan
8 shall prioritize compliance with the new wind, new
9 photovoltaic, and hydropower procurement requirements
10 described in items (i) through (iii) of subparagraph (C)
11 of this paragraph (1) over the annual percentage targets
12 described in this subparagraph (B). The Agency shall not
13 comply with the annual percentage targets described in
14 this subparagraph (B) by procuring renewable energy
15 credits that are unlikely to lead to the development of
16 new renewable resources or new, modernized, or retooled
17 hydropower facilities.

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

1 eligible retail customers on February 28, 2017.

2 For the delivery year beginning June 1, 2018, 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 14.5% of each utility's load for eligible retail
7 customers and 14.5% 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 75%
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, 2019, and for
13 each year thereafter, the procurement plans shall attempt
14 to include, subject to the prioritization outlined in this
15 subparagraph (B), cost-effective renewable energy
16 resources equal to a minimum percentage of each utility's
17 load for all retail customers as follows: 16% by June 1,
18 2019; increasing by 1.5% each year thereafter to 25% by
19 June 1, 2025; and 25% by June 1, 2026; increasing by at
20 least 3% each delivery year thereafter to at least 40% by
21 the 2030 delivery year, and continuing at no less than 40%
22 for each delivery year thereafter. The Agency shall
23 attempt to procure 50% by delivery year 2040. The Agency
24 shall determine the annual increase between delivery year
25 2030 and delivery year 2040, if any, taking into account
26 energy demand, other energy resources, and other public

1 policy goals.

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

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

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

1 program outlined in subparagraph (K) of this paragraph
2 (1) from distributed renewable energy generation
3 devices or community renewable generation projects; at
4 least 47% from utility-scale solar projects; at least
5 3% from brownfield site photovoltaic projects that are
6 not community renewable generation projects. High
7 voltage direct current renewable energy credits
8 procured under item (ii-5) shall not be counted toward
9 the procurement requirements of this item.

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

1 but shall not consider approaches to develop new dams
2 where they do not already exist.

3 (ii) In any given delivery year, if forecasted
4 expenses are less than the maximum budget available
5 under subparagraph (E) of this paragraph (1), the
6 Agency shall continue to procure new renewable energy
7 credits until that budget is exhausted in the manner
8 outlined in item (i) of this subparagraph (C).

9 (ii-5) At least 3,000,000 high voltage direct
10 current renewable energy credits shall be procured
11 under item (iii-5) of subparagraph (G), delivered
12 annually beginning in 2028, or a later date designated
13 by the Agency, subject to availability; at least
14 6,000,000 high voltage direct current renewable energy
15 credits shall be procured under item (iii-5) of
16 subparagraph (G), delivered annually beginning in
17 2030, or a later date designated by the Agency,
18 subject to availability; and at least 9,000,000 high
19 voltage direct current renewable energy credits shall
20 be procured under item (iii-5) of subparagraph (G),
21 delivered annually beginning in 2035, or a later date
22 designated by the Agency, subject to availability.

23 (iii) For purposes of this Section:

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

1 "New photovoltaic projects" means photovoltaic
2 renewable energy facilities that are energized after
3 June 1, 2017. Photovoltaic projects developed under
4 Section 1-56 of this Act shall not apply towards the
5 new photovoltaic project requirements in this
6 subparagraph (C).

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

19 (D) Renewable energy credits shall be cost effective.
20 For purposes of this subsection (c), "cost effective"
21 means that the costs of procuring renewable energy
22 resources do not cause the limit stated in subparagraph
23 (E) of this paragraph (1) to be exceeded and, for
24 renewable energy credits procured through a competitive
25 procurement event, do not exceed benchmarks based on
26 market prices for like products in the region. For

1 purposes of this subsection (c), "like products" means
2 contracts for renewable energy credits from the same or
3 substantially similar technology, same or substantially
4 similar vintage (new or existing), the same or
5 substantially similar quantity, and the same or
6 substantially similar contract length and structure.
7 Benchmarks shall reflect development, financing, or
8 related costs resulting from requirements imposed through
9 other provisions of State law, including, but not limited
10 to, requirements in subparagraphs (P) and (Q) of this
11 paragraph (1) and the Renewable Energy Facilities
12 Agricultural Impact Mitigation Act. Confidential
13 benchmarks shall be developed by the procurement
14 administrator, in consultation with the Commission staff,
15 Agency staff, and the procurement monitor and shall be
16 subject to Commission review and approval. If price
17 benchmarks for like products in the region are not
18 available, the procurement administrator shall establish
19 price benchmarks based on publicly available data on
20 regional technology costs and expected current and future
21 regional energy prices. The benchmarks in this Section
22 shall not be used to curtail or otherwise reduce
23 contractual obligations entered into by or through the
24 Agency prior to June 1, 2017 (the effective date of Public
25 Act 99-906).

26 (E) For purposes of this subsection (c), the required

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

21 Notwithstanding the requirements of this subsection
22 (c), the total of renewable energy resources procured
23 under the procurement plan for any single year shall be
24 subject to the limitations of this subparagraph (E),
25 except for high voltage direct current renewable energy
26 credits to the extent compensated using funds collected

1 through a tariffed charge authorized by subsection (i-10)
2 of Section 16-108 of the Public Utilities Act. Such
3 procurement shall be reduced for all retail customers
4 based on the amount necessary to limit the annual
5 estimated average net increase due to the costs of these
6 resources included in the amounts paid by eligible retail
7 customers in connection with electric service to no more
8 than 4.25% of the amount paid per kilowatthour by those
9 customers during the year ending May 31, 2009. To arrive
10 at a maximum dollar amount of renewable energy resources
11 to be procured for the particular delivery year, the
12 resulting per kilowatthour amount shall be applied to the
13 actual amount of kilowatthours of electricity delivered,
14 or applicable portion of such amount as specified in
15 paragraph (1) of this subsection (c), as applicable, by
16 the electric utility in the delivery year immediately
17 prior to the procurement to all retail customers in its
18 service territory. The calculations required by this
19 subparagraph (E) shall be made only once for each delivery
20 year at the time that the renewable energy resources are
21 procured. Once the determination as to the amount of
22 renewable energy resources to procure is made based on the
23 calculations set forth in this subparagraph (E) and the
24 contracts procuring those amounts are executed, no
25 subsequent rate impact determinations shall be made and no
26 adjustments to those contract amounts shall be allowed.

1 All costs incurred under such contracts shall be fully
2 recoverable by the electric utility as provided in this
3 Section.

4 (F) If the limitation on the amount of renewable
5 energy resources procured in subparagraph (E) of this
6 paragraph (1) prevents the Agency from meeting all of the
7 goals in this subsection (c), the Agency's long-term plan
8 shall prioritize compliance with the requirements of this
9 subsection (c) regarding renewable energy credits in the
10 following order:

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

13 (i-5) funding for the Illinois Solar for All
14 Program, as described in subparagraph (O) of this
15 paragraph (1);

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

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

22 (G) The following provisions shall apply to the
23 Agency's procurement of renewable energy credits under
24 this subsection (c):

25 (i) Notwithstanding whether a long-term renewable
26 resources procurement plan has been approved, the

1 Agency shall conduct an initial forward procurement
2 for renewable energy credits from new utility-scale
3 wind projects within 160 days after June 1, 2017 (the
4 effective date of Public Act 99-906). For the purposes
5 of this initial forward procurement, the Agency shall
6 solicit 15-year contracts for delivery of 1,000,000
7 renewable energy credits delivered annually from new
8 utility-scale wind projects to begin delivery on June
9 1, 2019, if available, but not later than June 1, 2021,
10 unless the project has delays in the establishment of
11 an operating interconnection with the applicable
12 transmission or distribution system as a result of the
13 actions or inactions of the transmission or
14 distribution provider, or other causes for force
15 majeure as outlined in the procurement contract, in
16 which case, not later than June 1, 2022. Payments to
17 suppliers of renewable energy credits shall commence
18 upon delivery. Renewable energy credits procured under
19 this initial procurement shall be included in the
20 Agency's long-term plan and shall apply to all
21 renewable energy goals in this subsection (c).

22 (ii) Notwithstanding whether a long-term renewable
23 resources procurement plan has been approved, the
24 Agency shall conduct an initial forward procurement
25 for renewable energy credits from new utility-scale
26 solar projects and brownfield site photovoltaic

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

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

1 conduct at least one subsequent forward procurement
2 for renewable energy credits from new utility-scale
3 wind projects, new utility-scale solar projects, and
4 new brownfield site photovoltaic projects within 240
5 days after the effective date of this amendatory Act
6 of the 102nd General Assembly in quantities necessary
7 to meet the requirements of subparagraph (C) of this
8 paragraph (1) through the delivery year beginning June
9 1, 2021.

10 (iii-5) 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 forward procurement for high
15 voltage direct current renewable energy credits within
16 240 days after the effective date of this amendatory
17 Act of the 104th General Assembly, in quantities
18 necessary to meet the requirements of item (ii-5) of
19 subparagraph (C) of paragraph (1) of this subsection
20 (c), as follows:

21 (1) The Agency shall structure procurement and
22 contract design of high voltage direct current
23 renewable energy credits in a manner that is
24 substantially similar to the methods used for
25 indexed renewable energy credits, as described in
26 item (v) of this subparagraph (G), except as

1 otherwise required by this item (iii-5).

2 (2) Each bid shall be made by, or on behalf of,
3 a generation facility at a single location, or a
4 portion of that generation facility, that is a
5 utility-scale wind project or a utility-scale
6 solar project energized or repowered after the
7 effective date of this amendatory Act of the 104th
8 General Assembly. Nothing prohibits 2 or more
9 separate portions of the same generating facility
10 or 2 or more separate generating facilities from
11 issuing separate bids while using the same
12 pre-qualified high voltage direct current
13 transmission facility to qualify for high voltage
14 direct current renewable energy credits. Any third
15 party may bid on behalf of one or more generation
16 facilities or a portion of that generation
17 facility if the third party demonstrates to the
18 Agency that it has the authority to bid for the
19 generation facilities or a portion of that
20 generation facility and that the third party has
21 the authority to transfer or cause to be
22 transferred title to renewable energy credits
23 generated by the generation facilities or a
24 portion of that generation facility.

25 (3) Each bid shall include a strike price and
26 total target delivery quantity over the life of

1 the contract and a description of plans to
2 maximize all project revenues and subtract those
3 revenues from the total amount owed under the high
4 voltage direct current renewable energy credit
5 contract, including any revenues a project may
6 receive as described in subitem (13) of this item
7 (iii-5). The Agency, the Commission, the
8 procurement administrator, and the procurement
9 monitor shall exclusively evaluate each bid based
10 only on the strike price, provided that the Agency
11 shall only allow one or more generating facilities
12 or portions thereof to bid if they meet
13 qualification standards, including identifying the
14 high voltage direct current transmission facility
15 transmitting the energy associated with the high
16 voltage direct current renewable energy credits,
17 submitting an equity plan described in subitem
18 (16) of this item (iii-5), and providing evidence
19 that the high voltage direct current transmission
20 facility connects or will connect 2 separate
21 balancing authorities. The Agency, the Commission,
22 the procurement administrator, and the procurement
23 monitor shall assume that the strike price
24 includes costs to transmit on the high voltage
25 direct current transmission facilities associated
26 with the bid.

1 (4) The standard contracts shall be for 25
2 years. In creating the standard contracts, the
3 Agency shall first ask potential bidders to
4 identify material differences with the indexed
5 renewable energy credit contract used for other
6 procurements.

7 (5) Settlement of the index price shall be, at
8 the election of the bidder, against either the
9 node into which the applicable high voltage direct
10 current transmission facility interconnects or the
11 Illinois zone of Midcontinent Independent System
12 Operator, Inc., or PJM Interconnection, LLC, into
13 which the high voltage direct current transmission
14 facility transmits.

15 (6) Payment to a winning bidder shall be
16 calculated for each settlement period according to
17 the following formula:

18 (A) the sum across all hours over the
19 applicable monthly period of the strike price
20 bid by the winning bidder, subject to subitem
21 (14) of this item (iii-5), minus the index
22 price, which for the purposes of this subitem
23 (6) shall be the hourly nodal real-time energy
24 price at a node designated by the winning
25 bidder, multiplied by the energy generation
26 during that hour; and

1 (B) subtracting from the cumulative amount
2 calculated under subdivision (A) any capacity
3 payment actually made to the generating unit
4 for its participation in the planning resource
5 auction of the Midcontinent Independent System
6 Operator, Inc. or base residual auction of PJM
7 Interconnection., LLC. If the generator does
8 not elect to participate or participates but
9 does not clear, no adjustment shall be made
10 under this subdivision (B).

11 The Agency, the Commission, the procurement
12 administrator, and the procurement monitor shall
13 create a confidential benchmark to evaluate a bid
14 by assuming that the strike price includes the
15 cost of transmission over a pre-qualified high
16 voltage direct current transmission facility.

17 Payments shall be made on a monthly basis for
18 high voltage direct current renewable energy
19 credits actually delivered, not to exceed, on a
20 3-year rolling average basis, 120% of the delivery
21 quantity during that 3-year rolling period.

22 (7) The Agency shall hold a supplemental
23 procurement event within 150 days after the
24 results of each procurement, as needed, to procure
25 the remaining amount of high voltage direct
26 current renewable energy credits so that the total

1 procured is within 5% of the amount of high
2 voltage direct current renewable energy credits to
3 be delivered annually, described in item (ii-5) of
4 subparagraph (C) of paragraph (1) of this
5 subsection (c).

6 (8) The primary funding source for contracts
7 entered into under this item (iii-5) shall be the
8 tariffs proposed and approved under subsection
9 (i-10) of Section 16-108 of the Public Utilities
10 Act.

11 (9) Prior to a bidding event, the Agency shall
12 pre-qualify high voltage direct current
13 transmission facilities, including high voltage
14 direct current transmission facilities that are
15 under development at the time of the procurement.
16 In order to pre-qualify as a high voltage direct
17 current transmission facility, the owner or
18 operator of a high voltage direct current
19 transmission facility or a generating unit, or a
20 third party on its behalf, shall provide the
21 Agency with evidence that the high voltage direct
22 current transmission facility:

23 (A) has submitted an attestation that the
24 high voltage direct current transmission
25 facility was or will be constructed under a
26 project labor agreement in compliance with the

1 obligations under item (2) of subparagraph (Q)
2 of this paragraph (1);

3 (B) has submitted one or more equity
4 plans;

5 (C) is not an electric utility as that
6 term is defined in Section 3-105 of the Public
7 Utilities Act and serving more than 100,000
8 customers as of January 1, 2021;

9 (D) provides evidence that the high
10 voltage direct current transmission line
11 connects one or more independent system
12 operators or regional transmission
13 organizations; and

14 (E) otherwise meets the definition of a
15 high voltage direct current transmission
16 facility.

17 Not less than 20 business days before the
18 initial applicant submission for the procurement
19 event described in this item (iii-5), the Agency
20 shall provide a publicly available list of high
21 voltage direct current transmission facilities
22 that have been pre-qualified.

23 (10) As part of the bidding process, each
24 generation facility shall provide evidence that
25 the generation facility has or will have a right
26 to transmit over a pre-qualified high voltage

1 direct current transmission facility a sufficient
2 quantity of energy to fulfill its bid quantity
3 based on an estimated capacity factor and an
4 estimated or actual nameplate capacity.

5 (11) The Agency may require collateral prior
6 to signing an indexed renewable energy credit
7 contract under this item (iii-5), not to exceed
8 \$1,000 per megawatt of proposed nameplate capacity
9 of the generation unit, and collateral after the
10 signing of the indexed renewable energy credit
11 contract, but prior to delivery of the first high
12 voltage direct current indexed renewable energy
13 credit, not to exceed \$4 per high voltage direct
14 current renewable energy credit projected for
15 delivery in the initial year of operation.

16 (12) As part of the bidding process, the
17 applicant shall commit that not less than the
18 prevailing wage, as determined under the
19 Prevailing Wage Act, was or will be paid to
20 employees who are engaged in construction
21 activities associated with the selected project,
22 and that on or before the commercial operation
23 date of the facility, the applicant shall file a
24 report with the Agency certifying that the
25 requirements of this paragraph (12) have been met.

26 (13) Each generation facility, or portion

1 thereof, taking part in the bidding process shall
2 demonstrate to the Agency's satisfaction that the
3 generation facility, or portion thereof, meets the
4 qualifications of a capacity resource as
5 designated by Midcontinent Independent System
6 Operator, Inc. or PJM Interconnection, LLC, or
7 their successors.

8 (14) Notwithstanding any other provision of
9 law, a contract signed by a winning bidder and the
10 electric utility counterparties may, at the
11 request of the winning bidder, be renegotiated
12 with the Agency to reflect a change in conditions.
13 If the Agency concludes that a proposed amendment
14 to the contract reflects a change in conditions
15 that has occurred since the date of the bid,
16 whether or not such changes were foreseeable, the
17 Agency or the winning bidder shall submit such
18 amendment to the Commission for approval. Upon
19 approval, or approval with modifications, each
20 utility counterparty shall execute the amendment
21 not less than 7 calendar days after delivery by
22 the Agency.

23 (15) Each renewable energy credit contract
24 shall include a force majeure provision that
25 addresses conditions related to the generator and
26 the high voltage direct current transmission

1 facility, including curtailment and dispatch
2 limitations.

3 (16) The owner or operator of a high voltage
4 direct current transmission facility, including a
5 high voltage direct current transmission facility
6 that is under development, shall, as a condition
7 of qualification or pre-qualification under this
8 item (iii-5), develop and maintain an equity plan.
9 The equity plan shall include:

10 (A) the owner's numeric goals for the
11 diversity composition of its suppliers, with a
12 plan to make at least 10% of expenditures on
13 suppliers to suppliers that are:

14 (i) subcontractors or vendors
15 registered under the Business Enterprise
16 Program or a successor program
17 administered by the Department of Central
18 Management;

19 (ii) subcontractors or vendors owned
20 by minority persons, women, or persons
21 with disability, as defined in Section 2
22 of the Business Enterprise for Minorities,
23 Women, and Persons with Disabilities Act,
24 LGBTQ-owned business enterprises,
25 veteran-owned business enterprises, and
26 business enterprises located in an equity

1 investment eligible community; and

2 (iii) equity eligible contractors;

3 (B) a description of efforts to
4 incentivize a diverse project workforce; and

5 (C) a community benefits plan that
6 outlines economic and social benefits,
7 including opportunities for investment in
8 communities located along the route of the
9 high voltage direct current transmission line
10 and actions taken to mitigate or reduce any
11 environmental and public health impacts; the
12 community benefits plan may consider donations
13 or grants to community-based organizations
14 servicing equity investment eligible
15 communities.

16 Each owner of a pre-qualified high voltage
17 direct current transmission facility with an
18 equity plan shall track expenditures made in
19 accordance with the equity plan and shall report
20 the expenditures to the Commission in compliance
21 with reporting obligations under Section 5-117 of
22 the Public Utilities Act, provided that nothing
23 prohibits the high voltage direct current
24 transmission facility from requesting confidential
25 treatment of information in such report or any
26 supporting evidence.

1 Notwithstanding subsection (c-10) of this
2 Section, the equity plan shall be the exclusive
3 source of obligations related to equity eligible
4 persons and equity eligible contractors related to
5 the development, construction, or operation of the
6 high voltage direct current transmission line or
7 participating new utility-scale solar or new
8 utility-scale wind project.

9 (iv) Notwithstanding whether the Commission has
10 approved the periodic long-term renewable resources
11 procurement plan revision described in Section
12 16-111.5 of the Public Utilities Act, the Agency shall
13 open capacity for each category in the Adjustable
14 Block program within 90 days after the effective date
15 of this amendatory Act of the 102nd General Assembly
16 manner:

17 (1) The Agency shall open the first block of
18 annual capacity for the category described in item
19 (i) of subparagraph (K) of this paragraph (1). The
20 first block of annual capacity for item (i) shall
21 be for at least 75 megawatts of total nameplate
22 capacity. The price of the renewable energy credit
23 for this block of capacity shall be 4% less than
24 the price of the last open block in this category.
25 Projects on a waitlist shall be awarded contracts
26 first in the order in which they appear on the

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

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

25 (A) The price of the renewable energy
26 credit for any project on a waitlist for this

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

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

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

26 (3) For opening the first 2 blocks of annual

1 capacity for projects participating in item (iii)
2 of subparagraph (K) of paragraph (1) of subsection
3 (c), projects shall be selected exclusively from
4 those projects on the ordinal waitlists of
5 community renewable generation projects
6 established by the Agency based on the status of
7 those ordinal waitlists as of December 31, 2020,
8 and only those projects previously determined to
9 be eligible for the Agency's April 2019 community
10 solar project selection process.

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

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

24 (B) Contract awards for waitlisted
25 projects shall be allocated proportionate to
26 the total nameplate capacity amount across

1 both ordinal waitlists associated with that
2 applicant firm or its affiliates, subject to
3 the following conditions.

4 (i) Each applicant firm having a
5 waitlisted project eligible for selection
6 shall receive no less than 500 kilowatts
7 in awarded capacity across all groups, and
8 no approved vendor may receive more than
9 20% of each Group's waitlist allocation.

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

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

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

1 (C) After a review of affiliate
2 information and the current ordinal waitlists,
3 the Agency shall announce the nameplate
4 capacity award amounts associated with
5 applicant firms no later than 90 days after
6 the effective date of this amendatory Act of
7 the 102nd General Assembly.

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

1 (E) The renewable energy credit delivery
2 contract shall be subject to the contract and
3 payment terms outlined in item (iv) of
4 subparagraph (L) of this subsection (c).
5 Contract instruments used for this
6 subparagraph shall contain the following
7 terms:

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

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

24 (iii) Permission for the ability of a
25 contract holder to substitute projects
26 with other waitlisted projects without

1 penalty should a project receive a
2 non-binding estimate of costs to construct
3 the interconnection facilities and any
4 required distribution upgrades associated
5 with that project of greater than 30 cents
6 per watt AC of that project's nameplate
7 capacity. In developing the applicable
8 contract instrument, the Agency may
9 consider whether other circumstances
10 outside of the control of the applicant
11 firm should also warrant project
12 substitution rights.

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

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

26 (4) The Agency shall open the first block of

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

17 (5) The Agency shall open the equivalent of 2
18 years of annual capacity for the category
19 described in item (v) of subparagraph (K) of this
20 paragraph (1). The first block of annual capacity
21 for item (v) shall be for at least 10 megawatts of
22 total nameplate capacity. Notwithstanding the
23 provisions of item (v) of subparagraph (K) of this
24 paragraph (1), for the purpose of this initial
25 block, the agency shall accept new project
26 applications intended to increase the diversity of

1 areas hosting community solar projects, the
2 business models of projects, and the size of
3 projects, as described by the Agency in its
4 long-term renewable resources procurement plan
5 that is approved as of the effective date of this
6 amendatory Act of the 102nd General Assembly.
7 Projects in this category shall be subject to the
8 contract terms outlined in item (iii) of
9 subsection (L) of this paragraph (1).

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

1 Renewable Resources Procurement Plan. Projects in
2 this category shall be subject to the applicable
3 contract terms outlined in items (ii) and (iii) of
4 subparagraph (L) of this paragraph (1).

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

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

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

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

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

21 (4) To ensure that indexed renewable energy
22 credit prices remain predictable and affordable,
23 the Agency may consider the institution of a price
24 collar on REC prices paid under indexed renewable
25 energy credit procurements establishing floor and
26 ceiling REC prices applicable to indexed REC

1 contract prices. Any price collars applicable to
2 indexed REC procurements shall be proposed by the
3 Agency through its long-term renewable resources
4 procurement plan.

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

15 (vii) On and after the effective date of this
16 amendatory Act of the 103rd General Assembly, for all
17 procurements of renewable energy credits from
18 hydropower facilities, the Agency shall establish
19 contract terms designed to optimize existing
20 hydropower facilities through modernization or
21 retooling and establish new hydropower facilities at
22 existing dams. Procurements made under this item (vii)
23 shall prioritize projects located in designated
24 environmental justice communities, as defined in
25 subsection (b) of Section 1-56 of this Act, or in
26 projects located in units of local government with

1 median incomes that do not exceed 82% of the median
2 income of the State.

3 (H) The procurement of renewable energy resources for
4 a given delivery year shall be reduced as described in
5 this subparagraph (H) if an alternative retail electric
6 supplier meets the requirements described in this
7 subparagraph (H).

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

21 The informational filing shall identify each
22 facility that was eligible to satisfy the alternative
23 retail electric supplier's obligations under Section
24 16-115D of the Public Utilities Act as described in
25 this item (i).

26 (ii) For a given delivery year, the alternative

1 retail electric supplier may elect to supply its
2 retail customers with renewable energy credits from
3 the facility or facilities described in item (i) of
4 this subparagraph (H) that continue to be owned by the
5 alternative retail electric supplier.

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

21 For the delivery year beginning June 1, 2018,
22 the maximum amount of renewable energy credits to
23 be supplied by an alternative retail electric
24 supplier under this subparagraph (H) shall be 68%
25 multiplied by 25% multiplied by 14.5% multiplied
26 by the amount of metered electricity

1 (megawatt-hours) delivered by the alternative
2 retail electric supplier to Illinois retail
3 customers during the delivery year ending May 31,
4 2016.

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

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

1 delivery year immediately preceding that delivery
2 year, provided that the 14.5% shall increase by 1.5%
3 each delivery year thereafter to 25% by the delivery
4 year beginning June 1, 2025, and thereafter the 25%
5 value shall apply to each delivery year.

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

24 On or before April 1 of each year, the Agency shall
25 annually publish a report on its website that
26 identifies the aggregate amount of renewable energy

1 credits supplied by alternative retail electric
2 suppliers under this subparagraph (H).

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

1 ~~in this State or a state adjacent to Illinois,~~ if the
2 generator demonstrates and the Agency determines that the
3 operation of such facility or facilities will help promote
4 the State's interest in the health, safety, and welfare of
5 its residents based on the public interest criteria
6 described above. For the purposes of this Section as
7 applicable to the procurement described in item (iii-5) of
8 subparagraph (G) of this paragraph (1), renewable
9 resources that are delivered via ~~a~~ high voltage direct
10 current transmission facilities, including high voltage
11 direct current transmission facilities prequalified
12 pursuant to subitem (9) of item (iii-5) of subparagraph
13 (G) of this paragraph (1), ~~converter station located in~~
14 ~~Illinois~~ shall be deemed generated in Illinois at the time
15 and location the energy is converted to alternating
16 current by the high voltage direct current transmission
17 facilities ~~converter station~~ if the high voltage direct
18 current transmission line:

19 (i) after the effective date of this amendatory
20 Act of the 104th 102nd General Assembly, will be ~~was~~
21 constructed with a project labor agreement;

22 (ii) is capable of transmitting electricity at 525
23 kilovolts or above ~~525kv~~;

24 (iii) has a ~~an Illinois~~ converter station located
25 within or ~~and~~ interconnected with ~~in the region of the~~
26 PJM Interconnection, LLC, or Midcontinent Independent

1 System Operator, Inc.; and ~~(iv) does not operate as a~~
2 ~~public utility; and (v) if the high voltage direct~~
3 ~~current transmission line~~

4 (iv) was energized after June 1, 2023.

5 To ensure that the public interest criteria are applied to
6 the procurement and given full effect, the Agency's long-term
7 procurement plan shall describe in detail how each public
8 interest factor shall be considered and weighted for
9 facilities located in states adjacent to Illinois.

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

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

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

1 toward the renewable energy requirements of this
2 subsection without regard to cost recovery for the
3 associated high voltage direct current transmission
4 facilities.

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

22 The Adjustable Block program shall include for each
23 category of eligible projects for each delivery year: a
24 single block of nameplate capacity, a price for renewable
25 energy credits within that block, and the terms and
26 conditions for securing a spot on a waitlist once the

1 block is fully committed or reserved. Except as outlined
2 below, the waitlist of projects in a given year will carry
3 over to apply to the subsequent year when another block is
4 opened. Only projects energized on or after June 1, 2017
5 shall be eligible for the Adjustable Block program. For
6 each category for each delivery year the Agency shall
7 determine the amount of generation capacity in each block,
8 and the purchase price for each block, provided that the
9 purchase price provided and the total amount of generation
10 in all blocks for all categories shall be sufficient to
11 meet the goals in this subsection (c). The Agency shall
12 strive to issue a single block sized to provide for
13 stability and market growth. The Agency shall establish
14 program eligibility requirements that ensure that projects
15 that enter the program are sufficiently mature to indicate
16 a demonstrable path to completion. The Agency may
17 periodically review its prior decisions establishing the
18 amount of generation capacity in each block, and the
19 purchase price for each block, and may propose, on an
20 expedited basis, changes to these previously set values,
21 including but not limited to redistributing these amounts
22 and the available funds as necessary and appropriate,
23 subject to Commission approval as part of the periodic
24 plan revision process described in Section 16-111.5 of the
25 Public Utilities Act. The Agency may define different
26 block sizes, purchase prices, or other distinct terms and

1 conditions for projects located in different utility
2 service territories if the Agency deems it necessary to
3 meet the goals in this subsection (c).

4 The Adjustable Block program shall include the
5 following categories in at least the following amounts:

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

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

17 (iii) At least 30% from photovoltaic community
18 renewable generation projects. Capacity for this
19 category for the first 2 delivery years after the
20 effective date of this amendatory Act of the 102nd
21 General Assembly shall be allocated to waitlist
22 projects as provided in paragraph (3) of item (iv) of
23 subparagraph (G). Starting in the third delivery year
24 after the effective date of this amendatory Act of the
25 102nd General Assembly or earlier if the Agency
26 determines there is additional capacity needed for to

1 meet previous delivery year requirements, the
2 following shall apply:

3 (1) the Agency shall select projects on a
4 first-come, first-serve basis, however the Agency
5 may suggest additional methods to prioritize
6 projects that are submitted at the same time;

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

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

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

23 (iv) At least 15% from distributed renewable
24 generation devices or photovoltaic community renewable
25 generation projects installed on public school land.
26 The Agency may create subcategories within this

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

21 "Environmental Justice Community" shall have the
22 same meaning set forth in the Agency's long-term
23 renewable resources procurement plan;

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

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

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

19 (1) community ownership or community
20 wealth-building;

21 (2) additional direct and indirect community
22 benefit, beyond project participation as a
23 subscriber, including, but not limited to,
24 economic, environmental, social, cultural, and
25 physical benefits;

26 (3) meaningful involvement in project

1 organization and development by community members
2 or nonprofit organizations or public entities
3 located in or serving the community;

4 (4) engagement in project operations and
5 management by nonprofit organizations, public
6 entities, or community members; and

7 (5) whether a project is developed in response
8 to a site-specific RFP developed by community
9 members or a nonprofit organization or public
10 entity located in or serving the community.

11 Selection criteria may also prioritize projects
12 that:

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

21 (2) increase the diversity of locations of
22 community solar projects in Illinois, including by
23 locating in urban areas and population centers;

24 (3) are located in Equity Investment Eligible
25 Communities;

26 (4) are not greenfield projects;

1 (5) serve only local subscribers;

2 (6) have a nameplate capacity that does not
3 exceed 500 kW;

4 (7) are developed by an equity eligible
5 contractor; or

6 (8) otherwise meaningfully advance the goals
7 of providing more direct and tangible connection
8 and benefits to the communities which they serve
9 or in which they operate and increasing the
10 variety of community solar locations, models, and
11 options in Illinois.

12 For the purposes of this item (v):

13 "Community" means a social unit in which people
14 come together regularly to effect change; a social
15 unit in which participants are marked by a cooperative
16 spirit, a common purpose, or shared interests or
17 characteristics; or a space understood by its
18 residents to be delineated through geographic
19 boundaries or landmarks.

20 "Community benefit" means a range of services and
21 activities that provide affirmative, economic,
22 environmental, social, cultural, or physical value to
23 a community; or a mechanism that enables economic
24 development, high-quality employment, and education
25 opportunities for local workers and residents, or
26 formal monitoring and oversight structures such that

1 community members may ensure that those services and
2 activities respond to local knowledge and needs.

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

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

22 (vi) At least 10% from distributed renewable
23 energy generation devices, which includes distributed
24 renewable energy devices with a nameplate capacity
25 under 5,000 kilowatts or photovoltaic community
26 renewable generation projects, from applicants that

1 are equity eligible contractors. The Agency may create
2 subcategories within this category to account for the
3 differences between project size and type. The Agency
4 shall propose to increase the percentage in this item
5 (vi) over time to 40% based on factors, including, but
6 not limited to, the number of equity eligible
7 contractors and capacity used in this item (vi) in
8 previous delivery years.

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

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

21 (vii) The remaining capacity shall be allocated by
22 the Agency in order to respond to market demand. The
23 Agency shall allocate any discretionary capacity prior
24 to the beginning of each delivery year.

25 To the extent there is uncontracted capacity from any
26 block in any of categories (i) through (vi) at the end of a

1 delivery year, the Agency shall redistribute that capacity
2 to one or more other categories giving priority to
3 categories with projects on a waitlist. The redistributed
4 capacity shall be added to the annual capacity in the
5 subsequent delivery year, and the price for renewable
6 energy credits shall be the price for the new delivery
7 year. Redistributed capacity shall not be considered
8 redistributed when determining whether the goals in this
9 subsection (K) have been met.

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

16 The Adjustable Block program shall be designed to
17 ensure that renewable energy credits are procured from
18 projects in diverse locations and are not concentrated in
19 a few regional areas.

20 (L) Notwithstanding provisions for advancing capital
21 prior to project energization found in item (vi) of
22 subparagraph (K), the procurement of photovoltaic
23 renewable energy credits under items (i) through (vi) of
24 subparagraph (K) of this paragraph (1) shall otherwise be
25 subject to the following contract and payment terms:

26 (i) (Blank).

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

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

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

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

1 amount, the excess renewable energy credits shall be
2 carried forward to future delivery years and shall not
3 expire during the delivery term. If generation of
4 renewable energy credits during a delivery year,
5 including carried forward excess renewable energy
6 credits, if any, is less than the estimated annual
7 generation amount, payments during such delivery year
8 will not exceed the quantity generated plus the
9 quantity carried forward multiplied by the contract
10 price. The electric utility shall receive all
11 renewable energy credits generated by the project
12 during the first 20 years of operation and retire all
13 renewable energy credits paid for under this item (iv)
14 and return at the end of the delivery term all
15 renewable energy credits that were not paid for.
16 Renewable energy credits generated by the project
17 thereafter shall not be transferred under the
18 renewable energy credit delivery contract with the
19 counterparty electric utility. Notwithstanding the
20 preceding, for those projects participating under item
21 (iii) of subparagraph (K), the contract price for a
22 delivery year shall be based on subscription levels as
23 measured on the higher of the first business day of the
24 delivery year or the first business day 6 months after
25 the first business day of the delivery year.
26 Subscription of 90% of nameplate capacity or greater

1 shall be deemed to be fully subscribed for the
2 purposes of this item (iv). For projects receiving a
3 20-year delivery contract, REC prices shall be
4 adjusted downward for consistency with the incentive
5 levels previously determined to be necessary to
6 support projects under 15-year delivery contracts,
7 taking into consideration any additional new
8 requirements placed on the projects, including, but
9 not limited to, labor standards.

10 (v) Each contract shall include provisions to
11 ensure the delivery of the estimated quantity of
12 renewable energy credits and ongoing collateral
13 requirements and other provisions deemed appropriate
14 by the Agency.

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

21 (vii) If, at any time, approved applications for
22 the Adjustable Block program exceed funds collected by
23 the electric utility or would cause the Agency to
24 exceed the limitation described in subparagraph (E) of
25 this paragraph (1) on the amount of renewable energy
26 resources that may be procured, then the Agency may

1 consider future uncommitted funds to be reserved for
2 these contracts on a first-come, first-served basis.

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

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

19 (x) Contracts may be assignable, but only to
20 entities first deemed by the Agency to have met
21 program terms and requirements applicable to direct
22 program participation. In developing contracts for the
23 delivery of renewable energy credits, the Agency shall
24 be permitted to establish fees applicable to each
25 contract assignment.

26 (M) The Agency shall be authorized to retain one or

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

15 The Program Administrator may charge application fees
16 to participating firms to cover the cost of program
17 administration. Any application fee amounts shall
18 initially be determined through the long-term renewable
19 resources procurement plan, and modifications to any
20 application fee that deviate more than 25% from the
21 Commission's approved value must be approved by the
22 Commission as a long-term plan revision under Section
23 16-111.5 of the Public Utilities Act. The Agency shall
24 consider stakeholder feedback when making adjustments to
25 application fees and shall notify stakeholders in advance
26 of any planned changes.

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

14 The Agency and its consultant or consultants shall
15 monitor block activity, share program activity with
16 stakeholders and conduct quarterly meetings to discuss
17 program activity and market conditions. If necessary, the
18 Agency may make prospective administrative adjustments to
19 the Adjustable Block program design, such as making
20 adjustments to purchase prices as necessary to achieve the
21 goals of this subsection (c). Program modifications to any
22 block price that do not deviate from the Commission's
23 approved value by more than 10% shall take effect
24 immediately and are not subject to Commission review and
25 approval. Program modifications to any block price that
26 deviate more than 10% from the Commission's approved value

1 must be approved by the Commission as a long-term plan
2 amendment under Section 16-111.5 of the Public Utilities
3 Act. The Agency shall consider stakeholder feedback when
4 making adjustments to the Adjustable Block design and
5 shall notify stakeholders in advance of any planned
6 changes.

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

21 (i) The Agency shall establish a registration
22 process for entities seeking to qualify for
23 program-administered incentive funding and establish
24 baseline qualifications for vendor approval. The
25 Agency must maintain a list of approved entities on
26 each program's website, and may revoke a vendor's

1 ability to receive program-administered incentive
2 funding status upon a determination that the vendor
3 failed to comply with contract terms, the law, or
4 other program requirements.

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

17 (iii) To discourage deceptive marketing or other
18 bad faith business practices, the Agency may require
19 direct program participants, including agents
20 operating on their behalf, to provide standardized
21 disclosures to a customer prior to that customer's
22 execution of a contract for the development of a
23 distributed generation system or a subscription to a
24 community solar project.

25 (iv) The Agency shall establish one or multiple
26 Consumer Complaints Centers to accept complaints

1 regarding businesses that participate in, or otherwise
2 benefit from, State-administered incentive funding
3 through Agency-administered programs. The Agency shall
4 maintain a public database of complaints with any
5 confidential or particularly sensitive information
6 redacted from public entries.

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

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

21 (vii) To the extent that complaints received
22 implicate the jurisdiction of the Office of the
23 Attorney General, the Illinois Commerce Commission, or
24 local, State, or federal law enforcement, the Agency
25 shall also refer complaints to those entities as
26 appropriate.

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

18 Through the development of its long-term renewable
19 resources procurement plan, the Agency may consider
20 whether community renewable generation projects utilizing
21 technologies other than photovoltaics should be supported
22 through State-administered incentive funding, and may
23 issue requests for information to gauge market demand.

24 Electric utilities shall provide a monetary credit to
25 a subscriber's subsequent bill for service for the
26 proportional output of a community renewable generation

1 project attributable to that subscriber as specified in
2 Section 16-107.5 of the Public Utilities Act.

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

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

23 (O) For the delivery year beginning June 1, 2018, the
24 long-term renewable resources procurement plan required by
25 this subsection (c) shall provide for the Agency to
26 procure contracts to continue offering the Illinois Solar

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

26 (P) All programs and procurements under this

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

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

22 (Q) Each facility listed in subitems (i) through (ix)
23 of item (1) of this subparagraph (Q) for which a renewable
24 energy credit delivery contract is signed after the
25 effective date of this amendatory Act of the 102nd General
26 Assembly is subject to the following requirements through

1 the Agency's long-term renewable resources procurement
2 plan:

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

- 21 (i) all new utility-scale wind projects;
- 22 (ii) all new utility-scale photovoltaic
23 projects;
- 24 (iii) all new brownfield photovoltaic
25 projects;
- 26 (iv) all new photovoltaic community renewable

1 energy facilities that qualify for item (iii) of
2 subparagraph (K) of this paragraph (1);

3 (v) all new community driven community
4 photovoltaic projects that qualify for item (v) of
5 subparagraph (K) of this paragraph (1);

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

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

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

25 (ix) all new, modernized, or retooled
26 hydropower facilities.

1 (2) Renewable energy credits procured from new
2 utility-scale wind projects, new utility-scale solar
3 projects, and new brownfield solar projects pursuant
4 to Agency procurement events occurring after the
5 effective date of this amendatory Act of the 102nd
6 General Assembly must be from facilities built by
7 general contractors that must enter into a project
8 labor agreement, as defined by this Act, prior to
9 construction. The project labor agreement shall be
10 filed with the Director in accordance with procedures
11 established by the Agency through its long-term
12 renewable resources procurement plan. Any information
13 submitted to the Agency in this item (2) shall be
14 considered commercially sensitive information. At a
15 minimum, the project labor agreement must provide the
16 names, addresses, and occupations of the owner of the
17 plant and the individuals representing the labor
18 organization employees participating in the project
19 labor agreement consistent with the Project Labor
20 Agreements Act. The agreement must also specify the
21 terms and conditions as defined by this Act.
22 Notwithstanding any other provision of this
23 subparagraph, utility-scale solar projects and
24 utility-scale wind projects that are not located in
25 Illinois, but are associated with high voltage direct
26 current renewable energy credits are not obligated to

1 comply with this subparagraph if the associated high
2 voltage direct current transmission facility was
3 constructed under a project labor agreement and the
4 construction project workforce for the generation unit
5 was paid at least the prevailing wage as determined by
6 the United States Department of Labor in the locality
7 where the work is being performed.

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

26 (R) In its long-term renewable resources procurement

1 plan, the Agency shall establish a self-direct renewable
2 portfolio standard compliance program for eligible
3 self-direct customers that purchase renewable energy
4 credits from utility-scale wind and solar projects through
5 long-term agreements for purchase of renewable energy
6 credits as described in this Section. Such long-term
7 agreements may include the purchase of energy or other
8 products on a physical or financial basis and may involve
9 an alternative retail electric supplier as defined in
10 Section 16-102 of the Public Utilities Act. This program
11 shall take effect in the delivery year commencing June 1,
12 2023.

13 (1) For the purposes of this subparagraph:

14 "Eligible self-direct customer" means any retail
15 customers of an electric utility that serves 3,000,000
16 or more retail customers in the State and whose total
17 highest 30-minute demand was more than 10,000
18 kilowatts, or any retail customers of an electric
19 utility that serves less than 3,000,000 retail
20 customers but more than 500,000 retail customers in
21 the State and whose total highest 15-minute demand was
22 more than 10,000 kilowatts.

23 "Retail customer" has the meaning set forth in
24 Section 16-102 of the Public Utilities Act and
25 multiple retail customer accounts under the same
26 corporate parent may aggregate their account demands

1 to meet the 10,000 kilowatt threshold. The criteria
2 for determining whether this subparagraph is
3 applicable to a retail customer shall be based on the
4 12 consecutive billing periods prior to the start of
5 the year in which the application is filed.

6 (2) For renewable energy credits to count toward
7 the self-direct renewable portfolio standard
8 compliance program, they must:

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

11 (ii) be sourced from one or more renewable
12 energy generating facilities that comply with the
13 geographic requirements as set forth in
14 subparagraph (I) of paragraph (1) of subsection
15 (c) as interpreted through the Agency's long-term
16 renewable resources procurement plan, or, where
17 applicable, the geographic requirements that
18 governed utility-scale renewable energy credits at
19 the time the eligible self-direct customer entered
20 into the applicable renewable energy credit
21 purchase agreement;

22 (iii) be procured through long-term contracts
23 with term lengths of at least 10 years either
24 directly with the renewable energy generating
25 facility or through a bundled power purchase
26 agreement, a virtual power purchase agreement, an

1 agreement between the renewable generating
2 facility, an alternative retail electric supplier,
3 and the customer, or such other structure as is
4 permissible under this subparagraph (R);

5 (iv) be equivalent in volume to at least 40%
6 of the eligible self-direct customer's usage,
7 determined annually by the eligible self-direct
8 customer's usage during the previous delivery
9 year, measured to the nearest megawatt-hour;

10 (v) be retired by or on behalf of the large
11 energy customer;

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

14 (vii) if the contracts for renewable energy
15 credits are entered into after the effective date
16 of this amendatory Act of the 102nd General
17 Assembly, the new utility-scale wind projects or
18 new utility-scale solar projects must comply with
19 the requirements established in subparagraphs (P)
20 and (Q) of paragraph (1) of this subsection (c)
21 and subsection (c-10).

22 (3) The self-direct renewable portfolio standard
23 compliance program shall be designed to allow eligible
24 self-direct customers to procure new renewable energy
25 credits from new utility-scale wind projects or new
26 utility-scale photovoltaic projects. The Agency shall

1 annually determine the amount of utility-scale
2 renewable energy credits it will include each year
3 from the self-direct renewable portfolio standard
4 compliance program, subject to receiving qualifying
5 applications. In making this determination, the Agency
6 shall evaluate publicly available analyses and studies
7 of the potential market size for utility-scale
8 renewable energy long-term purchase agreements by
9 commercial and industrial energy customers and make
10 that report publicly available. If demand for
11 participation in the self-direct renewable portfolio
12 standard compliance program exceeds availability, the
13 Agency shall ensure participation is evenly split
14 between commercial and industrial users to the extent
15 there is sufficient demand from both customer classes.
16 Each renewable energy credit procured pursuant to this
17 subparagraph (R) by a self-direct customer shall
18 reduce the total volume of renewable energy credits
19 the Agency is otherwise required to procure from new
20 utility-scale projects pursuant to subparagraph (C) of
21 paragraph (1) of this subsection (c) on behalf of
22 contracting utilities where the eligible self-direct
23 customer is located. The self-direct customer shall
24 file an annual compliance report with the Agency
25 pursuant to terms established by the Agency through
26 its long-term renewable resources procurement plan to

1 be eligible for participation in this program.
2 Customers must provide the Agency with their most
3 recent electricity billing statements or other
4 information deemed necessary by the Agency to
5 demonstrate they are an eligible self-direct customer.

6 (4) The Commission shall approve a reduction in
7 the volumetric charges collected pursuant to Section
8 16-108 of the Public Utilities Act for approved
9 eligible self-direct customers equivalent to the
10 anticipated cost of renewable energy credit deliveries
11 under contracts for new utility-scale wind and new
12 utility-scale solar entered for each delivery year
13 after the large energy customer begins retiring
14 eligible new utility scale renewable energy credits
15 for self-compliance. The self-direct credit amount
16 shall be determined annually and is equal to the
17 estimated portion of the cost authorized by
18 subparagraph (E) of paragraph (1) of this subsection
19 (c) that supported the annual procurement of
20 utility-scale renewable energy credits in the prior
21 delivery year using a methodology described in the
22 long-term renewable resources procurement plan,
23 expressed on a per kilowatthour basis, and does not
24 include (i) costs associated with any contracts
25 entered into before the delivery year in which the
26 customer files the initial compliance report to be

1 eligible for participation in the self-direct program,
2 and (ii) costs associated with procuring renewable
3 energy credits through existing and future contracts
4 through the Adjustable Block Program, subsection (c-5)
5 of this Section 1-75, and the Solar for All Program.
6 The Agency shall assist the Commission in determining
7 the current and future costs. The Agency must
8 determine the self-direct credit amount for new and
9 existing eligible self-direct customers and submit
10 this to the Commission in an annual compliance filing.
11 The Commission must approve the self-direct credit
12 amount by June 1, 2023 and June 1 of each delivery year
13 thereafter.

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

26 (i) the customer's certification that, at the

1 time of the customer's application, the customer
2 qualifies to be a self-direct eligible customer,
3 including documents demonstrating that
4 qualification;

5 (ii) the customer's certification that the
6 customer has entered into or will enter into by
7 the beginning of the applicable procurement year,
8 one or more bilateral contracts for new wind
9 projects or new photovoltaic projects, including
10 supporting documentation;

11 (iii) certification that the contract or
12 contracts for new renewable energy resources are
13 long-term contracts with term lengths of at least
14 10 years, including supporting documentation;

15 (iv) certification of the quantities of
16 renewable energy credits that the customer will
17 purchase each year under such contract or
18 contracts, including supporting documentation;

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

24 (vi) certification that the customer intends
25 to maintain the contract for the duration of the
26 length of the contract.

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

15 (2) (Blank).

16 (3) (Blank).

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

19 (5) Beginning with the 2010 delivery year and ending
20 June 1, 2017, an electric utility subject to this
21 subsection (c) shall apply the lesser of the maximum
22 alternative compliance payment rate or the most recent
23 estimated alternative compliance payment rate for its
24 service territory for the corresponding compliance period,
25 established pursuant to subsection (d) of Section 16-115D
26 of the Public Utilities Act to its retail customers that

1 take service pursuant to the electric utility's hourly
2 pricing tariff or tariffs. The electric utility shall
3 retain all amounts collected as a result of the
4 application of the alternative compliance payment rate or
5 rates to such customers, and, beginning in 2011, the
6 utility shall include in the information provided under
7 item (1) of subsection (d) of Section 16-111.5 of the
8 Public Utilities Act the amounts collected under the
9 alternative compliance payment rate or rates for the prior
10 year ending May 31. Notwithstanding any limitation on the
11 procurement of renewable energy resources imposed by item
12 (2) of this subsection (c), the Agency shall increase its
13 spending on the purchase of renewable energy resources to
14 be procured by the electric utility for the next plan year
15 by an amount equal to the amounts collected by the utility
16 under the alternative compliance payment rate or rates in
17 the prior year ending May 31.

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

1 of Section 16-108 of the Public Utilities Act.

2 (7) Renewable energy credits procured from new
3 photovoltaic projects or new distributed renewable energy
4 generation devices under this Section after June 1, 2017
5 (the effective date of Public Act 99-906) must be procured
6 from devices installed by a qualified person in compliance
7 with the requirements of Section 16-128A of the Public
8 Utilities Act and any rules or regulations adopted
9 thereunder.

10 In meeting the renewable energy requirements of this
11 subsection (c), to the extent feasible and consistent with
12 State and federal law, the renewable energy credit
13 procurements, Adjustable Block solar program, and
14 community renewable generation program shall provide
15 employment opportunities for all segments of the
16 population and workforce, including minority-owned and
17 female-owned business enterprises, and shall not,
18 consistent with State and federal law, discriminate based
19 on race or socioeconomic status.

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

24 (1) In addition to the procurement of renewable energy
25 credits pursuant to long-term renewable resources
26 procurement plans in accordance with subsection (c) of

1 this Section and Section 16-111.5 of the Public Utilities
2 Act, the Agency shall conduct procurement events in
3 accordance with this subsection (c-5) for the procurement
4 by electric utilities that served more than 300,000 retail
5 customers in this State as of January 1, 2019 of renewable
6 energy credits from new renewable energy facilities to be
7 installed at or adjacent to the sites of electric
8 generating facilities that, as of January 1, 2016, burned
9 coal as their primary fuel source and meet the other
10 criteria specified in this subsection (c-5). For purposes
11 of this subsection (c-5), "new renewable energy facility"
12 means a new utility-scale solar project as defined in this
13 Section 1-75. The renewable energy credits procured
14 pursuant to this subsection (c-5) may be included or
15 counted for purposes of compliance with the amounts of
16 renewable energy credits required to be procured pursuant
17 to subsection (c) of this Section to the extent that there
18 are otherwise shortfalls in compliance with such
19 requirements. The procurement of renewable energy credits
20 by electric utilities pursuant to this subsection (c-5)
21 shall be funded solely by revenues collected from the Coal
22 to Solar and Energy Storage Initiative Charge provided for
23 in this subsection (c-5) and subsection (i-5) of Section
24 16-108 of the Public Utilities Act, shall not be funded by
25 revenues collected through any of the other funding
26 mechanisms provided for in subsection (c) of this Section,

1 and shall not be subject to the limitation imposed by
2 subsection (c) on charges to retail customers for costs to
3 procure renewable energy resources pursuant to subsection
4 (c), and shall not be subject to any other requirements or
5 limitations of subsection (c).

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

1 applicants may submit applications to be selected as
2 suppliers of renewable energy credits pursuant to this
3 subsection (c-5). The eligibility criteria for selection
4 as a supplier of renewable energy credits pursuant to this
5 subsection (c-5) shall be as follows:

6 (A) The applicant owns an electric generating
7 facility located in this State that: (i) as of January
8 1, 2016, burned coal as its primary fuel to generate
9 electricity; and (ii) has, or had prior to retirement,
10 an electric generating capacity of at least 150
11 megawatts. The electric generating facility can be
12 either: (i) retired as of the date of the procurement
13 event; or (ii) still operating as of the date of the
14 procurement event.

15 (B) The applicant is not (i) an electric
16 cooperative as defined in Section 3-119 of the Public
17 Utilities Act, or (ii) an entity described in
18 subsection (b)(1) of Section 3-105 of the Public
19 Utilities Act, or an association or consortium of or
20 an entity owned by entities described in (i) or (ii);
21 and the coal-fueled electric generating facility was
22 at one time owned, in whole or in part, by a public
23 utility as defined in Section 3-105 of the Public
24 Utilities Act.

25 (C) If participating in the first procurement
26 event, the applicant proposes and commits to construct

1 and operate, at the site, and if necessary for
2 sufficient space on property adjacent to the existing
3 property, at which the electric generating facility
4 identified in paragraph (A) is located: (i) a new
5 renewable energy facility of at least 20 megawatts but
6 no more than 100 megawatts of electric generating
7 capacity, and (ii) an energy storage facility having a
8 storage capacity equal to at least 2 megawatts and at
9 most 10 megawatts. If participating in the second
10 procurement event, the applicant proposes and commits
11 to construct and operate, at the site, and if
12 necessary for sufficient space on property adjacent to
13 the existing property, at which the electric
14 generating facility identified in paragraph (A) is
15 located: (i) a new renewable energy facility of at
16 least 5 megawatts but no more than 20 megawatts of
17 electric generating capacity, and (ii) an energy
18 storage facility having a storage capacity equal to at
19 least 0.5 megawatts and at most one megawatt.

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

26 (E) The applicant agrees that personnel operating

1 the new renewable energy facility and the energy
2 storage facility will have the requisite skills,
3 knowledge, training, experience, and competence, which
4 may be demonstrated by completion or current
5 participation and ultimate completion by employees of
6 an accredited or otherwise recognized apprenticeship
7 program for the employee's particular craft, trade, or
8 skill, including through training and education
9 courses and opportunities offered by the owner to
10 employees of the coal-fueled electric generating
11 facility or by previous employment experience
12 performing the employee's particular work skill or
13 function.

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

1 (G) The applicant commits that if selected, it
2 will negotiate a project labor agreement for the
3 construction of the new renewable energy facility and
4 associated energy storage facility that includes
5 provisions requiring the parties to the agreement to
6 work together to establish diversity threshold
7 requirements and to ensure best efforts to meet
8 diversity targets, improve diversity at the applicable
9 job site, create diverse apprenticeship opportunities,
10 and create opportunities to employ former coal-fired
11 power plant workers.

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

1 transmission grid and had a generating capacity of at
2 least 1,200 megawatts as of January 1, 2021, in which
3 case the applicable duration of the contract shall be
4 15 years.

5 (I) The applicant's application is certified by an
6 officer of the applicant and by an officer of the
7 applicant's ultimate parent company, if any.

8 (3) An applicant may submit applications to contract
9 to supply renewable energy credits from more than one new
10 renewable energy facility to be constructed at or adjacent
11 to one or more qualifying electric generating facilities
12 owned by the applicant. The Agency may select new
13 renewable energy facilities to be located at or adjacent
14 to the sites of more than one qualifying electric
15 generation facility owned by an applicant to contract with
16 electric utilities to supply renewable energy credits from
17 such facilities.

18 (4) The Agency shall assess fees to each applicant to
19 recover the Agency's costs incurred in receiving and
20 evaluating applications, conducting the procurement event,
21 developing contracts for sale, delivery and purchase of
22 renewable energy credits, and monitoring the
23 administration of such contracts, as provided for in this
24 subsection (c-5), including fees paid to a procurement
25 administrator retained by the Agency for one or more of
26 these purposes.

1 (5) The Agency shall select the applicants and the new
2 renewable energy facilities to contract with electric
3 utilities to supply renewable energy credits in accordance
4 with this subsection (c-5). In the first procurement
5 event, the Agency shall select applicants and new
6 renewable energy facilities to supply renewable energy
7 credits, at a price of \$30 per renewable energy credit,
8 aggregating to no less than 400,000 renewable energy
9 credits per year for the applicable duration, assuming
10 sufficient qualifying applications to supply, in the
11 aggregate, at least that amount of renewable energy
12 credits per year; and not more than 580,000 renewable
13 energy credits per year for the applicable duration. In
14 the second procurement event, the Agency shall select
15 applicants and new renewable energy facilities to supply
16 renewable energy credits, at a price of \$30 per renewable
17 energy credit, aggregating to no more than 625,000
18 renewable energy credits per year less the amount of
19 renewable energy credits each year contracted for as a
20 result of the first procurement event, for the applicable
21 durations. The number of renewable energy credits to be
22 procured as specified in this paragraph (5) shall not be
23 reduced based on renewable energy credits procured in the
24 self-direct renewable energy credit compliance program
25 established pursuant to subparagraph (R) of paragraph (1)
26 of subsection (c) of Section 1-75.

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

19 (7) The Agency shall submit its proposed selection of
20 applicants, new renewable energy facilities to be
21 constructed, and renewable energy credit amounts for each
22 procurement event to the Commission for approval. The
23 Commission shall, within 2 business days after receipt of
24 the Agency's proposed selections, approve the proposed
25 selections if it determines that the applicants and the
26 new renewable energy facilities to be constructed meet the

1 selection criteria set forth in this subsection (c-5) and
2 that the Agency seeks approval for contracts of applicable
3 durations aggregating to no more than the maximum amount
4 of renewable energy credits per year authorized by this
5 subsection (c-5) for the procurement event, at a price of
6 \$30 per renewable energy credit.

7 (8) The Agency, in conjunction with its procurement
8 administrator if one is retained, the electric utilities,
9 and potential applicants for contracts to produce and
10 supply renewable energy credits pursuant to this
11 subsection (c-5), shall develop a standard form contract
12 for the sale, delivery and purchase of renewable energy
13 credits pursuant to this subsection (c-5). Each contract
14 resulting from the first procurement event shall allow for
15 a commercial operation date for the new renewable energy
16 facility of either June 1, 2023 or June 1, 2024, with such
17 dates subject to adjustment as provided in this paragraph.
18 Each contract resulting from the second procurement event
19 shall provide for a commercial operation date on June 1
20 next occurring up to 48 months after execution of the
21 contract. Each contract shall provide that the owner shall
22 receive payments for renewable energy credits for the
23 applicable durations beginning with the commercial
24 operation date of the new renewable energy facility. The
25 form contract shall provide for adjustments to the
26 commercial operation and payment start dates as needed due

1 to any delays in completing the procurement and
2 contracting processes, in finalizing interconnection
3 agreements and installing interconnection facilities, and
4 in obtaining other necessary governmental permits and
5 approvals. The form contract shall be, to the maximum
6 extent possible, consistent with standard electric
7 industry contracts for sale, delivery, and purchase of
8 renewable energy credits while taking into account the
9 specific requirements of this subsection (c-5). The form
10 contract shall provide for over-delivery and
11 under-delivery of renewable energy credits within
12 reasonable ranges during each 12-month period and penalty,
13 default, and enforcement provisions for failure of the
14 selling party to deliver renewable energy credits as
15 specified in the contract and to comply with the
16 requirements of this subsection (c-5). The standard form
17 contract shall specify that all renewable energy credits
18 delivered to the electric utility pursuant to the contract
19 shall be retired. The Agency shall make the proposed
20 contracts available for a reasonable period for comment by
21 potential applicants, and shall publish the final form
22 contract at least 30 days before the date of the first
23 procurement event.

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

26 (A) By no later than July 1, 2022, each electric

1 utility that served more than 300,000 retail customers
2 in this State as of January 1, 2019 shall file a tariff
3 with the Commission for the billing and collection of
4 a Coal to Solar and Energy Storage Initiative Charge
5 in accordance with subsection (i-5) of Section 16-108
6 of the Public Utilities Act, with such tariff to be
7 effective, following review and approval or
8 modification by the Commission, beginning January 1,
9 2023. The tariff shall provide for the calculation and
10 setting of the electric utility's Coal to Solar and
11 Energy Storage Initiative Charge to collect revenues
12 estimated to be sufficient, in the aggregate, (i) to
13 enable the electric utility to pay for the renewable
14 energy credits it has contracted to purchase in the
15 delivery year beginning June 1, 2023 and each delivery
16 year thereafter from new renewable energy facilities
17 located at the sites of qualifying electric generating
18 facilities, and (ii) to fund the grant payments to be
19 made in each delivery year by the Department of
20 Commerce and Economic Opportunity, or any successor
21 department or agency, which shall be referred to in
22 this subsection (c-5) as the Department, pursuant to
23 paragraph (10) of this subsection (c-5). The electric
24 utility's tariff shall provide for the billing and
25 collection of the Coal to Solar and Energy Storage
26 Initiative Charge on each kilowatthour of electricity

1 delivered to its delivery services customers within
2 its service territory and shall provide for an annual
3 reconciliation of revenues collected with actual
4 costs, in accordance with subsection (i-5) of Section
5 16-108 of the Public Utilities Act.

6 (B) Each electric utility shall remit on a monthly
7 basis to the State Treasurer, for deposit in the Coal
8 to Solar and Energy Storage Initiative Fund provided
9 for in this subsection (c-5), the electric utility's
10 collections of the Coal to Solar and Energy Storage
11 Initiative Charge in the amount estimated to be needed
12 by the Department for grant payments pursuant to grant
13 contracts entered into by the Department pursuant to
14 paragraph (10) of this subsection (c-5).

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

16 (A) The Coal to Solar and Energy Storage
17 Initiative Fund is established as a special fund in
18 the State treasury. The Coal to Solar and Energy
19 Storage Initiative Fund is authorized to receive, by
20 statutory deposit, that portion specified in item (B)
21 of paragraph (9) of this subsection (c-5) of moneys
22 collected by electric utilities through imposition of
23 the Coal to Solar and Energy Storage Initiative Charge
24 required by this subsection (c-5). The Coal to Solar
25 and Energy Storage Initiative Fund shall be
26 administered by the Department to provide grants to

1 support the installation and operation of energy
2 storage facilities at the sites of qualifying electric
3 generating facilities meeting the criteria specified
4 in this paragraph (10).

5 (B) The Coal to Solar and Energy Storage
6 Initiative Fund shall not be subject to sweeps,
7 administrative charges, or chargebacks, including, but
8 not limited to, those authorized under Section 8h of
9 the State Finance Act, that would in any way result in
10 the transfer of those funds from the Coal to Solar and
11 Energy Storage Initiative Fund to any other fund of
12 this State or in having any such funds utilized for any
13 purpose other than the express purposes set forth in
14 this paragraph (10).

15 (C) The Department shall utilize up to
16 \$280,500,000 in the Coal to Solar and Energy Storage
17 Initiative Fund for grants, assuming sufficient
18 qualifying applicants, to support installation of
19 energy storage facilities at the sites of up to 3
20 qualifying electric generating facilities located in
21 the Midcontinent Independent System Operator, Inc.,
22 region in Illinois and the sites of up to 2 qualifying
23 electric generating facilities located in the PJM
24 Interconnection, LLC region in Illinois that meet the
25 criteria set forth in this subparagraph (C). The
26 criteria for receipt of a grant pursuant to this

1 subparagraph (C) are as follows:

2 (1) the electric generating facility at the
3 site has, or had prior to retirement, an electric
4 generating capacity of at least 150 megawatts;

5 (2) the electric generating facility burns (or
6 burned prior to retirement) coal as its primary
7 source of fuel;

8 (3) if the electric generating facility is
9 retired, it was retired subsequent to January 1,
10 2016;

11 (4) the owner of the electric generating
12 facility has not been selected by the Agency
13 pursuant to this subsection (c-5) of this Section
14 to enter into a contract to sell renewable energy
15 credits to one or more electric utilities from a
16 new renewable energy facility located or to be
17 located at or adjacent to the site at which the
18 electric generating facility is located;

19 (5) the electric generating facility located
20 at the site was at one time owned, in whole or in
21 part, by a public utility as defined in Section
22 3-105 of the Public Utilities Act;

23 (6) the electric generating facility at the
24 site is not owned by (i) an electric cooperative
25 as defined in Section 3-119 of the Public
26 Utilities Act, or (ii) an entity described in

1 subsection (b)(1) of Section 3-105 of the Public
2 Utilities Act, or an association or consortium of
3 or an entity owned by entities described in items
4 (i) or (ii);

5 (7) the proposed energy storage facility at
6 the site will have energy storage capacity of at
7 least 37 megawatts;

8 (8) the owner commits to place the energy
9 storage facility into commercial operation on
10 either June 1, 2023, June 1, 2024, or June 1, 2025,
11 with such date subject to adjustment as needed due
12 to any delays in completing the grant contracting
13 process, in finalizing interconnection agreements
14 and in installing interconnection facilities, and
15 in obtaining necessary governmental permits and
16 approvals;

17 (9) the owner agrees that the new energy
18 storage facility will be constructed or installed
19 by a qualified entity or entities consistent with
20 the requirements of subsection (g) of Section
21 16-128A of the Public Utilities Act and any rules
22 adopted under that Section;

23 (10) the owner agrees that personnel operating
24 the energy storage facility will have the
25 requisite skills, knowledge, training, experience,
26 and competence, which may be demonstrated by

1 completion or current participation and ultimate
2 completion by employees of an accredited or
3 otherwise recognized apprenticeship program for
4 the employee's particular craft, trade, or skill,
5 including through training and education courses
6 and opportunities offered by the owner to
7 employees of the coal-fueled electric generating
8 facility or by previous employment experience
9 performing the employee's particular work skill or
10 function;

11 (11) the owner commits that not less than the
12 prevailing wage, as determined pursuant to the
13 Prevailing Wage Act, will be paid to the owner's
14 employees engaged in construction activities
15 associated with the new energy storage facility
16 and to the employees of the owner's contractors
17 engaged in construction activities associated with
18 the new energy storage facility, and that, on or
19 before the commercial operation date of the new
20 energy storage facility, the owner shall file a
21 report with the Department certifying that the
22 requirements of this subparagraph (11) have been
23 met; and

24 (12) the owner commits that if selected to
25 receive a grant, it will negotiate a project labor
26 agreement for the construction of the new energy

1 storage facility that includes provisions
2 requiring the parties to the agreement to work
3 together to establish diversity threshold
4 requirements and to ensure best efforts to meet
5 diversity targets, improve diversity at the
6 applicable job site, create diverse apprenticeship
7 opportunities, and create opportunities to employ
8 former coal-fired power plant workers.

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

21 (D) Grants of funding for energy storage
22 facilities pursuant to subparagraph (C) of this
23 paragraph (10), from the Coal to Solar and Energy
24 Storage Initiative Fund, shall be memorialized in
25 grant contracts between the Department and the
26 recipient. The grant contracts shall specify the date

1 or dates in each year on which the annual grant
2 payments shall be paid.

3 (E) All disbursements from the Coal to Solar and
4 Energy Storage Initiative Fund shall be made only upon
5 warrants of the Comptroller drawn upon the Treasurer
6 as custodian of the Fund upon vouchers signed by the
7 Director of the Department or by the person or persons
8 designated by the Director of the Department for that
9 purpose. The Comptroller is authorized to draw the
10 warrants upon vouchers so signed. The Treasurer shall
11 accept all written warrants so signed and shall be
12 released from liability for all payments made on those
13 warrants.

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

15 (A) Each applicant selected in a procurement event
16 to contract to supply renewable energy credits in
17 accordance with this subsection (c-5) and each owner
18 selected by the Department to receive a grant or
19 grants to support the construction and operation of a
20 new energy storage facility or facilities in
21 accordance with this subsection (c-5) shall, within 60
22 days following the Commission's approval of the
23 applicant to contract to supply renewable energy
24 credits or within 60 days following execution of a
25 grant contract with the Department, as applicable,
26 submit to the Commission a diversity, equity, and

1 inclusion plan setting forth the applicant's or
2 owner's numeric goals for the diversity composition of
3 its supplier entities for the new renewable energy
4 facility or new energy storage facility, as
5 applicable, which shall be referred to for purposes of
6 this paragraph (11) as the project, and the
7 applicant's or owner's action plan and schedule for
8 achieving those goals.

9 (B) For purposes of this paragraph (11), diversity
10 composition shall be based on the percentage, which
11 shall be a minimum of 25%, of eligible expenditures
12 for contract awards for materials and services (which
13 shall be defined in the plan) to business enterprises
14 owned by minority persons, women, or persons with
15 disabilities as defined in Section 2 of the Business
16 Enterprise for Minorities, Women, and Persons with
17 Disabilities Act, to LGBTQ business enterprises, to
18 veteran-owned business enterprises, and to business
19 enterprises located in environmental justice
20 communities. The diversity composition goals of the
21 plan may include eligible expenditures in areas for
22 vendor or supplier opportunities in addition to
23 development and construction of the project, and may
24 exclude from eligible expenditures materials and
25 services with limited market availability, limited
26 production and availability from suppliers in the

1 United States, such as solar panels and storage
2 batteries, and material and services that are subject
3 to critical energy infrastructure or cybersecurity
4 requirements or restrictions. The plan may provide
5 that the diversity composition goals may be met
6 through Tier 1 Direct or Tier 2 subcontracting
7 expenditures or a combination thereof for the project.

8 (C) The plan shall provide for, but not be limited
9 to: (i) internal initiatives, including multi-tier
10 initiatives, by the applicant or owner, or by its
11 engineering, procurement and construction contractor
12 if one is used for the project, which for purposes of
13 this paragraph (11) shall be referred to as the EPC
14 contractor, to enable diverse businesses to be
15 considered fairly for selection to provide materials
16 and services; (ii) requirements for the applicant or
17 owner or its EPC contractor to proactively solicit and
18 utilize diverse businesses to provide materials and
19 services; and (iii) requirements for the applicant or
20 owner or its EPC contractor to hire a diverse
21 workforce for the project. The plan shall include a
22 description of the applicant's or owner's diversity
23 recruiting efforts both for the project and for other
24 areas of the applicant's or owner's business
25 operations. The plan shall provide for the imposition
26 of financial penalties on the applicant's or owner's

1 EPC contractor for failure to exercise best efforts to
2 comply with and execute the EPC contractor's diversity
3 obligations under the plan. The plan may provide for
4 the applicant or owner to set aside a portion of the
5 work on the project to serve as an incubation program
6 for qualified businesses, as specified in the plan,
7 owned by minority persons, women, persons with
8 disabilities, LGBTQ persons, and veterans, and
9 businesses located in environmental justice
10 communities, seeking to enter the renewable energy
11 industry.

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

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

21 (1) Minimum equity standards. The Agency shall create
22 programs with the purpose of increasing access to and
23 development of equity eligible contractors, who are prime
24 contractors and subcontractors, across all of the programs
25 it manages. All applications for renewable energy credit
26 procurements shall comply with specific minimum equity

1 commitments. Starting in the delivery year immediately
2 following the next long-term renewable resources
3 procurement plan, at least 10% of the project workforce
4 for each entity participating in a procurement program
5 outlined in this subsection (c-10) must be done by equity
6 eligible persons or equity eligible contractors. The
7 Agency shall increase the minimum percentage each delivery
8 year thereafter by increments that ensure a statewide
9 average of 30% of the project workforce for each entity
10 participating in a procurement program is done by equity
11 eligible persons or equity eligible contractors by 2030.
12 The Agency shall propose a schedule of percentage
13 increases to the minimum equity standards in its draft
14 revised renewable energy resources procurement plan
15 submitted to the Commission for approval pursuant to
16 paragraph (5) of subsection (b) of Section 16-111.5 of the
17 Public Utilities Act. In determining these annual
18 increases, the Agency shall have the discretion to
19 establish different minimum equity standards for different
20 types of procurements and different regions of the State
21 if the Agency finds that doing so will further the
22 purposes of this subsection (c-10). The proposed schedule
23 of annual increases shall be revisited and updated on an
24 annual basis. Revisions shall be developed with
25 stakeholder input, including from equity eligible persons,
26 equity eligible contractors, clean energy industry

1 representatives, and community-based organizations that
2 work with such persons and contractors.

3 (A) At the start of each delivery year, the Agency
4 shall require a compliance plan from each entity
5 participating in a procurement program of subsection
6 (c) of this Section that demonstrates how they will
7 achieve compliance with the minimum equity standard
8 percentage for work completed in that delivery year.
9 If an entity applies for its approved vendor or
10 designee status between delivery years, the Agency
11 shall require a compliance plan at the time of
12 application.

13 (B) Halfway through each delivery year, the Agency
14 shall require each entity participating in a
15 procurement program to confirm that it will achieve
16 compliance in that delivery year, when applicable. The
17 Agency may offer corrective action plans to entities
18 that are not on track to achieve compliance.

19 (C) At the end of each delivery year, each entity
20 participating and completing work in that delivery
21 year in a procurement program of subsection (c) shall
22 submit a report to the Agency that demonstrates how it
23 achieved compliance with the minimum equity standards
24 percentage for that delivery year.

25 (D) The Agency shall prohibit participation in
26 procurement programs by an approved vendor or

1 designee, as applicable, or entities with which an
2 approved vendor or designee, as applicable, shares a
3 common parent company if an approved vendor or
4 designee, as applicable, failed to meet the minimum
5 equity standards for the prior delivery year. Waivers
6 approved for lack of equity eligible persons or equity
7 eligible contractors in a geographic area of a project
8 shall not count against the approved vendor or
9 designee. The Agency shall offer a corrective action
10 plan for any such entities to assist them in obtaining
11 compliance and shall allow continued access to
12 procurement programs upon an approved vendor or
13 designee demonstrating compliance.

14 (E) The Agency shall pursue efficiencies achieved
15 by combining with other approved vendor or designee
16 reporting.

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

21 (3) Equity accountability system within competitive
22 procurements. Through its long-term renewable resources
23 procurement plan, the Agency shall develop requirements
24 for ensuring that competitive procurement processes,
25 including utility-scale solar, utility-scale wind, and
26 brownfield site photovoltaic projects, advance the equity

1 goals of this subsection (c-10). Subject to Commission
2 approval, the Agency shall develop bid application
3 requirements and a bid evaluation methodology for ensuring
4 that utilization of equity eligible contractors, whether
5 as bidders or as participants on project development, is
6 optimized, including requiring that winning or successful
7 applicants for utility-scale projects are or will partner
8 with equity eligible contractors and giving preference to
9 bids through which a higher portion of contract value
10 flows to equity eligible contractors. To the extent
11 practicable, entities participating in competitive
12 procurements shall also be required to meet all the equity
13 accountability requirements for approved vendors and their
14 designees under this subsection (c-10). In developing
15 these requirements, the Agency shall also consider whether
16 equity goals can be further advanced through additional
17 measures.

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

21 (A) The current status and number of equity
22 eligible contractors listed in the Energy Workforce
23 Equity Database designed in subsection (c-25),
24 including the number of equity eligible contractors
25 with current certifications as issued by the Agency.

26 (B) A mechanism for measuring, tracking, and

1 reporting project workforce at the approved vendor or
2 designee level, as applicable, which shall include a
3 measurement methodology and records to be made
4 available for audit by the Agency or the Program
5 Administrator.

6 (C) A program for approved vendors, designees,
7 eligible persons, and equity eligible contractors to
8 receive trainings, guidance, and other support from
9 the Agency or its designee regarding the equity
10 category outlined in item (vi) of subparagraph (K) of
11 paragraph (1) of subsection (c) and in meeting the
12 minimum equity standards of this subsection (c-10).

13 (D) A process for certifying equity eligible
14 contractors and equity eligible persons. The
15 certification process shall coordinate with the Energy
16 Workforce Equity Database set forth in subsection
17 (c-25).

18 (E) An application for waiver of the minimum
19 equity standards of this subsection, which the Agency
20 shall have the discretion to grant in rare
21 circumstances. The Agency may grant such a waiver
22 where the applicant provides evidence of significant
23 efforts toward meeting the minimum equity commitment,
24 including: use of the Energy Workforce Equity
25 Database; efforts to hire or contract with entities
26 that hire eligible persons; and efforts to establish

1 contracting relationships with eligible contractors.
2 The Agency shall support applicants in understanding
3 the Energy Workforce Equity Database and other
4 resources for pursuing compliance of the minimum
5 equity standards. Waivers shall be project-specific,
6 unless the Agency deems it necessary to grant a waiver
7 across a portfolio of projects, and in effect for no
8 longer than one year. Any waiver extension or
9 subsequent waiver request from an applicant shall be
10 subject to the requirements of this Section and shall
11 specify efforts made to reach compliance. When
12 considering whether to grant a waiver, and to what
13 extent, the Agency shall consider the degree to which
14 similarly situated applicants have been able to meet
15 these minimum equity commitments. For repeated waiver
16 requests for specific lack of eligible persons or
17 eligible contractors available, the Agency shall make
18 recommendations to target recruitment to add such
19 eligible persons or eligible contractors to the
20 database.

21 (5) The Agency shall collect information about work on
22 projects or portfolios of projects subject to these
23 minimum equity standards to ensure compliance with this
24 subsection (c-10). Reporting in furtherance of this
25 requirement may be combined with other annual reporting
26 requirements. Such reporting shall include proof of

1 certification of each equity eligible contractor or equity
2 eligible person during the applicable time period.

3 (6) The Agency shall keep confidential all information
4 and communication that provides private or personal
5 information.

6 (7) Modifications to the equity accountability system.
7 As part of the update of the long-term renewable resources
8 procurement plan to be initiated in 2023, or sooner if the
9 Agency deems necessary, the Agency shall determine the
10 extent to which the equity accountability system described
11 in this subsection (c-10) has advanced the goals of this
12 amendatory Act of the 102nd General Assembly, including
13 through the inclusion of equity eligible persons and
14 equity eligible contractors in renewable energy credit
15 projects. If the Agency finds that the equity
16 accountability system has failed to meet those goals to
17 its fullest potential, the Agency may revise the following
18 criteria for future Agency procurements: (A) the
19 percentage of project workforce, or other appropriate
20 workforce measure, certified as equity eligible persons or
21 equity eligible contractors; (B) definitions for equity
22 investment eligible persons and equity investment eligible
23 community; and (C) such other modifications necessary to
24 advance the goals of this amendatory Act of the 102nd
25 General Assembly effectively. Such revised criteria may
26 also establish distinct equity accountability systems for

1 different types of procurements or different regions of
2 the State if the Agency finds that doing so will further
3 the purposes of such programs. Revisions shall be
4 developed with stakeholder input, including from equity
5 eligible persons, equity eligible contractors, and
6 community-based organizations that work with such persons
7 and contractors.

8 (c-15) Racial discrimination elimination powers and
9 process.

10 (1) Purpose. It is the purpose of this subsection to
11 empower the Agency and other State actors to remedy racial
12 discrimination in Illinois' clean energy economy as
13 effectively and expediently as possible, including through
14 the use of race-conscious remedies, such as race-conscious
15 contracting and hiring goals, as consistent with State and
16 federal law.

17 (2) Racial disparity and discrimination review
18 process.

19 (A) Within one year after awarding contracts using
20 the equity actions processes established in this
21 Section, the Agency shall publish a report evaluating
22 the effectiveness of the equity actions point criteria
23 of this Section in increasing participation of equity
24 eligible persons and equity eligible contractors. The
25 report shall disaggregate participating workers and
26 contractors by race and ethnicity. The report shall be

1 forwarded to the Governor, the General Assembly, and
2 the Illinois Commerce Commission and be made available
3 to the public.

4 (B) As soon as is practicable thereafter, the
5 Agency, in consultation with the Department of
6 Commerce and Economic Opportunity, Department of
7 Labor, and other agencies that may be relevant, shall
8 commission and publish a disparity and availability
9 study that measures the presence and impact of
10 discrimination on minority businesses and workers in
11 Illinois' clean energy economy. The Agency may hire
12 consultants and experts to conduct the disparity and
13 availability study, with the retention of those
14 consultants and experts exempt from the requirements
15 of Section 20-10 of the Illinois Procurement Code. The
16 Illinois Power Agency shall forward a copy of its
17 findings and recommendations to the Governor, the
18 General Assembly, and the Illinois Commerce
19 Commission. If the disparity and availability study
20 establishes a strong basis in evidence that there is
21 discrimination in Illinois' clean energy economy, the
22 Agency, Department of Commerce and Economic
23 Opportunity, Department of Labor, Department of
24 Corrections, and other appropriate agencies shall take
25 appropriate remedial actions, including race-conscious
26 remedial actions as consistent with State and federal

1 law, to effectively remedy this discrimination. Such
2 remedies may include modification of the equity
3 accountability system as described in subsection
4 (c-10).

5 (c-20) Program data collection.

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

18 (2) Agency collection of program data. The Agency
19 shall collect demographic and geographic data for each
20 entity awarded contracts under any Agency-administered
21 program.

22 (3) Required information to be collected. The Agency
23 shall collect the following information from applicants
24 and program participants where applicable:

25 (A) demographic information, including racial or
26 ethnic identity for real persons employed, contracted,

1 or subcontracted through the program and owners of
2 businesses or entities that apply to receive renewable
3 energy credits from the Agency;

4 (B) geographic location of the residency of real
5 persons employed, contracted, or subcontracted through
6 the program and geographic location of the
7 headquarters of the business or entity that applies to
8 receive renewable energy credits from the Agency; and

9 (C) any other information the Agency determines is
10 necessary for the purpose of achieving the purpose of
11 this subsection.

12 (4) Publication of collected information. The Agency
13 shall publish, at least annually, information on the
14 demographics of program participants on an aggregate
15 basis.

16 (5) Nothing in this subsection shall be interpreted to
17 limit the authority of the Agency, or other agency or
18 department of the State, to require or collect demographic
19 information from applicants of other State programs.

20 (c-25) Energy Workforce Equity Database.

21 (1) The Agency, in consultation with the Department of
22 Commerce and Economic Opportunity, shall create an Energy
23 Workforce Equity Database, and may contract with a third
24 party to do so ("database program administrator"). If the
25 Department decides to contract with a third party, that
26 third party shall be exempt from the requirements of

1 Section 20-10 of the Illinois Procurement Code. The Energy
2 Workforce Equity Database shall be a searchable database
3 of suppliers, vendors, and subcontractors for clean energy
4 industries that is:

5 (A) publicly accessible;

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

7 (C) organized by company specialty or field;

8 (D) region-specific; and

9 (E) populated with information including, but not
10 limited to, contacts for suppliers, vendors, or
11 subcontractors who are minority and women-owned
12 business enterprise certified or who participate or
13 have participated in any of the programs described in
14 this Act.

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

18 (A) a map of environmental justice and equity
19 investment eligible communities;

20 (B) job postings and recruiting opportunities;

21 (C) a means by which recruiting clean energy
22 companies can find and interact with current or former
23 participants of clean energy workforce training
24 programs;

25 (D) information on workforce training service
26 providers and training opportunities available to

1 prospective workers;

2 (E) renewable energy company diversity reporting;

3 (F) a list of equity eligible contractors with
4 their contact information, types of work performed,
5 and locations worked in;

6 (G) reporting on outcomes of the programs
7 described in the workforce programs of the Energy
8 Transition Act, including information such as, but not
9 limited to, retention rate, graduation rate, and
10 placement rates of trainees; and

11 (H) information about the Jobs and Environmental
12 Justice Grant Program, the Clean Energy Jobs and
13 Justice Fund, and other sources of capital.

14 (3) The Agency shall ensure the database is regularly
15 updated to ensure information is current and shall
16 coordinate with the Department of Commerce and Economic
17 Opportunity to ensure that it includes information on
18 individuals and entities that are or have participated in
19 the Clean Jobs Workforce Network Program, Clean Energy
20 Contractor Incubator Program, Returning Residents Clean
21 Jobs Training Program, or Clean Energy Primes Contractor
22 Accelerator Program.

23 (c-30) Enforcement of minimum equity standards. All
24 entities seeking renewable energy credits must submit an
25 annual report to demonstrate compliance with each of the
26 equity commitments required under subsection (c-10). If the

1 Agency concludes the entity has not met or maintained its
2 minimum equity standards required under the applicable
3 subparagraphs under subsection (c-10), the Agency shall deny
4 the entity's ability to participate in procurement programs in
5 subsection (c), including by withholding approved vendor or
6 designee status. The Agency may require the entity to enter
7 into a corrective action plan. An entity that is not
8 recertified for failing to meet required equity actions in
9 subparagraph (c-10) may reapply once they have a corrective
10 action plan and achieve compliance with the minimum equity
11 standards.

12 (d) Clean coal portfolio standard.

13 (1) The procurement plans shall include electricity
14 generated using clean coal. Each utility shall enter into
15 one or more sourcing agreements with the initial clean
16 coal facility, as provided in paragraph (3) of this
17 subsection (d), covering electricity generated by the
18 initial clean coal facility representing at least 5% of
19 each utility's total supply to serve the load of eligible
20 retail customers in 2015 and each year thereafter, as
21 described in paragraph (3) of this subsection (d), subject
22 to the limits specified in paragraph (2) of this
23 subsection (d). It is the goal of the State that by January
24 1, 2025, 25% of the electricity used in the State shall be
25 generated by cost-effective clean coal facilities. For
26 purposes of this subsection (d), "cost-effective" means

1 that the expenditures pursuant to such sourcing agreements
2 do not cause the limit stated in paragraph (2) of this
3 subsection (d) to be exceeded and do not exceed cost-based
4 benchmarks, which shall be developed to assess all
5 expenditures pursuant to such sourcing agreements covering
6 electricity generated by clean coal facilities, other than
7 the initial clean coal facility, by the procurement
8 administrator, in consultation with the Commission staff,
9 Agency staff, and the procurement monitor and shall be
10 subject to Commission review and approval.

11 A utility party to a sourcing agreement shall
12 immediately retire any emission credits that it receives
13 in connection with the electricity covered by such
14 agreement.

15 Utilities shall maintain adequate records documenting
16 the purchases under the sourcing agreement to comply with
17 this subsection (d) and shall file an accounting with the
18 load forecast that must be filed with the Agency by July 15
19 of each year, in accordance with subsection (d) of Section
20 16-111.5 of the Public Utilities Act.

21 A utility shall be deemed to have complied with the
22 clean coal portfolio standard specified in this subsection
23 (d) if the utility enters into a sourcing agreement as
24 required by this subsection (d).

25 (2) For purposes of this subsection (d), the required
26 execution of sourcing agreements with the initial clean

1 coal facility for a particular year shall be measured as a
2 percentage of the actual amount of electricity
3 (megawatt-hours) supplied by the electric utility to
4 eligible retail customers in the planning year ending
5 immediately prior to the agreement's execution. For
6 purposes of this subsection (d), the amount paid per
7 kilowatthour means the total amount paid for electric
8 service expressed on a per kilowatthour basis. For
9 purposes of this subsection (d), the total amount paid for
10 electric service includes without limitation amounts paid
11 for supply, transmission, distribution, surcharges and
12 add-on taxes.

13 Notwithstanding the requirements of this subsection
14 (d), the total amount paid under sourcing agreements with
15 clean coal facilities pursuant to the procurement plan for
16 any given year shall be reduced by an amount necessary to
17 limit the annual estimated average net increase due to the
18 costs of these resources included in the amounts paid by
19 eligible retail customers in connection with electric
20 service to:

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

24 (B) in 2011, the greater of an additional 0.5% of
25 the amount paid per kilowatthour by those customers
26 during the year ending May 31, 2010 or 1% of the amount

1 paid per kilowatthour by those customers during the
2 year ending May 31, 2009;

3 (C) in 2012, the greater of an additional 0.5% of
4 the amount paid per kilowatthour by those customers
5 during the year ending May 31, 2011 or 1.5% of the
6 amount paid per kilowatthour by those customers during
7 the year ending May 31, 2009;

8 (D) in 2013, the greater of an additional 0.5% of
9 the amount paid per kilowatthour by those customers
10 during the year ending May 31, 2012 or 2% of the amount
11 paid per kilowatthour by those customers during the
12 year ending May 31, 2009; and

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

26 No later than June 30, 2015, the Commission shall

1 review the limitation on the total amount paid under
2 sourcing agreements, if any, with clean coal facilities
3 pursuant to this subsection (d) and report to the General
4 Assembly its findings as to whether that limitation unduly
5 constrains the amount of electricity generated by
6 cost-effective clean coal facilities that is covered by
7 sourcing agreements.

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

1 term of such a sourcing agreement. A utility's sourcing
2 agreement for electricity produced by the initial clean
3 coal facility shall include:

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

7 (i) be determined using a cost of service
8 methodology employing either a level or deferred
9 capital recovery component, based on a capital
10 structure consisting of 45% equity and 55% debt,
11 and a return on equity as may be approved by the
12 Federal Energy Regulatory Commission, which in any
13 case may not exceed the lower of 11.5% or the rate
14 of return approved by the General Assembly
15 pursuant to paragraph (4) of this subsection (d);
16 and

17 (ii) provide that all miscellaneous net
18 revenue, including but not limited to net revenue
19 from the sale of emission allowances, if any,
20 substitute natural gas, if any, grants or other
21 support provided by the State of Illinois or the
22 United States Government, firm transmission
23 rights, if any, by-products produced by the
24 facility, energy or capacity derived from the
25 facility and not covered by a sourcing agreement
26 pursuant to paragraph (3) of this subsection (d)

1 or item (5) of subsection (d) of Section 16-115 of
2 the Public Utilities Act, whether generated from
3 the synthesis gas derived from coal, from SNG, or
4 from natural gas, shall be credited against the
5 revenue requirement for this initial clean coal
6 facility;

7 (B) power purchase provisions, which shall:

8 (i) provide that the utility party to such
9 sourcing agreement shall pay the contract price
10 for electricity delivered under such sourcing
11 agreement;

12 (ii) require delivery of electricity to the
13 regional transmission organization market of the
14 utility that is party to such sourcing agreement;

15 (iii) require the utility party to such
16 sourcing agreement to buy from the initial clean
17 coal facility in each hour an amount of energy
18 equal to all clean coal energy made available from
19 the initial clean coal facility during such hour
20 times a fraction, the numerator of which is such
21 utility's retail market sales of electricity
22 (expressed in kilowatthours sold) in the State
23 during the prior calendar month and the
24 denominator of which is the total retail market
25 sales of electricity (expressed in kilowatthours
26 sold) in the State by utilities during such prior

1 month and the sales of electricity (expressed in
2 kilowatthours sold) in the State by alternative
3 retail electric suppliers during such prior month
4 that are subject to the requirements of this
5 subsection (d) and paragraph (5) of subsection (d)
6 of Section 16-115 of the Public Utilities Act,
7 provided that the amount purchased by the utility
8 in any year will be limited by paragraph (2) of
9 this subsection (d); and

10 (iv) be considered pre-existing contracts in
11 such utility's procurement plans for eligible
12 retail customers;

13 (C) contract for differences provisions, which
14 shall:

15 (i) require the utility party to such sourcing
16 agreement to contract with the initial clean coal
17 facility in each hour with respect to an amount of
18 energy equal to all clean coal energy made
19 available from the initial clean coal facility
20 during such hour times a fraction, the numerator
21 of which is such utility's retail market sales of
22 electricity (expressed in kilowatthours sold) in
23 the utility's service territory in the State
24 during the prior calendar month and the
25 denominator of which is the total retail market
26 sales of electricity (expressed in kilowatthours

1 sold) in the State by utilities during such prior
2 month and the sales of electricity (expressed in
3 kilowatthours sold) in the State by alternative
4 retail electric suppliers during such prior month
5 that are subject to the requirements of this
6 subsection (d) and paragraph (5) of subsection (d)
7 of Section 16-115 of the Public Utilities Act,
8 provided that the amount paid by the utility in
9 any year will be limited by paragraph (2) of this
10 subsection (d);

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

1 electricity determined pursuant to the preceding
2 clause (i); and

3 (iii) not require the utility to take physical
4 delivery of the electricity produced by the
5 facility;

6 (D) general provisions, which shall:

7 (i) specify a term of no more than 30 years,
8 commencing on the commercial operation date of the
9 facility;

10 (ii) provide that utilities shall maintain
11 adequate records documenting purchases under the
12 sourcing agreements entered into to comply with
13 this subsection (d) and shall file an accounting
14 with the load forecast that must be filed with the
15 Agency by July 15 of each year, in accordance with
16 subsection (d) of Section 16-111.5 of the Public
17 Utilities Act;

18 (iii) provide that all costs associated with
19 the initial clean coal facility will be
20 periodically reported to the Federal Energy
21 Regulatory Commission and to purchasers in
22 accordance with applicable laws governing
23 cost-based wholesale power contracts;

24 (iv) permit the Illinois Power Agency to
25 assume ownership of the initial clean coal
26 facility, without monetary consideration and

1 otherwise on reasonable terms acceptable to the
2 Agency, if the Agency so requests no less than 3
3 years prior to the end of the stated contract
4 term;

5 (v) require the owner of the initial clean
6 coal facility to provide documentation to the
7 Commission each year, starting in the facility's
8 first year of commercial operation, accurately
9 reporting the quantity of carbon emissions from
10 the facility that have been captured and
11 sequestered and report any quantities of carbon
12 released from the site or sites at which carbon
13 emissions were sequestered in prior years, based
14 on continuous monitoring of such sites. If, in any
15 year after the first year of commercial operation,
16 the owner of the facility fails to demonstrate
17 that the initial clean coal facility captured and
18 sequestered at least 50% of the total carbon
19 emissions that the facility would otherwise emit
20 or that sequestration of emissions from prior
21 years has failed, resulting in the release of
22 carbon dioxide into the atmosphere, the owner of
23 the facility must offset excess emissions. Any
24 such carbon offsets must be permanent, additional,
25 verifiable, real, located within the State of
26 Illinois, and legally and practicably enforceable.

1 The cost of such offsets for the facility that are
2 not recoverable shall not exceed \$15 million in
3 any given year. No costs of any such purchases of
4 carbon offsets may be recovered from a utility or
5 its customers. All carbon offsets purchased for
6 this purpose and any carbon emission credits
7 associated with sequestration of carbon from the
8 facility must be permanently retired. The initial
9 clean coal facility shall not forfeit its
10 designation as a clean coal facility if the
11 facility fails to fully comply with the applicable
12 carbon sequestration requirements in any given
13 year, provided the requisite offsets are
14 purchased. However, the Attorney General, on
15 behalf of the People of the State of Illinois, may
16 specifically enforce the facility's sequestration
17 requirement and the other terms of this contract
18 provision. Compliance with the sequestration
19 requirements and offset purchase requirements
20 specified in paragraph (3) of this subsection (d)
21 shall be reviewed annually by an independent
22 expert retained by the owner of the initial clean
23 coal facility, with the advance written approval
24 of the Attorney General. The Commission may, in
25 the course of the review specified in item (vii),
26 reduce the allowable return on equity for the

1 facility if the facility willfully fails to comply
2 with the carbon capture and sequestration
3 requirements set forth in this item (v);

4 (vi) include limits on, and accordingly
5 provide for modification of, the amount the
6 utility is required to source under the sourcing
7 agreement consistent with paragraph (2) of this
8 subsection (d);

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

24 (viii) limit the utility's obligation to such
25 amount as the utility is allowed to recover
26 through tariffs filed with the Commission,

1 provided that neither the clean coal facility nor
2 the utility waives any right to assert federal
3 pre-emption or any other argument in response to a
4 purported disallowance of recovery costs;

5 (ix) limit the utility's or alternative retail
6 electric supplier's obligation to incur any
7 liability until such time as the facility is in
8 commercial operation and generating power and
9 energy and such power and energy is being
10 delivered to the facility busbar;

11 (x) provide that the owner or owners of the
12 initial clean coal facility, which is the
13 counterparty to such sourcing agreement, shall
14 have the right from time to time to elect whether
15 the obligations of the utility party thereto shall
16 be governed by the power purchase provisions or
17 the contract for differences provisions;

18 (xi) append documentation showing that the
19 formula rate and contract, insofar as they relate
20 to the power purchase provisions, have been
21 approved by the Federal Energy Regulatory
22 Commission pursuant to Section 205 of the Federal
23 Power Act;

24 (xii) provide that any changes to the terms of
25 the contract, insofar as such changes relate to
26 the power purchase provisions, are subject to

1 review under the public interest standard applied
2 by the Federal Energy Regulatory Commission
3 pursuant to Sections 205 and 206 of the Federal
4 Power Act; and

5 (xiii) conform with customary lender
6 requirements in power purchase agreements used as
7 the basis for financing non-utility generators.

8 (4) Effective date of sourcing agreements with the
9 initial clean coal facility. Any proposed sourcing
10 agreement with the initial clean coal facility shall not
11 become effective unless the following reports are prepared
12 and submitted and authorizations and approvals obtained:

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

26 (ii) Commission report. Within 6 months following

1 receipt of the facility cost report, the Commission,
2 in consultation with the Agency, shall submit a report
3 to the General Assembly setting forth its analysis of
4 the facility cost report. Such report shall include,
5 but not be limited to, a comparison of the costs
6 associated with electricity generated by the initial
7 clean coal facility to the costs associated with
8 electricity generated by other types of generation
9 facilities, an analysis of the rate impacts on
10 residential and small business customers over the life
11 of the sourcing agreements, and an analysis of the
12 likelihood that the initial clean coal facility will
13 commence commercial operation by and be delivering
14 power to the facility's busbar by 2016. To assist in
15 the preparation of its report, the Commission, in
16 consultation with the Agency, may hire one or more
17 experts or consultants, the costs of which shall be
18 paid for by the owner of the initial clean coal
19 facility. The Commission and Agency may begin the
20 process of selecting such experts or consultants prior
21 to receipt of the facility cost report.

22 (iii) General Assembly approval. The proposed
23 sourcing agreements shall not take effect unless,
24 based on the facility cost report and the Commission's
25 report, the General Assembly enacts authorizing
26 legislation approving (A) the projected price, stated

1 in cents per kilowatthour, to be charged for
2 electricity generated by the initial clean coal
3 facility, (B) the projected impact on residential and
4 small business customers' bills over the life of the
5 sourcing agreements, and (C) the maximum allowable
6 return on equity for the project; and

7 (iv) Commission review. If the General Assembly
8 enacts authorizing legislation pursuant to
9 subparagraph (iii) approving a sourcing agreement, the
10 Commission shall, within 90 days of such enactment,
11 complete a review of such sourcing agreement. During
12 such time period, the Commission shall implement any
13 directive of the General Assembly, resolve any
14 disputes between the parties to the sourcing agreement
15 concerning the terms of such agreement, approve the
16 form of such agreement, and issue an order finding
17 that the sourcing agreement is prudent and reasonable.
18 The facility cost report shall be prepared as follows:

19 (A) The facility cost report shall be prepared by
20 duly licensed engineering and construction firms
21 detailing the estimated capital costs payable to one
22 or more contractors or suppliers for the engineering,
23 procurement and construction of the components
24 comprising the initial clean coal facility and the
25 estimated costs of operation and maintenance of the
26 facility. The facility cost report shall include:

1 (i) an estimate of the capital cost of the
2 core plant based on one or more front end
3 engineering and design studies for the
4 gasification island and related facilities. The
5 core plant shall include all civil, structural,
6 mechanical, electrical, control, and safety
7 systems.

8 (ii) an estimate of the capital cost of the
9 balance of the plant, including any capital costs
10 associated with sequestration of carbon dioxide
11 emissions and all interconnects and interfaces
12 required to operate the facility, such as
13 transmission of electricity, construction or
14 backfeed power supply, pipelines to transport
15 substitute natural gas or carbon dioxide, potable
16 water supply, natural gas supply, water supply,
17 water discharge, landfill, access roads, and coal
18 delivery.

19 The quoted construction costs shall be expressed
20 in nominal dollars as of the date that the quote is
21 prepared and shall include capitalized financing costs
22 during construction, taxes, insurance, and other
23 owner's costs, and an assumed escalation in materials
24 and labor beyond the date as of which the construction
25 cost quote is expressed.

26 (B) The front end engineering and design study for

1 the gasification island and the cost study for the
2 balance of plant shall include sufficient design work
3 to permit quantification of major categories of
4 materials, commodities and labor hours, and receipt of
5 quotes from vendors of major equipment required to
6 construct and operate the clean coal facility.

7 (C) The facility cost report shall also include an
8 operating and maintenance cost quote that will provide
9 the estimated cost of delivered fuel, personnel,
10 maintenance contracts, chemicals, catalysts,
11 consumables, spares, and other fixed and variable
12 operations and maintenance costs. The delivered fuel
13 cost estimate will be provided by a recognized third
14 party expert or experts in the fuel and transportation
15 industries. The balance of the operating and
16 maintenance cost quote, excluding delivered fuel
17 costs, will be developed based on the inputs provided
18 by duly licensed engineering and construction firms
19 performing the construction cost quote, potential
20 vendors under long-term service agreements and plant
21 operating agreements, or recognized third party plant
22 operator or operators.

23 The operating and maintenance cost quote
24 (including the cost of the front end engineering and
25 design study) shall be expressed in nominal dollars as
26 of the date that the quote is prepared and shall

1 include taxes, insurance, and other owner's costs, and
2 an assumed escalation in materials and labor beyond
3 the date as of which the operating and maintenance
4 cost quote is expressed.

5 (D) The facility cost report shall also include an
6 analysis of the initial clean coal facility's ability
7 to deliver power and energy into the applicable
8 regional transmission organization markets and an
9 analysis of the expected capacity factor for the
10 initial clean coal facility.

11 (E) Amounts paid to third parties unrelated to the
12 owner or owners of the initial clean coal facility to
13 prepare the core plant construction cost quote,
14 including the front end engineering and design study,
15 and the operating and maintenance cost quote will be
16 reimbursed through Coal Development Bonds.

17 (5) Re-powering and retrofitting coal-fired power
18 plants previously owned by Illinois utilities to qualify
19 as clean coal facilities. During the 2009 procurement
20 planning process and thereafter, the Agency and the
21 Commission shall consider sourcing agreements covering
22 electricity generated by power plants that were previously
23 owned by Illinois utilities and that have been or will be
24 converted into clean coal facilities, as defined by
25 Section 1-10 of this Act. Pursuant to such procurement
26 planning process, the owners of such facilities may

1 propose to the Agency sourcing agreements with utilities
2 and alternative retail electric suppliers required to
3 comply with subsection (d) of this Section and item (5) of
4 subsection (d) of Section 16-115 of the Public Utilities
5 Act, covering electricity generated by such facilities. In
6 the case of sourcing agreements that are power purchase
7 agreements, the contract price for electricity sales shall
8 be established on a cost of service basis. In the case of
9 sourcing agreements that are contracts for differences,
10 the contract price from which the reference price is
11 subtracted shall be established on a cost of service
12 basis. The Agency and the Commission may approve any such
13 utility sourcing agreements that do not exceed cost-based
14 benchmarks developed by the procurement administrator, in
15 consultation with the Commission staff, Agency staff and
16 the procurement monitor, subject to Commission review and
17 approval. The Commission shall have authority to inspect
18 all books and records associated with these clean coal
19 facilities during the term of any such contract.

20 (6) Costs incurred under this subsection (d) or
21 pursuant to a contract entered into under this subsection
22 (d) shall be deemed prudently incurred and reasonable in
23 amount and the electric utility shall be entitled to full
24 cost recovery pursuant to the tariffs filed with the
25 Commission.

26 (d-5) Zero emission standard.

1 (1) Beginning with the delivery year commencing on
2 June 1, 2017, the Agency shall, for electric utilities
3 that serve at least 100,000 retail customers in this
4 State, procure contracts with zero emission facilities
5 that are reasonably capable of generating cost-effective
6 zero emission credits in an amount approximately equal to
7 16% of the actual amount of electricity delivered by each
8 electric utility to retail customers in the State during
9 calendar year 2014. For an electric utility serving fewer
10 than 100,000 retail customers in this State that
11 requested, under Section 16-111.5 of the Public Utilities
12 Act, that the Agency procure power and energy for all or a
13 portion of the utility's Illinois load for the delivery
14 year commencing June 1, 2016, the Agency shall procure
15 contracts with zero emission facilities that are
16 reasonably capable of generating cost-effective zero
17 emission credits in an amount approximately equal to 16%
18 of the portion of power and energy to be procured by the
19 Agency for the utility. The duration of the contracts
20 procured under this subsection (d-5) shall be for a term
21 of 10 years ending May 31, 2027. The quantity of zero
22 emission credits to be procured under the contracts shall
23 be all of the zero emission credits generated by the zero
24 emission facility in each delivery year; however, if the
25 zero emission facility is owned by more than one entity,
26 then the quantity of zero emission credits to be procured

1 under the contracts shall be the amount of zero emission
2 credits that are generated from the portion of the zero
3 emission facility that is owned by the winning supplier.

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

8 The procurement process shall be subject to the
9 following provisions:

10 (A) Those zero emission facilities that intend to
11 participate in the procurement shall submit to the
12 Agency the following eligibility information for each
13 zero emission facility on or before the date
14 established by the Agency:

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

17 (ii) the amount of power generated annually
18 for each of the years 2005 through 2015, and the
19 projected zero emission credits to be generated
20 over the remaining useful life of the zero
21 emission facility, which shall be used to
22 determine the capability of each facility;

23 (iii) the annual zero emission facility cost
24 projections, expressed on a per megawatt hour
25 ~~megawatt hour~~ basis, over the next 6 delivery
26 years, which shall include the following:

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

14 (iv) a commitment to continue operating, for
15 the duration of the contract or contracts executed
16 under the procurement held under this subsection
17 (d-5), the zero emission facility that produces
18 the zero emission credits to be procured in the
19 procurement.

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

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

5 (B) The price for each zero emission credit
6 procured under this subsection (d-5) for each delivery
7 year shall be in an amount that equals the Social Cost
8 of Carbon, expressed on a price per megawatt hour
9 ~~megawatthour~~ basis. However, to ensure that the
10 procurement remains affordable to retail customers in
11 this State if electricity prices increase, the price
12 in an applicable delivery year shall be reduced below
13 the Social Cost of Carbon by the amount ("Price
14 Adjustment") by which the market price index for the
15 applicable delivery year exceeds the baseline market
16 price index for the consecutive 12-month period ending
17 May 31, 2016. If the Price Adjustment is greater than
18 or equal to the Social Cost of Carbon in an applicable
19 delivery year, then no payments shall be due in that
20 delivery year. The components of this calculation are
21 defined as follows:

22 (i) Social Cost of Carbon: The Social Cost of
23 Carbon is \$16.50 per megawatt hour ~~megawatthour~~,
24 which is based on the U.S. Interagency Working
25 Group on Social Cost of Carbon's price in the
26 August 2016 Technical Update using a 3% discount

1 rate, adjusted for inflation for each year of the
2 program. Beginning with the delivery year
3 commencing June 1, 2023, the price per megawatt
4 hour ~~megawatthour~~ shall increase by \$1 per
5 megawatt hour ~~megawatthour~~, and continue to
6 increase by an additional \$1 per megawatt hour
7 ~~megawatthour~~ each delivery year thereafter.

8 (ii) Baseline market price index: The baseline
9 market price index for the consecutive 12-month
10 period ending May 31, 2016 is \$31.40 per megawatt
11 hour ~~megawatthour~~, which is based on the sum of
12 (aa) the average day-ahead energy price across all
13 hours of such 12-month period at the PJM
14 Interconnection LLC Northern Illinois Hub, (bb)
15 50% multiplied by the Base Residual Auction, or
16 its successor, capacity price for the rest of the
17 RTO zone group determined by PJM Interconnection
18 LLC, divided by 24 hours per day, and (cc) 50%
19 multiplied by the Planning Resource Auction, or
20 its successor, capacity price for Zone 4
21 determined by the Midcontinent Independent System
22 Operator, Inc., divided by 24 hours per day.

23 (iii) Market price index: The market price
24 index for a delivery year shall be the sum of
25 projected energy prices and projected capacity
26 prices determined as follows:

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

16 (bb) Projected capacity prices:

17 (I) For the delivery years commencing
18 June 1, 2017, June 1, 2018, and June 1,
19 2019, the projected capacity price shall
20 be equal to the sum of (1) 50% multiplied
21 by the Base Residual Auction, or its
22 successor, price for the rest of the RTO
23 zone group as determined by PJM
24 Interconnection LLC, divided by 24 hours
25 per day and, (2) 50% multiplied by the
26 resource auction price determined in the

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

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

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

1 "Rest of the RTO" and "ComEd Zone" shall have
2 the meaning ascribed to them by PJM
3 Interconnection, LLC.

4 "RTO" means regional transmission
5 organization.

6 (C) No later than 45 days after June 1, 2017 (the
7 effective date of Public Act 99-906), the Agency shall
8 publish its proposed zero emission standard
9 procurement plan. The plan shall be consistent with
10 the provisions of this paragraph (1) and shall provide
11 that winning bids shall be selected based on public
12 interest criteria that include, but are not limited
13 to, minimizing carbon dioxide emissions that result
14 from electricity consumed in Illinois and minimizing
15 sulfur dioxide, nitrogen oxide, and particulate matter
16 emissions that adversely affect the citizens of this
17 State. In particular, the selection of winning bids
18 shall take into account the incremental environmental
19 benefits resulting from the procurement, such as any
20 existing environmental benefits that are preserved by
21 the procurements held under Public Act 99-906 and
22 would cease to exist if the procurements were not
23 held, including the preservation of zero emission
24 facilities. The plan shall also describe in detail how
25 each public interest factor shall be considered and
26 weighted in the bid selection process to ensure that

1 the public interest criteria are applied to the
2 procurement and given full effect.

3 For purposes of developing the plan, the Agency
4 shall consider any reports issued by a State agency,
5 board, or commission under House Resolution 1146 of
6 the 98th General Assembly and paragraph (4) of
7 subsection (d) of this Section, as well as publicly
8 available analyses and studies performed by or for
9 regional transmission organizations that serve the
10 State and their independent market monitors.

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

23 If the Commission determines that the plan will
24 result in the procurement of cost-effective zero
25 emission credits, then the Commission shall, after
26 notice and hearing, but no later than 45 days after the

1 Agency filed the plan, approve the plan or approve
2 with modification. For purposes of this subsection
3 (d-5), "cost effective" means the projected costs of
4 procuring zero emission credits from zero emission
5 facilities do not cause the limit stated in paragraph
6 (2) of this subsection to be exceeded.

7 (C-5) As part of the Commission's review and
8 acceptance or rejection of the procurement results,
9 the Commission shall, in its public notice of
10 successful bidders:

11 (i) identify how the winning bids satisfy the
12 public interest criteria described in subparagraph
13 (C) of this paragraph (1) of minimizing carbon
14 dioxide emissions that result from electricity
15 consumed in Illinois and minimizing sulfur
16 dioxide, nitrogen oxide, and particulate matter
17 emissions that adversely affect the citizens of
18 this State;

19 (ii) specifically address how the selection of
20 winning bids takes into account the incremental
21 environmental benefits resulting from the
22 procurement, including any existing environmental
23 benefits that are preserved by the procurements
24 held under Public Act 99-906 and would have ceased
25 to exist if the procurements had not been held,
26 such as the preservation of zero emission

1 facilities;

2 (iii) quantify the environmental benefit of
3 preserving the resources identified in item (ii)
4 of this subparagraph (C-5), including the
5 following:

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

16 (bb) the costs of replacement with other
17 zero carbon dioxide resources, including wind
18 and photovoltaic, based upon the simple
19 average of the following:

20 (I) the price, or if there is more
21 than one price, the average of the prices,
22 paid for renewable energy credits from new
23 utility-scale wind projects in the
24 procurement events specified in item (i)
25 of subparagraph (G) of paragraph (1) of
26 subsection (c) of this Section; and

1 (II) the price, or if there is more
2 than one price, the average of the prices,
3 paid for renewable energy credits from new
4 utility-scale solar projects and
5 brownfield site photovoltaic projects in
6 the procurement events specified in item
7 (ii) of subparagraph (G) of paragraph (1)
8 of subsection (c) of this Section and,
9 after January 1, 2015, renewable energy
10 credits from photovoltaic distributed
11 generation projects in procurement events
12 held under subsection (c) of this Section.

13 Each utility shall enter into binding contractual
14 arrangements with the winning suppliers.

15 The procurement described in this subsection
16 (d-5), including, but not limited to, the execution of
17 all contracts procured, shall be completed no later
18 than May 10, 2017. Based on the effective date of
19 Public Act 99-906, the Agency and Commission may, as
20 appropriate, modify the various dates and timelines
21 under this subparagraph and subparagraphs (C) and (D)
22 of this paragraph (1). The procurement and plan
23 approval processes required by this subsection (d-5)
24 shall be conducted in conjunction with the procurement
25 and plan approval processes required by subsection (c)
26 of this Section and Section 16-111.5 of the Public

1 Utilities Act, to the extent practicable.
2 Notwithstanding whether a procurement event is
3 conducted under Section 16-111.5 of the Public
4 Utilities Act, the Agency shall immediately initiate a
5 procurement process on June 1, 2017 (the effective
6 date of Public Act 99-906).

7 (D) Following the procurement event described in
8 this paragraph (1) and consistent with subparagraph
9 (B) of this paragraph (1), the Agency shall calculate
10 the payments to be made under each contract for the
11 next delivery year based on the market price index for
12 that delivery year. The Agency shall publish the
13 payment calculations no later than May 25, 2017 and
14 every May 25 thereafter.

15 (E) Notwithstanding the requirements of this
16 subsection (d-5), the contracts executed under this
17 subsection (d-5) shall provide that the zero emission
18 facility may, as applicable, suspend or terminate
19 performance under the contracts in the following
20 instances:

21 (i) A zero emission facility shall be excused
22 from its performance under the contract for any
23 cause beyond the control of the resource,
24 including, but not restricted to, acts of God,
25 flood, drought, earthquake, storm, fire,
26 lightning, epidemic, war, riot, civil disturbance

1 or disobedience, labor dispute, labor or material
2 shortage, sabotage, acts of public enemy,
3 explosions, orders, regulations or restrictions
4 imposed by governmental, military, or lawfully
5 established civilian authorities, which, in any of
6 the foregoing cases, by exercise of commercially
7 reasonable efforts the zero emission facility
8 could not reasonably have been expected to avoid,
9 and which, by the exercise of commercially
10 reasonable efforts, it has been unable to
11 overcome. In such event, the zero emission
12 facility shall be excused from performance for the
13 duration of the event, including, but not limited
14 to, delivery of zero emission credits, and no
15 payment shall be due to the zero emission facility
16 during the duration of the event.

17 (ii) A zero emission facility shall be
18 permitted to terminate the contract if legislation
19 is enacted into law by the General Assembly that
20 imposes or authorizes a new tax, special
21 assessment, or fee on the generation of
22 electricity, the ownership or leasehold of a
23 generating unit, or the privilege or occupation of
24 such generation, ownership, or leasehold of
25 generation units by a zero emission facility.
26 However, the provisions of this item (ii) do not

1 apply to any generally applicable tax, special
2 assessment or fee, or requirements imposed by
3 federal law.

4 (iii) A zero emission facility shall be
5 permitted to terminate the contract in the event
6 that the resource requires capital expenditures in
7 excess of \$40,000,000 that were neither known nor
8 reasonably foreseeable at the time it executed the
9 contract and that a prudent owner or operator of
10 such resource would not undertake.

11 (iv) A zero emission facility shall be
12 permitted to terminate the contract in the event
13 the Nuclear Regulatory Commission terminates the
14 resource's license.

15 (F) If the zero emission facility elects to
16 terminate a contract under subparagraph (E) of this
17 paragraph (1), then the Commission shall reopen the
18 docket in which the Commission approved the zero
19 emission standard procurement plan under subparagraph
20 (C) of this paragraph (1) and, after notice and
21 hearing, enter an order acknowledging the contract
22 termination election if such termination is consistent
23 with the provisions of this subsection (d-5).

24 (2) For purposes of this subsection (d-5), the amount
25 paid per kilowatthour means the total amount paid for
26 electric service expressed on a per kilowatthour basis.

1 For purposes of this subsection (d-5), the total amount
2 paid for electric service includes, without limitation,
3 amounts paid for supply, transmission, distribution,
4 surcharges, and add-on taxes.

5 Notwithstanding the requirements of this subsection
6 (d-5), the contracts executed under this subsection (d-5)
7 shall provide that the total of zero emission credits
8 procured under a procurement plan shall be subject to the
9 limitations of this paragraph (2). For each delivery year,
10 the contractual volume receiving payments in such year
11 shall be reduced for all retail customers based on the
12 amount necessary to limit the net increase that delivery
13 year to the costs of those credits included in the amounts
14 paid by eligible retail customers in connection with
15 electric service to no more than 1.65% of the amount paid
16 per kilowatthour by eligible retail customers during the
17 year ending May 31, 2009. The result of this computation
18 shall apply to and reduce the procurement for all retail
19 customers, and all those customers shall pay the same
20 single, uniform cents per kilowatthour charge under
21 subsection (k) of Section 16-108 of the Public Utilities
22 Act. To arrive at a maximum dollar amount of zero emission
23 credits to be paid for the particular delivery year, the
24 resulting per kilowatthour amount shall be applied to the
25 actual amount of kilowatthours of electricity delivered by
26 the electric utility in the delivery year immediately

1 prior to the procurement, to all retail customers in its
2 service territory. Unpaid contractual volume for any
3 delivery year shall be paid in any subsequent delivery
4 year in which such payments can be made without exceeding
5 the amount specified in this paragraph (2). The
6 calculations required by this paragraph (2) shall be made
7 only once for each procurement plan year. Once the
8 determination as to the amount of zero emission credits to
9 be paid is made based on the calculations set forth in this
10 paragraph (2), no subsequent rate impact determinations
11 shall be made and no adjustments to those contract amounts
12 shall be allowed. All costs incurred under those contracts
13 and in implementing this subsection (d-5) shall be
14 recovered by the electric utility as provided in this
15 Section.

16 No later than June 30, 2019, the Commission shall
17 review the limitation on the amount of zero emission
18 credits procured under this subsection (d-5) and report to
19 the General Assembly its findings as to whether that
20 limitation unduly constrains the procurement of
21 cost-effective zero emission credits.

22 (3) Six years after the execution of a contract under
23 this subsection (d-5), the Agency shall determine whether
24 the actual zero emission credit payments received by the
25 supplier over the 6-year period exceed the Average ZEC
26 Payment. In addition, at the end of the term of a contract

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

20 For purposes of this Section, the Average ZEC Payment
21 shall be calculated by multiplying the quantity of zero
22 emission credits delivered under the contract times the
23 average contract price. The average contract price shall
24 be determined by subtracting the amount calculated under
25 subparagraph (B) of this paragraph (3) from the amount
26 calculated under subparagraph (A) of this paragraph (3),

1 as follows:

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

5 (B) The average of the market price indices, as
6 defined in subparagraph (B) of paragraph (1) of this
7 subsection (d-5), during the term of the contract,
8 minus the baseline market price index, as defined in
9 subparagraph (B) of paragraph (1) of this subsection
10 (d-5).

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

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

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

19 (6) Electric utilities shall be entitled to recover
20 all of the costs associated with the procurement of zero
21 emission credits through an automatic adjustment clause
22 tariff in accordance with subsection (k) and (m) of
23 Section 16-108 of the Public Utilities Act, and the
24 contracts executed under this subsection (d-5) shall
25 provide that the utilities' payment obligations under such
26 contracts shall be reduced if an adjustment is required

1 under subsection (m) of Section 16-108 of the Public
2 Utilities Act.

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

5 (d-10) Nuclear Plant Assistance; carbon mitigation
6 credits.

7 (1) The General Assembly finds:

8 (A) The health, welfare, and prosperity of all
9 Illinois citizens require that the State of Illinois act
10 to avoid and not increase carbon emissions from electric
11 generation sources while continuing to ensure affordable,
12 stable, and reliable electricity to all citizens.

13 (B) Absent immediate action by the State to preserve
14 existing carbon-free energy resources, those resources may
15 retire, and the electric generation needs of Illinois'
16 retail customers may be met instead by facilities that
17 emit significant amounts of carbon pollution and other
18 harmful air pollutants at a high social and economic cost
19 until Illinois is able to develop other forms of clean
20 energy.

21 (C) The General Assembly finds that nuclear power
22 generation is necessary for the State's transition to 100%
23 clean energy, and ensuring continued operation of nuclear
24 plants advances environmental and public health interests
25 through providing carbon-free electricity while reducing
26 the air pollution profile of the Illinois energy

1 generation fleet.

2 (D) The clean energy attributes of nuclear generation
3 facilities support the State in its efforts to achieve
4 100% clean energy.

5 (E) The State currently invests in various forms of
6 clean energy, including, but not limited to, renewable
7 energy, energy efficiency, and low-emission vehicles,
8 among others.

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

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

23 (H) The procurement of carbon mitigation credits
24 representing the environmental benefits of carbon-free
25 generation will further the State's efforts at achieving
26 100% clean energy and decarbonizing the electricity sector

1 in a safe, reliable, and affordable manner. Further, the
2 procurement of carbon emission credits will enhance the
3 health and welfare of Illinois residents through decreased
4 reliance on more highly polluting generation.

5 (I) The General Assembly therefore finds it necessary
6 to establish carbon mitigation credits to ensure decreased
7 reliance on more carbon-intensive energy resources, for
8 transitioning to a fully decarbonized electricity sector,
9 and to help ensure health and welfare of the State's
10 residents.

11 (2) As used in this subsection:

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

26 "Carbon mitigation credit" means a tradable credit that

1 represents the carbon emission reduction attributes of one
2 megawatt-hour of energy produced from a carbon-free energy
3 resource.

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

7 (3) Procurement.

8 (A) Beginning with the delivery year commencing on
9 June 1, 2022, the Agency shall, for electric utilities
10 serving at least 3,000,000 retail customers in the State,
11 seek to procure contracts for no more than approximately
12 54,500,000 cost-effective carbon mitigation credits from
13 carbon-free energy resources because such credits are
14 necessary to support current levels of carbon-free energy
15 generation and ensure the State meets its carbon dioxide
16 emissions reduction goals. The Agency shall not make a
17 partial award of a contract for carbon mitigation credits
18 covering a fractional amount of a carbon-free energy
19 resource's projected output.

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

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

26 (ii) the amount of power generated annually for

1 each of the past 10 years, which shall be used to
2 determine the capability of each facility;

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

13 (iv) financial need and the risk of loss of the
14 environmental benefits of such resource, which shall
15 include the following information:

16 (I) the carbon-free energy resource's cost
17 projections, expressed on a per megawatt-hour
18 basis, over the next 5 delivery years, which shall
19 include the following: operation and maintenance
20 expenses; fully allocated overhead costs, which
21 shall be allocated using the methodology developed
22 by the Institute for Nuclear Power Operations;
23 fuel expenditures; nonfuel capital expenditures;
24 spent fuel expenditures; a return on working
25 capital; the cost of operational and market risks
26 that could be avoided by ceasing operation; and

1 any other costs necessary for continued
2 operations, provided that "necessary" means, for
3 purposes of this subitem (I), that the costs could
4 reasonably be avoided only by ceasing operations
5 of the carbon-free energy resource; and

6 (II) the carbon-free energy resource's revenue
7 projections, including energy, capacity, ancillary
8 services, any other direct State support, known or
9 anticipated federal attribute credits, known or
10 anticipated tax credits, and any other direct
11 federal support.

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

22 (C) The Agency shall solicit bids for the contracts
23 described in this subsection (d-10) from carbon-free
24 energy resources that have satisfied the requirements of
25 subparagraph (B) of this paragraph (3). The contracts
26 procured pursuant to a procurement event shall reflect,

1 and be subject to, the following terms, requirements, and
2 limitations:

3 (i) Contracts are for delivery of carbon
4 mitigation credits, and are not energy or capacity
5 sales contracts requiring physical delivery. Pursuant
6 to item (iii), contract payments shall fully deduct
7 the value of any monetized federal production tax
8 credits, credits issued pursuant to a federal clean
9 energy standard, and other federal credits if
10 applicable.

11 (ii) Contracts for carbon mitigation credits shall
12 commence with the delivery year beginning on June 1,
13 2022 and shall be for a term of 5 delivery years
14 concluding on May 31, 2027.

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

18 (I) one of the following energy price indices,
19 selected by the bidder at the time of the bid for
20 the term of the contract:

21 (aa) the weighted-average hourly day-ahead
22 price for the applicable delivery year at the
23 busbar of all resources procured pursuant to
24 this subsection (d-10), weighted by actual
25 production from the resources; or

26 (bb) the projected energy price for the

1 PJM Interconnection, LLC Northern Illinois Hub
2 for the applicable delivery year determined
3 according to subitem (aa) of item (iii) of
4 subparagraph (B) of paragraph (1) of
5 subsection (d-5).

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

21 (III) any value of monetized federal tax
22 credits, direct payments, or similar subsidy
23 provided to the carbon-free energy resource from
24 any unit of government that is not already
25 reflected in energy prices.

26 If the price-per-megawatt-hour calculation

1 performed under item (iii) of this subparagraph (C)
2 for a given delivery year results in a net positive
3 value, then the electric utility counterparty to the
4 contract shall multiply such net value by the
5 applicable contract quantity and remit the amount to
6 the supplier.

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

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

26 The baseline costs for the applicable year shall

1 be the following:

2 (I) For the delivery year beginning June 1,
3 2022, the baseline costs shall be an amount equal
4 to \$30.30 per megawatt-hour.

5 (II) For the delivery year beginning June 1,
6 2023, the baseline costs shall be an amount equal
7 to \$32.50 per megawatt-hour.

8 (III) For the delivery year beginning June 1,
9 2024, the baseline costs shall be an amount equal
10 to \$33.43 per megawatt-hour.

11 (IV) For the delivery year beginning June 1,
12 2025, the baseline costs shall be an amount equal
13 to \$33.50 per megawatt-hour.

14 (V) For the delivery year beginning June 1,
15 2026, the baseline costs shall be an amount equal
16 to \$34.50 per megawatt-hour.

17 An Environmental Protection Agency consultant
18 forecast, included in a report issued April 14, 2021,
19 projects that a carbon-free energy resource has the
20 opportunity to earn on average approximately \$30.28
21 per megawatt-hour, for the sale of energy and capacity
22 during the time period between 2022 and 2027.
23 Therefore, the sale of carbon mitigation credits
24 provides the opportunity to receive an additional
25 amount per megawatt-hour in addition to the projected
26 prices for energy and capacity.

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

14 (D) No later than 7 days after the effective date of
15 this amendatory Act of the 102nd General Assembly, the
16 Agency shall publish its proposed carbon mitigation credit
17 procurement plan. The Plan shall provide that winning bids
18 shall be selected by taking into consideration which
19 resources best match public interest criteria that
20 include, but are not limited to, minimizing carbon dioxide
21 emissions that result from electricity consumed in
22 Illinois and minimizing sulfur dioxide, nitrogen oxide,
23 and particulate matter emissions that adversely affect the
24 citizens of this State. The selection of winning bids
25 shall also take into account the incremental environmental
26 benefits resulting from the procurement or procurements,

1 such as any existing environmental benefits that are
2 preserved by a procurement held under this subsection
3 (d-10) and would cease to exist if the procurement were
4 not held, including the preservation of carbon-free energy
5 resources. For those bidders having the same public
6 interest criteria score, the relative ranking of such
7 bidders shall be determined by price. The Plan shall
8 describe in detail how each public interest factor shall
9 be considered and weighted in the bid selection process to
10 ensure that the public interest criteria are applied to
11 the procurement. The Plan shall, to the extent practical
12 and permissible by federal law, ensure that successful
13 bidders make commercially reasonable efforts to apply for
14 federal tax credits, direct payments, or similar subsidy
15 programs that support carbon-free generation and for which
16 the successful bidder is eligible. Upon publishing of the
17 carbon mitigation credit procurement plan, copies of the
18 plan shall be posted and made publicly available on the
19 Agency's website. All interested parties shall have 7 days
20 following the date of posting to provide comment to the
21 Agency on the plan. All comments shall be posted to the
22 Agency's website. Following the end of the comment period,
23 but no more than 19 days later than the effective date of
24 this amendatory Act of the 102nd General Assembly, the
25 Agency shall revise the plan as necessary based on the
26 comments received and file its carbon mitigation credit

1 procurement plan with the Commission.

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

15 (i) identify how the selected carbon-free energy
16 resources satisfy the public interest criteria
17 described in this paragraph (3) of minimizing carbon
18 dioxide emissions that result from electricity
19 consumed in Illinois and minimizing sulfur dioxide,
20 nitrogen oxide, and particulate matter emissions that
21 adversely affect the citizens of this State;

22 (ii) specifically address how the selection of
23 carbon-free energy resources takes into account the
24 incremental environmental benefits resulting from the
25 procurement, including any existing environmental
26 benefits that are preserved by the procurements held

1 under this amendatory Act of the 102nd General
2 Assembly and would have ceased to exist if the
3 procurements had not been held, such as the
4 preservation of carbon-free energy resources;

5 (iii) quantify the environmental benefit of
6 preserving the carbon-free energy resources procured
7 pursuant to this subsection (d-10), including the
8 following:

9 (I) an assessment value of avoided greenhouse
10 gas emissions measured as the product of the
11 carbon-free energy resources' output over the
12 contract term, using generally accepted
13 methodologies for the valuation of avoided
14 emissions; and

15 (II) an assessment of costs of replacement
16 with other carbon-free energy resources and
17 renewable energy resources, including wind and
18 photovoltaic generation, based upon an assessment
19 of the prices paid for renewable energy credits
20 through programs and procurements conducted
21 pursuant to subsection (c) of Section 1-75 of this
22 Act, and the additional storage necessary to
23 produce the same or similar capability of matching
24 customer usage patterns.

25 (F) The procurements described in this paragraph (3),
26 including, but not limited to, the execution of all

1 contracts procured, shall be completed no later than
2 December 3, 2021. The procurement and plan approval
3 processes required by this paragraph (3) shall be
4 conducted in conjunction with the procurement and plan
5 approval processes required by Section 16-111.5 of the
6 Public Utilities Act, to the extent practicable. However,
7 the Agency and Commission may, as appropriate, modify the
8 various dates and timelines under this subparagraph and
9 subparagraphs (D) and (E) of this paragraph (3) to meet
10 the December 3, 2021 contract execution deadline.
11 Following the completion of such procurements, and
12 consistent with this paragraph (3), the Agency shall
13 calculate the payments to be made under each contract in a
14 timely fashion.

15 (F-1) Costs incurred by the electric utility pursuant
16 to a contract authorized by this subsection (d-10) shall
17 be deemed prudently incurred and reasonable in amount, and
18 the electric utility shall be entitled to full cost
19 recovery pursuant to a tariff or tariffs filed with the
20 Commission.

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

24 (H) If a carbon-free energy resource is sold to
25 another owner, the rights, obligations, and commitments
26 under this subsection (d-10) shall continue to the

1 subsequent owner.

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

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

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

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

14 (h) The Agency shall assess fees to each bidder to recover
15 the costs incurred in connection with a competitive
16 procurement process.

17 (i) A renewable energy credit, carbon emission credit,
18 zero emission credit, or carbon mitigation credit can only be
19 used once to comply with a single portfolio or other standard
20 as set forth in subsection (c), subsection (d), or subsection
21 (d-5) of this Section, respectively. A renewable energy
22 credit, carbon emission credit, zero emission credit, or
23 carbon mitigation credit cannot be used to satisfy the
24 requirements of more than one standard. If more than one type
25 of credit is issued for the same megawatt hour of energy, only
26 one credit can be used to satisfy the requirements of a single

1 standard. After such use, the credit must be retired together
2 with any other credits issued for the same megawatt hour of
3 energy.

4 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
5 103-580, eff. 12-8-23.)

6 (20 ILCS 3855/1-126 new)

7 Sec. 1-126. Transmission systems report. No later than
8 December 1, 2025, the Agency shall create and issue a report
9 that describes how transmission systems limit the ability of
10 electric utilities to meet renewable resource procurement
11 goals described in subsection (c) of Section 1-75, including,
12 but not limited to, constraints on transmission
13 interconnection, the transmission capacity to transmit
14 renewable energy resources into this State, and the
15 opportunities to procure renewable energy resources associated
16 with specific existing or proposed transmission assets. The
17 Agency shall evaluate transmission lines and high voltage
18 direct current transmission facilities that connect one or
19 more independent system operator or regional transmission
20 organizations so that renewable energy resources can be
21 transmitted to electrical load centers. The Agency shall
22 solicit stakeholder feedback and incorporate that feedback in
23 its report.

24 Section 20. The Public Utilities Act is amended by

1 changing Sections 3-105, 16-108, 16-111.5, and 16-111.11 as
2 follows:

3 (220 ILCS 5/3-105) (from Ch. 111 2/3, par. 3-105)

4 Sec. 3-105. Public utility.

5 (a) "Public utility" means and includes, except where
6 otherwise expressly provided in this Section, every
7 corporation, company, limited liability company, association,
8 joint stock company or association, firm, partnership or
9 individual, their lessees, trustees, or receivers appointed by
10 any court whatsoever that now or hereafter owns, controls,
11 operates or manages, within this State, directly or
12 indirectly, for public use, any plant, equipment, or property
13 used or to be used for or in connection with, or now owns or
14 seeks Commission approval to own or control ~~controls~~ any
15 franchise, license, permit or right to engage in:

16 (1) the production, storage, transmission, sale,
17 delivery or furnishing of heat, cold, power, electricity,
18 water, or light, except when used solely for
19 communications purposes;

20 (2) the disposal of sewerage; or

21 (3) the conveyance of oil or gas by pipe line.

22 (b) "Public utility" does not include, however:

23 (1) public utilities that are owned and operated by
24 any political subdivision, public institution of higher
25 education or municipal corporation of this State, or

1 public utilities that are owned by such political
2 subdivision, public institution of higher education, or
3 municipal corporation and operated by any of its lessees
4 or operating agents;

5 (2) water companies which are purely mutual concerns,
6 having no rates or charges for services, but paying the
7 operating expenses by assessment upon the members of such
8 a company and no other person;

9 (3) electric cooperatives as defined in Section 3-119;

10 (4) the following natural gas cooperatives:

11 (A) residential natural gas cooperatives that are
12 not-for-profit corporations established for the
13 purpose of administering and operating, on a
14 cooperative basis, the furnishing of natural gas to
15 residences for the benefit of their members who are
16 residential consumers of natural gas. For entities
17 qualifying as residential natural gas cooperatives and
18 recognized by the Illinois Commerce Commission as
19 such, the State shall guarantee legally binding
20 contracts entered into by residential natural gas
21 cooperatives for the express purpose of acquiring
22 natural gas supplies for their members. The Illinois
23 Commerce Commission shall establish rules and
24 regulations providing for such guarantees. The total
25 liability of the State in providing all such
26 guarantees shall not at any time exceed \$1,000,000,

1 nor shall the State provide such a guarantee to a
2 residential natural gas cooperative for more than 3
3 consecutive years; and

4 (B) natural gas cooperatives that are
5 not-for-profit corporations operated for the purpose
6 of administering, on a cooperative basis, the
7 furnishing of natural gas for the benefit of their
8 members and that, prior to 90 days after the effective
9 date of this amendatory Act of the 94th General
10 Assembly, either had acquired or had entered into an
11 asset purchase agreement to acquire all or
12 substantially all of the operating assets of a public
13 utility or natural gas cooperative with the intention
14 of operating those assets as a natural gas
15 cooperative;

16 (5) sewage disposal companies which provide sewage
17 disposal services on a mutual basis without establishing
18 rates or charges for services, but paying the operating
19 expenses by assessment upon the members of the company and
20 no others;

21 (6) (blank);

22 (7) cogeneration facilities, small power production
23 facilities, and other qualifying facilities, as defined in
24 the Public Utility Regulatory Policies Act and regulations
25 promulgated thereunder, except to the extent State
26 regulatory jurisdiction and action is required or

1 authorized by federal law, regulations, regulatory
2 decisions or the decisions of federal or State courts of
3 competent jurisdiction;

4 (8) the ownership or operation of a facility that
5 sells compressed natural gas at retail to the public for
6 use only as a motor vehicle fuel and the selling of
7 compressed natural gas at retail to the public for use
8 only as a motor vehicle fuel;

9 (9) alternative retail electric suppliers as defined
10 in Article XVI; and

11 (10) the Illinois Power Agency.

12 (c) An entity that furnishes the service of charging
13 electric vehicles does not and shall not be deemed to sell
14 electricity and is not and shall not be deemed a public utility
15 notwithstanding the basis on which the service is provided or
16 billed. If, however, the entity is otherwise deemed a public
17 utility under this Act, or is otherwise subject to regulation
18 under this Act, then that entity is not exempt from and remains
19 subject to the otherwise applicable provisions of this Act.
20 The installation, maintenance, and repair of an electric
21 vehicle charging station shall comply with the requirements of
22 subsection (a) of Section 16-128 and Section 16-128A of this
23 Act.

24 For purposes of this subsection, the term "electric
25 vehicles" has the meaning ascribed to that term in Section 10
26 of the Electric Vehicle Act.

1 (Source: P.A. 97-1128, eff. 8-28-12.)

2 (220 ILCS 5/16-108)

3 Sec. 16-108. Recovery of costs associated with the
4 provision of delivery and other services.

5 (a) An electric utility shall file a delivery services
6 tariff with the Commission at least 210 days prior to the date
7 that it is required to begin offering such services pursuant
8 to this Act. An electric utility shall provide the components
9 of delivery services that are subject to the jurisdiction of
10 the Federal Energy Regulatory Commission at the same prices,
11 terms and conditions set forth in its applicable tariff as
12 approved or allowed into effect by that Commission. The
13 Commission shall otherwise have the authority pursuant to
14 Article IX to review, approve, and modify the prices, terms
15 and conditions of those components of delivery services not
16 subject to the jurisdiction of the Federal Energy Regulatory
17 Commission, including the authority to determine the extent to
18 which such delivery services should be offered on an unbundled
19 basis. In making any such determination the Commission shall
20 consider, at a minimum, the effect of additional unbundling on
21 (i) the objective of just and reasonable rates, (ii) electric
22 utility employees, and (iii) the development of competitive
23 markets for electric energy services in Illinois.

24 (b) The Commission shall enter an order approving, or
25 approving as modified, the delivery services tariff no later

1 than 30 days prior to the date on which the electric utility
2 must commence offering such services. The Commission may
3 subsequently modify such tariff pursuant to this Act.

4 (c) The electric utility's tariffs shall define the
5 classes of its customers for purposes of delivery services
6 charges. Delivery services shall be priced and made available
7 to all retail customers electing delivery services in each
8 such class on a nondiscriminatory basis regardless of whether
9 the retail customer chooses the electric utility, an affiliate
10 of the electric utility, or another entity as its supplier of
11 electric power and energy. Charges for delivery services shall
12 be cost based, and shall allow the electric utility to recover
13 the costs of providing delivery services through its charges
14 to its delivery service customers that use the facilities and
15 services associated with such costs. Such costs shall include
16 the costs of owning, operating and maintaining transmission
17 and distribution facilities. The Commission shall also be
18 authorized to consider whether, and if so to what extent, the
19 following costs are appropriately included in the electric
20 utility's delivery services rates: (i) the costs of that
21 portion of generation facilities used for the production and
22 absorption of reactive power in order that retail customers
23 located in the electric utility's service area can receive
24 electric power and energy from suppliers other than the
25 electric utility, and (ii) the costs associated with the use
26 and redispatch of generation facilities to mitigate

1 constraints on the transmission or distribution system in
2 order that retail customers located in the electric utility's
3 service area can receive electric power and energy from
4 suppliers other than the electric utility. Nothing in this
5 subsection shall be construed as directing the Commission to
6 allocate any of the costs described in (i) or (ii) that are
7 found to be appropriately included in the electric utility's
8 delivery services rates to any particular customer group or
9 geographic area in setting delivery services rates.

10 (d) The Commission shall establish charges, terms and
11 conditions for delivery services that are just and reasonable
12 and shall take into account customer impacts when establishing
13 such charges. In establishing charges, terms and conditions
14 for delivery services, the Commission shall take into account
15 voltage level differences. A retail customer shall have the
16 option to request to purchase electric service at any delivery
17 service voltage reasonably and technically feasible from the
18 electric facilities serving that customer's premises provided
19 that there are no significant adverse impacts upon system
20 reliability or system efficiency. A retail customer shall also
21 have the option to request to purchase electric service at any
22 point of delivery that is reasonably and technically feasible
23 provided that there are no significant adverse impacts on
24 system reliability or efficiency. Such requests shall not be
25 unreasonably denied.

26 (e) Electric utilities shall recover the costs of

1 installing, operating or maintaining facilities for the
2 particular benefit of one or more delivery services customers,
3 including without limitation any costs incurred in complying
4 with a customer's request to be served at a different voltage
5 level, directly from the retail customer or customers for
6 whose benefit the costs were incurred, to the extent such
7 costs are not recovered through the charges referred to in
8 subsections (c) and (d) of this Section.

9 (f) An electric utility shall be entitled but not required
10 to implement transition charges in conjunction with the
11 offering of delivery services pursuant to Section 16-104. If
12 an electric utility implements transition charges, it shall
13 implement such charges for all delivery services customers and
14 for all customers described in subsection (h), but shall not
15 implement transition charges for power and energy that a
16 retail customer takes from cogeneration or self-generation
17 facilities located on that retail customer's premises, if such
18 facilities meet the following criteria:

19 (i) the cogeneration or self-generation facilities
20 serve a single retail customer and are located on that
21 retail customer's premises (for purposes of this
22 subparagraph and subparagraph (ii), an industrial or
23 manufacturing retail customer and a third party contractor
24 that is served by such industrial or manufacturing
25 customer through such retail customer's own electrical
26 distribution facilities under the circumstances described

1 in subsection (vi) of the definition of "alternative
2 retail electric supplier" set forth in Section 16-102,
3 shall be considered a single retail customer);

4 (ii) the cogeneration or self-generation facilities
5 either (A) are sized pursuant to generally accepted
6 engineering standards for the retail customer's electrical
7 load at that premises (taking into account standby or
8 other reliability considerations related to that retail
9 customer's operations at that site) or (B) if the facility
10 is a cogeneration facility located on the retail
11 customer's premises, the retail customer is the thermal
12 host for that facility and the facility has been designed
13 to meet that retail customer's thermal energy requirements
14 resulting in electrical output beyond that retail
15 customer's electrical demand at that premises, comply with
16 the operating and efficiency standards applicable to
17 "qualifying facilities" specified in title 18 Code of
18 Federal Regulations Section 292.205 as in effect on the
19 effective date of this amendatory Act of 1999;

20 (iii) the retail customer on whose premises the
21 facilities are located either has an exclusive right to
22 receive, and corresponding obligation to pay for, all of
23 the electrical capacity of the facility, or in the case of
24 a cogeneration facility that has been designed to meet the
25 retail customer's thermal energy requirements at that
26 premises, an identified amount of the electrical capacity

1 of the facility, over a minimum 5-year period; and
2 (iv) if the cogeneration facility is sized for the
3 retail customer's thermal load at that premises but
4 exceeds the electrical load, any sales of excess power or
5 energy are made only at wholesale, are subject to the
6 jurisdiction of the Federal Energy Regulatory Commission,
7 and are not for the purpose of circumventing the
8 provisions of this subsection (f).

9 If a generation facility located at a retail customer's
10 premises does not meet the above criteria, an electric utility
11 implementing transition charges shall implement a transition
12 charge until December 31, 2006 for any power and energy taken
13 by such retail customer from such facility as if such power and
14 energy had been delivered by the electric utility. Provided,
15 however, that an industrial retail customer that is taking
16 power from a generation facility that does not meet the above
17 criteria but that is located on such customer's premises will
18 not be subject to a transition charge for the power and energy
19 taken by such retail customer from such generation facility if
20 the facility does not serve any other retail customer and
21 either was installed on behalf of the customer and for its own
22 use prior to January 1, 1997, or is both predominantly fueled
23 by byproducts of such customer's manufacturing process at such
24 premises and sells or offers an average of 300 megawatts or
25 more of electricity produced from such generation facility
26 into the wholesale market. Such charges shall be calculated as

1 provided in Section 16-102, and shall be collected on each
2 kilowatt-hour delivered under a delivery services tariff to a
3 retail customer from the date the customer first takes
4 delivery services until December 31, 2006 except as provided
5 in subsection (h) of this Section. Provided, however, that an
6 electric utility, other than an electric utility providing
7 service to at least 1,000,000 customers in this State on
8 January 1, 1999, shall be entitled to petition for entry of an
9 order by the Commission authorizing the electric utility to
10 implement transition charges for an additional period ending
11 no later than December 31, 2008. The electric utility shall
12 file its petition with supporting evidence no earlier than 16
13 months, and no later than 12 months, prior to December 31,
14 2006. The Commission shall hold a hearing on the electric
15 utility's petition and shall enter its order no later than 8
16 months after the petition is filed. The Commission shall
17 determine whether and to what extent the electric utility
18 shall be authorized to implement transition charges for an
19 additional period. The Commission may authorize the electric
20 utility to implement transition charges for some or all of the
21 additional period, and shall determine the mitigation factors
22 to be used in implementing such transition charges; provided,
23 that the Commission shall not authorize mitigation factors
24 less than 110% of those in effect during the 12 months ended
25 December 31, 2006. In making its determination, the Commission
26 shall consider the following factors: the necessity to

1 implement transition charges for an additional period in order
2 to maintain the financial integrity of the electric utility;
3 the prudence of the electric utility's actions in reducing its
4 costs since the effective date of this amendatory Act of 1997;
5 the ability of the electric utility to provide safe, adequate
6 and reliable service to retail customers in its service area;
7 and the impact on competition of allowing the electric utility
8 to implement transition charges for the additional period.

9 (g) The electric utility shall file tariffs that establish
10 the transition charges to be paid by each class of customers to
11 the electric utility in conjunction with the provision of
12 delivery services. The electric utility's tariffs shall define
13 the classes of its customers for purposes of calculating
14 transition charges. The electric utility's tariffs shall
15 provide for the calculation of transition charges on a
16 customer-specific basis for any retail customer whose average
17 monthly maximum electrical demand on the electric utility's
18 system during the 6 months with the customer's highest monthly
19 maximum electrical demands equals or exceeds 3.0 megawatts for
20 electric utilities having more than 1,000,000 customers, and
21 for other electric utilities for any customer that has an
22 average monthly maximum electrical demand on the electric
23 utility's system of one megawatt or more, and (A) for which
24 there exists data on the customer's usage during the 3 years
25 preceding the date that the customer became eligible to take
26 delivery services, or (B) for which there does not exist data

1 on the customer's usage during the 3 years preceding the date
2 that the customer became eligible to take delivery services,
3 if in the electric utility's reasonable judgment there exists
4 comparable usage information or a sufficient basis to develop
5 such information, and further provided that the electric
6 utility can require customers for which an individual
7 calculation is made to sign contracts that set forth the
8 transition charges to be paid by the customer to the electric
9 utility pursuant to the tariff.

10 (h) An electric utility shall also be entitled to file
11 tariffs that allow it to collect transition charges from
12 retail customers in the electric utility's service area that
13 do not take delivery services but that take electric power or
14 energy from an alternative retail electric supplier or from an
15 electric utility other than the electric utility in whose
16 service area the customer is located. Such charges shall be
17 calculated, in accordance with the definition of transition
18 charges in Section 16-102, for the period of time that the
19 customer would be obligated to pay transition charges if it
20 were taking delivery services, except that no deduction for
21 delivery services revenues shall be made in such calculation,
22 and usage data from the customer's class shall be used where
23 historical usage data is not available for the individual
24 customer. The customer shall be obligated to pay such charges
25 on a lump sum basis on or before the date on which the customer
26 commences to take service from the alternative retail electric

1 supplier or other electric utility, provided, that the
2 electric utility in whose service area the customer is located
3 shall offer the customer the option of signing a contract
4 pursuant to which the customer pays such charges ratably over
5 the period in which the charges would otherwise have applied.

6 (i) An electric utility shall be entitled to add to the
7 bills of delivery services customers charges pursuant to
8 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
9 and Section 16-114 of this Act, Section 5-5 of the Electricity
10 Infrastructure Maintenance Fee Law, Section 6-5 of the
11 Renewable Energy, Energy Efficiency, and Coal Resources
12 Development Law of 1997, and Section 13 of the Energy
13 Assistance Act.

14 (i-5) An electric utility required to impose the Coal to
15 Solar and Energy Storage Initiative Charge provided for in
16 subsection (c-5) of Section 1-75 of the Illinois Power Agency
17 Act shall add such charge to the bills of its delivery services
18 customers pursuant to the terms of a tariff conforming to the
19 requirements of subsection (c-5) of Section 1-75 of the
20 Illinois Power Agency Act and this subsection (i-5) and filed
21 with and approved by the Commission. The electric utility
22 shall file its proposed tariff with the Commission on or
23 before July 1, 2022 to be effective, after review and approval
24 or modification by the Commission, beginning January 1, 2023.
25 On or before December 1, 2022, the Commission shall review the
26 electric utility's proposed tariff, including by conducting a

1 docketed proceeding if deemed necessary by the Commission, and
2 shall approve the proposed tariff or direct the electric
3 utility to make modifications the Commission finds necessary
4 for the tariff to conform to the requirements of subsection
5 (c-5) of Section 1-75 of the Illinois Power Agency Act and this
6 subsection (i-5). The electric utility's tariff shall provide
7 for imposition of the Coal to Solar and Energy Storage
8 Initiative Charge on a per-kilowatthour basis to all
9 kilowatthours delivered by the electric utility to its
10 delivery services customers. The tariff shall provide for the
11 calculation of the Coal to Solar and Energy Storage Initiative
12 Charge to be in effect for the year beginning January 1, 2023
13 and each year beginning January 1 thereafter, sufficient to
14 collect the electric utility's estimated payment obligations
15 for the delivery year beginning the following June 1 under
16 contracts for purchase of renewable energy credits entered
17 into pursuant to subsection (c-5) of Section 1-75 of the
18 Illinois Power Agency Act and the obligations of the
19 Department of Commerce and Economic Opportunity, or any
20 successor department or agency, which for purposes of this
21 subsection (i-5) shall be referred to as the Department, to
22 make grant payments during such delivery year from the Coal to
23 Solar and Energy Storage Initiative Fund pursuant to grant
24 contracts entered into pursuant to subsection (c-5) of Section
25 1-75 of the Illinois Power Agency Act, and using the electric
26 utility's kilowatthour deliveries to its delivery services

1 customers during the delivery year ended May 31 of the
2 preceding calendar year. On or before November 1 of each year
3 beginning November 1, 2022, the Department shall notify the
4 electric utilities of the amount of the Department's estimated
5 obligations for grant payments during the delivery year
6 beginning the following June 1 pursuant to grant contracts
7 entered into pursuant to subsection (c-5) of Section 1-75 of
8 the Illinois Power Agency Act; and each electric utility shall
9 incorporate in the calculation of its Coal to Solar and Energy
10 Storage Initiative Charge the fractional portion of the
11 Department's estimated obligations equal to the electric
12 utility's kilowatthour deliveries to its delivery services
13 customers in the delivery year ended the preceding May 31
14 divided by the aggregate deliveries of both electric utilities
15 to delivery services customers in such delivery year. The
16 electric utility shall remit on a monthly basis to the State
17 Treasurer, for deposit in the Coal to Solar and Energy Storage
18 Initiative Fund provided for in subsection (c-5) of Section
19 1-75 of the Illinois Power Agency Act, the electric utility's
20 collections of the Coal to Solar and Energy Storage Initiative
21 Charge estimated to be needed by the Department for grant
22 payments pursuant to grant contracts entered into pursuant to
23 subsection (c-5) of Section 1-75 of the Illinois Power Agency
24 Act. The initial charge under the electric utility's tariff
25 shall be effective for kilowatthours delivered beginning
26 January 1, 2023, and thereafter shall be revised to be

1 effective January 1, 2024 and each January 1 thereafter, based
2 on the payment obligations for the delivery year beginning the
3 following June 1. The tariff shall provide for the electric
4 utility to make an annual filing with the Commission on or
5 before November 15 of each year, beginning in 2023, setting
6 forth the Coal to Solar and Energy Storage Initiative Charge
7 to be in effect for the year beginning the following January 1.
8 The electric utility's tariff shall also provide that the
9 electric utility shall make a filing with the Commission on or
10 before August 1 of each year beginning in 2024 setting forth a
11 reconciliation, for the delivery year ended the preceding May
12 31, of the electric utility's collections of the Coal to Solar
13 and Energy Storage Initiative Charge against actual payments
14 for renewable energy credits pursuant to contracts entered
15 into, and the actual grant payments by the Department pursuant
16 to grant contracts entered into, pursuant to subsection (c-5)
17 of Section 1-75 of the Illinois Power Agency Act. The tariff
18 shall provide that any excess or shortfall of collections to
19 payments shall be deducted from or added to, on a
20 per-kilowatthour basis, the Coal to Solar and Energy Storage
21 Initiative Charge, over the 6-month period beginning October 1
22 of that calendar year.

23 (i-10) An electric utility that has entered into a
24 contract to purchase high voltage direct current renewable
25 energy credits as described in item (iii-5) of subparagraph
26 (G) of paragraph (1) of subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act shall be entitled to recover through
2 tariffed charges all costs related to the purchase of high
3 voltage direct current renewable energy credits under the
4 contract. The recoverable costs shall include the costs of
5 procuring the high voltage direct current renewable energy
6 credits, the reasonable costs that the utility incurs as part
7 of the procurement processes, and the cost of implementing and
8 complying with item (iii-5) of subparagraph (G) of paragraph
9 (1) of subsection (c) of Section 1-75 of the Illinois Power
10 Agency Act. The costs associated with the purchase of high
11 voltage direct current renewable energy credits shall be
12 allocated across all retail customers in proportion to the
13 amount of high voltage renewable energy credits the electric
14 utility procures for the customers through a single, uniform
15 cents per kilowatt-hour charge applicable to the retail
16 customers, and pursuant to the terms of a tariff conforming to
17 the requirements of this subsection and filed with and
18 approved by the Commission within 30 days after entering into
19 a contract for high voltage direct current renewable energy
20 credits. The Commission shall approve, or approve with
21 modifications, the tariff no later than 90 days after the
22 tariff is filed.

23 (j) If a retail customer that obtains electric power and
24 energy from cogeneration or self-generation facilities
25 installed for its own use on or before January 1, 1997,
26 subsequently takes service from an alternative retail electric

1 supplier or an electric utility other than the electric
2 utility in whose service area the customer is located for any
3 portion of the customer's electric power and energy
4 requirements formerly obtained from those facilities
5 (including that amount purchased from the utility in lieu of
6 such generation and not as standby power purchases, under a
7 cogeneration displacement tariff in effect as of the effective
8 date of this amendatory Act of 1997), the transition charges
9 otherwise applicable pursuant to subsections (f), (g), or (h)
10 of this Section shall not be applicable in any year to that
11 portion of the customer's electric power and energy
12 requirements formerly obtained from those facilities,
13 provided, that for purposes of this subsection (j), such
14 portion shall not exceed the average number of kilowatt-hours
15 per year obtained from the cogeneration or self-generation
16 facilities during the 3 years prior to the date on which the
17 customer became eligible for delivery services, except as
18 provided in subsection (f) of Section 16-110.

19 (k) The electric utility shall be entitled to recover
20 through tariffed charges all of the costs associated with the
21 purchase of zero emission credits from zero emission
22 facilities to meet the requirements of subsection (d-5) of
23 Section 1-75 of the Illinois Power Agency Act and all of the
24 costs associated with the purchase of carbon mitigation
25 credits from carbon-free energy resources to meet the
26 requirements of subsection (d-10) of Section 1-75 of the

1 Illinois Power Agency Act. Such costs shall include the costs
2 of procuring the zero emission credits and carbon mitigation
3 credits from carbon-free energy resources, as well as the
4 reasonable costs that the utility incurs as part of the
5 procurement processes and to implement and comply with plans
6 and processes approved by the Commission under subsections
7 (d-5) and (d-10). The costs shall be allocated across all
8 retail customers through a single, uniform cents per
9 kilowatt-hour charge applicable to all retail customers, which
10 shall appear as a separate line item on each customer's bill.
11 Beginning June 1, 2017, the electric utility shall be entitled
12 to recover through tariffed charges all of the costs
13 associated with the purchase of renewable energy resources to
14 meet the renewable energy resource standards of subsection (c)
15 of Section 1-75 of the Illinois Power Agency Act, under
16 procurement plans as approved in accordance with that Section
17 and Section 16-111.5 of this Act. Such costs shall include the
18 costs of procuring the renewable energy resources, as well as
19 the reasonable costs that the utility incurs as part of the
20 procurement processes and to implement and comply with plans
21 and processes approved by the Commission under such Sections.
22 The costs associated with the purchase of renewable energy
23 resources shall be allocated across all retail customers in
24 proportion to the amount of renewable energy resources the
25 utility procures for such customers through a single, uniform
26 cents per kilowatt-hour charge applicable to such retail

1 customers, which shall appear as a separate line item on each
2 such customer's bill. The credits, costs, and penalties
3 associated with the self-direct renewable portfolio standard
4 compliance program described in subparagraph (R) of paragraph
5 (1) of subsection (c) of Section 1-75 of the Illinois Power
6 Agency Act shall be allocated to approved eligible self-direct
7 customers by the utility in a cents per kilowatt-hour credit,
8 cost, or penalty, which shall appear as a separate line item on
9 each such customer's bill.

10 Notwithstanding whether the Commission has approved the
11 initial long-term renewable resources procurement plan as of
12 June 1, 2017, an electric utility shall place new tariffed
13 charges into effect beginning with the June 2017 monthly
14 billing period, to the extent practicable, to begin recovering
15 the costs of procuring renewable energy resources, as those
16 charges are calculated under the limitations described in
17 subparagraph (E) of paragraph (1) of subsection (c) of Section
18 1-75 of the Illinois Power Agency Act. Notwithstanding the
19 date on which the utility places such new tariffed charges
20 into effect, the utility shall be permitted to collect the
21 charges under such tariff as if the tariff had been in effect
22 beginning with the first day of the June 2017 monthly billing
23 period. For the delivery years commencing June 1, 2017, June
24 1, 2018, June 1, 2019, and each delivery year thereafter, the
25 electric utility shall deposit into a separate interest
26 bearing account of a financial institution the monies

1 collected under the tariffed charges. Money collected from
2 customers for the procurement of renewable energy resources in
3 a given delivery year may be spent by the utility for the
4 procurement of renewable resources over any of the following 5
5 delivery years, after which unspent money shall be credited
6 back to retail customers. The electric utility shall spend all
7 money collected in earlier delivery years that has not yet
8 been returned to customers, first, before spending money
9 collected in later delivery years. Any interest earned shall
10 be credited back to retail customers under the reconciliation
11 proceeding provided for in this subsection (k), provided that
12 the electric utility shall first be reimbursed from the
13 interest for the administrative costs that it incurs to
14 administer and manage the account. Any taxes due on the funds
15 in the account, or interest earned on it, will be paid from the
16 account or, if insufficient monies are available in the
17 account, from the monies collected under the tariffed charges
18 to recover the costs of procuring renewable energy resources.
19 Monies deposited in the account shall be subject to the
20 review, reconciliation, and true-up process described in this
21 subsection (k) that is applicable to the funds collected and
22 costs incurred for the procurement of renewable energy
23 resources.

24 The electric utility shall be entitled to recover all of
25 the costs identified in this subsection (k) through automatic
26 adjustment clause tariffs applicable to all of the utility's

1 retail customers that allow the electric utility to adjust its
2 tariffed charges consistent with this subsection (k). The
3 determination as to whether any excess funds were collected
4 during a given delivery year for the purchase of renewable
5 energy resources, and the crediting of any excess funds back
6 to retail customers, shall not be made until after the close of
7 the delivery year, which will ensure that the maximum amount
8 of funds is available to implement the approved long-term
9 renewable resources procurement plan during a given delivery
10 year. The amount of excess funds eligible to be credited back
11 to retail customers shall be reduced by an amount equal to the
12 payment obligations required by any contracts entered into by
13 an electric utility under contracts described in subsection
14 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
15 Illinois Power Agency Act, even if such payments have not yet
16 been made and regardless of the delivery year in which those
17 payment obligations were incurred. Notwithstanding anything to
18 the contrary, including in tariffs authorized by this
19 subsection (k) in effect before the effective date of this
20 amendatory Act of the 102nd General Assembly, all unspent
21 funds as of May 31, 2021, excluding any funds credited to
22 customers during any utility billing cycle that commences
23 prior to the effective date of this amendatory Act of the 102nd
24 General Assembly, shall remain in the utility account and
25 shall on a first in, first out basis be used toward utility
26 payment obligations under contracts described in subsection

1 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
2 Illinois Power Agency Act. The electric utility's collections
3 under such automatic adjustment clause tariffs to recover the
4 costs of renewable energy resources, zero emission credits
5 from zero emission facilities, and carbon mitigation credits
6 from carbon-free energy resources shall be subject to separate
7 annual review, reconciliation, and true-up against actual
8 costs by the Commission under a procedure that shall be
9 specified in the electric utility's automatic adjustment
10 clause tariffs and that shall be approved by the Commission in
11 connection with its approval of such tariffs. The procedure
12 shall provide that any difference between the electric
13 utility's collections for zero emission credits and carbon
14 mitigation credits under the automatic adjustment charges for
15 an annual period and the electric utility's actual costs of
16 zero emission credits from zero emission facilities and carbon
17 mitigation credits from carbon-free energy resources for that
18 same annual period shall be refunded to or collected from, as
19 applicable, the electric utility's retail customers in
20 subsequent periods.

21 Nothing in this subsection (k) is intended to affect,
22 limit, or change the right of the electric utility to recover
23 the costs associated with the procurement of renewable energy
24 resources for periods commencing before, on, or after June 1,
25 2017, as otherwise provided in the Illinois Power Agency Act.

26 The funding available under this subsection (k), if any,

1 for the programs described under subsection (b) of Section
2 1-56 of the Illinois Power Agency Act shall not reduce the
3 amount of funding for the programs described in subparagraph
4 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
5 Illinois Power Agency Act. If funding is available under this
6 subsection (k) for programs described under subsection (b) of
7 Section 1-56 of the Illinois Power Agency Act, then the
8 long-term renewable resources plan shall provide for the
9 Agency to procure contracts in an amount that does not exceed
10 the funding, and the contracts approved by the Commission
11 shall be executed by the applicable utility or utilities.

12 (l) A utility that has terminated any contract executed
13 under subsection (d-5) or (d-10) of Section 1-75 of the
14 Illinois Power Agency Act shall be entitled to recover any
15 remaining balance associated with the purchase of zero
16 emission credits prior to such termination, and such utility
17 shall also apply a credit to its retail customer bills in the
18 event of any over-collection.

19 (m)(1) An electric utility that recovers its costs of
20 procuring zero emission credits from zero emission facilities
21 through a cents-per-kilowatthour charge under subsection (k)
22 of this Section shall be subject to the requirements of this
23 subsection (m). Notwithstanding anything to the contrary, such
24 electric utility shall, beginning on April 30, 2018, and each
25 April 30 thereafter until April 30, 2026, calculate whether
26 any reduction must be applied to such cents-per-kilowatthour

1 charge that is paid by retail customers of the electric
2 utility that have opted out of subsections (a) through (j) of
3 Section 8-103B of this Act under subsection (1) of Section
4 8-103B. Such charge shall be reduced for such customers for
5 the next delivery year commencing on June 1 based on the amount
6 necessary, if any, to limit the annual estimated average net
7 increase for the prior calendar year due to the future energy
8 investment costs to no more than 1.3% of 5.98 cents per
9 kilowatt-hour, which is the average amount paid per
10 kilowatthour for electric service during the year ending
11 December 31, 2015 by Illinois industrial retail customers, as
12 reported to the Edison Electric Institute.

13 The calculations required by this subsection (m) shall be
14 made only once for each year, and no subsequent rate impact
15 determinations shall be made.

16 (2) For purposes of this Section, "future energy
17 investment costs" shall be calculated by subtracting the
18 cents-per-kilowatthour charge identified in subparagraph (A)
19 of this paragraph (2) from the sum of the
20 cents-per-kilowatthour charges identified in subparagraph (B)
21 of this paragraph (2):

22 (A) The cents-per-kilowatthour charge identified in
23 the electric utility's tariff placed into effect under
24 Section 8-103 of the Public Utilities Act that, on
25 December 1, 2016, was applicable to those retail customers
26 that have opted out of subsections (a) through (j) of

1 Section 8-103B of this Act under subsection (l) of Section
2 8-103B.

3 (B) The sum of the following cents-per-kilowatthour
4 charges applicable to those retail customers that have
5 opted out of subsections (a) through (j) of Section 8-103B
6 of this Act under subsection (l) of Section 8-103B,
7 provided that if one or more of the following charges has
8 been in effect and applied to such customers for more than
9 one calendar year, then each charge shall be equal to the
10 average of the charges applied over a period that
11 commences with the calendar year ending December 31, 2017
12 and ends with the most recently completed calendar year
13 prior to the calculation required by this subsection (m):

14 (i) the cents-per-kilowatthour charge to recover
15 the costs incurred by the utility under subsection
16 (d-5) of Section 1-75 of the Illinois Power Agency
17 Act, adjusted for any reductions required under this
18 subsection (m); and

19 (ii) the cents-per-kilowatthour charge to recover
20 the costs incurred by the utility under Section
21 16-107.6 of the Public Utilities Act.

22 If no charge was applied for a given calendar year
23 under item (i) or (ii) of this subparagraph (B), then the
24 value of the charge for that year shall be zero.

25 (3) If a reduction is required by the calculation
26 performed under this subsection (m), then the amount of the

1 reduction shall be multiplied by the number of years reflected
2 in the averages calculated under subparagraph (B) of paragraph
3 (2) of this subsection (m). Such reduction shall be applied to
4 the cents-per-kilowatthour charge that is applicable to those
5 retail customers that have opted out of subsections (a)
6 through (j) of Section 8-103B of this Act under subsection (l)
7 of Section 8-103B beginning with the next delivery year
8 commencing after the date of the calculation required by this
9 subsection (m).

10 (4) The electric utility shall file a notice with the
11 Commission on May 1 of 2018 and each May 1 thereafter until May
12 1, 2026 containing the reduction, if any, which must be
13 applied for the delivery year which begins in the year of the
14 filing. The notice shall contain the calculations made
15 pursuant to this Section. By October 1 of each year beginning
16 in 2018, each electric utility shall notify the Commission if
17 it appears, based on an estimate of the calculation required
18 in this subsection (m), that a reduction will be required in
19 the next year.

20 (Source: P.A. 102-662, eff. 9-15-21.)

21 (220 ILCS 5/16-111.11)

22 Sec. 16-111.11. Supplier diversity reporting for
23 non-utilities.

24 (a) The following entities shall submit an annual supplier
25 diversity report to the Commission for a given year:

1 (1) entities that received a contract to provide more
2 than 10,000 renewable energy credits approved by the
3 Commission in a given year pursuant to subparagraph (iii)
4 of paragraph (5) of subsection (b) of Section 16-111.5;

5 (2) entities that received a contract to provide more
6 than 10,000 renewable energy credits approved by the
7 Commission in a given year pursuant to subsection (e) of
8 Section 16-111.5;

9 (3) alternative retail electric suppliers that have
10 yearly sales in the State of 1,000,000,000 kilowatt hours
11 or more, and alternative gas suppliers as defined in
12 Section 19-105 that have yearly sales in the State of
13 1,000,000 dekatherms or more;

14 (4) entities constructing or operating an HVDC
15 transmission line as defined in Section 1-10 of the
16 Illinois Power Agency Act or entities constructing or
17 operating transmission facilities under a certificate of
18 public convenience and necessity issued pursuant to
19 subsection (b-5) of Section 8-406;

20 (5) entities installing more than 100 energy
21 efficiency measures with a certificate approved by the
22 Commission pursuant to Section 16-128B; and

23 (6) other suppliers of electricity generated from any
24 resource, including, but not limited to, hydro, nuclear,
25 coal, natural gas, and any other supplier of energy within
26 this State.

1 (a-5) An entity that receives a contract to provide high
2 voltage direct current renewable energy credits and the
3 associated high voltage direct current transmission facility
4 is exempt from the obligations of this Section.

5 (b) An annual report filed pursuant to this Section shall
6 be filed on an electronic form as designed by the Commission by
7 June 1, 2023 and every June 1 thereafter, in a searchable Adobe
8 PDF format, on all procurement goals and actual spending for
9 women-owned businesses, minority-owned businesses,
10 veteran-owned businesses, and small business enterprises in
11 the previous calendar year related to the performance of
12 obligations in the State of the contracts of licenses listed
13 in subsection (a). These goals shall be expressed as a
14 percentage of the total work performed by the entity
15 submitting the report. The actual spending for all women-owned
16 businesses, minority-owned businesses, veteran-owned
17 businesses, and small business enterprises shall also be
18 expressed as a percentage of the total work performed by the
19 entity submitting the report. Notwithstanding any provision of
20 law to the contrary, any entity with obligations related to
21 equity eligible actions pursuant to the Illinois Power Agency
22 Act may express such goals and spending in those terms.

23 Each participating entity in its annual report shall
24 include the following information related to the entity's
25 operations in the State related to the certificates or
26 activities listed in subsection (a):

1 (1) an explanation of the plan for the next year to
2 increase participation;

3 (2) an explanation of the plan to increase the goals;

4 (3) the areas of procurement each entity shall be
5 actively seeking more participation in the next year;

6 (4) an outline of the plan to alert and encourage
7 potential vendors in that area to seek business from the
8 entity;

9 (5) an explanation of the challenges faced in finding
10 quality vendors and offer any suggestions for what the
11 Commission could do to be helpful to identify those
12 vendors;

13 (6) a list of the certifications the entity
14 recognizes;

15 (7) the point of contact for any potential vendor who
16 wants to do business with the entity and explain the
17 process for a vendor to enroll with the company as a
18 minority-owned, women-owned, or veteran-owned company; and

19 (8) any particular success stories to encourage other
20 entities to emulate best practices.

21 (c) Each annual report shall include as much
22 State-specific data as possible. If the submitting entity does
23 not submit State-specific data, then the entity shall include
24 any national data it does have and explain why it could not
25 submit State-specific data and how it intends to do so in
26 future reports.

1 (d) Each annual report shall include the rules,
2 regulations, and definitions used for the procurement goals in
3 the entity's annual report.

4 (e) Each annual report filed or submitted under this
5 Section shall be submitted with the Commission. The Commission
6 shall not be required or authorized to compel production of
7 any report under this Section. The Commission shall hold an
8 annual workshop open to the public in 2024 and every year
9 thereafter on the state of supplier diversity to
10 collaboratively seek solutions to structural impediments to
11 achieving stated goals, including testimony from participating
12 entities as well as subject matter experts and advocates in a
13 non-antagonistic manner. The Commission shall invite all
14 entities submitting a report pursuant to this Section. The
15 Commission shall publish a database on its website of the
16 point of contact for each participating entity for supplier
17 diversity, along with a list of certifications each company
18 recognizes from the information submitted in each annual
19 report. The Commission shall publish each annual report on its
20 website and shall maintain each annual report for at least 5
21 years.

22 (Source: P.A. 102-1031, eff. 5-27-22.)

23 Section 25. The Prevailing Wage Act is amended by changing
24 Section 2 as follows:

1 (820 ILCS 130/2)

2 Sec. 2. This Act applies to the wages of laborers,
3 mechanics and other workers employed in any public works, as
4 hereinafter defined, by any public body and to anyone under
5 contracts for public works. This includes any maintenance,
6 repair, assembly, or disassembly work performed on equipment
7 whether owned, leased, or rented.

8 As used in this Act, unless the context indicates
9 otherwise:

10 "Public works" means all fixed works constructed or
11 demolished by any public body, or paid for wholly or in part
12 out of public funds. "Public works" as defined herein includes
13 all projects financed in whole or in part with bonds, grants,
14 loans, or other funds made available by or through the State or
15 any of its political subdivisions, including but not limited
16 to: bonds issued under the Industrial Project Revenue Bond Act
17 (Article 11, Division 74 of the Illinois Municipal Code), the
18 Industrial Building Revenue Bond Act, the Illinois Finance
19 Authority Act, the Illinois Sports Facilities Authority Act,
20 or the Build Illinois Bond Act; loans or other funds made
21 available pursuant to the Build Illinois Act; loans or other
22 funds made available pursuant to the Riverfront Development
23 Fund under Section 10-15 of the River Edge Redevelopment Zone
24 Act; or funds from the Fund for Illinois' Future under Section
25 6z-47 of the State Finance Act, funds for school construction
26 under Section 5 of the General Obligation Bond Act, funds

1 authorized under Section 3 of the School Construction Bond
2 Act, funds for school infrastructure under Section 6z-45 of
3 the State Finance Act, and funds for transportation purposes
4 under Section 4 of the General Obligation Bond Act. "Public
5 works" also includes (i) all projects financed in whole or in
6 part with funds from the Environmental Protection Agency under
7 the Illinois Renewable Fuels Development Program Act for which
8 there is no project labor agreement; (ii) all work performed
9 pursuant to a public private agreement under the Public
10 Private Agreements for the Illiana Expressway Act or the
11 Public-Private Agreements for the South Suburban Airport Act;
12 (iii) all projects undertaken under a public-private agreement
13 under the Public-Private Partnerships for Transportation Act
14 or the Department of Natural Resources World Shooting and
15 Recreational Complex Act; and (iv) all transportation
16 facilities undertaken under a design-build contract or a
17 Construction Manager/General Contractor contract under the
18 Innovations for Transportation Infrastructure Act. "Public
19 works" also includes all projects at leased facility property
20 used for airport purposes under Section 35 of the Local
21 Government Facility Lease Act. "Public works" also includes
22 the construction of a new wind power facility by a business
23 designated as a High Impact Business under Section
24 5.5(a)(3)(E) and the construction of a new utility-scale solar
25 power facility by a business designated as a High Impact
26 Business under Section 5.5(a)(3)(E-5) of the Illinois

1 Enterprise Zone Act. "Public works" also includes electric
2 vehicle charging station projects financed pursuant to the
3 Electric Vehicle Act and renewable energy projects required to
4 pay the prevailing wage pursuant to the Illinois Power Agency
5 Act. "Public works" also includes power washing projects by a
6 public body or paid for wholly or in part out of public funds
7 in which steam or pressurized water, with or without added
8 abrasives or chemicals, is used to remove paint or other
9 coatings, oils or grease, corrosion, or debris from a surface
10 or to prepare a surface for a coating. "Public works" does not
11 include work done directly by any public utility company,
12 whether or not done under public supervision or direction, or
13 paid for wholly or in part out of public funds. "Public works"
14 also includes construction projects performed by a third party
15 contracted by any public utility, as described in subsection
16 (a) of Section 2.1, in public rights-of-way, as defined in
17 Section 21-201 of the Public Utilities Act, whether or not
18 done under public supervision or direction, or paid for wholly
19 or in part out of public funds. "Public works" also includes
20 construction projects that exceed 15 aggregate miles of new
21 fiber optic cable, performed by a third party contracted by
22 any public utility, as described in subsection (b) of Section
23 2.1, in public rights-of-way, as defined in Section 21-201 of
24 the Public Utilities Act, whether or not done under public
25 supervision or direction, or paid for wholly or in part out of
26 public funds. "Public works" also includes any corrective

1 action performed pursuant to Title XVI of the Environmental
2 Protection Act for which payment from the Underground Storage
3 Tank Fund is requested. "Public works" also includes all
4 construction projects involving fixtures or permanent
5 attachments affixed to light poles that are owned by a public
6 body, including street light poles, traffic light poles, and
7 other lighting fixtures, whether or not done under public
8 supervision or direction, or paid for wholly or in part out of
9 public funds, unless the project is performed by employees
10 employed directly by the public body. "Public works" also
11 includes work performed subject to the Mechanical Insulation
12 Energy and Safety Assessment Act. "Public works" also includes
13 the removal, hauling, and transportation of biosolids, lime
14 sludge, and lime residue from a water treatment plant or
15 facility and the disposal of biosolids, lime sludge, and lime
16 residue removed from a water treatment plant or facility at a
17 landfill. "Public works" does not include projects undertaken
18 by the owner at an owner-occupied single-family residence or
19 at an owner-occupied unit of a multi-family residence. "Public
20 works" does not include work performed for soil and water
21 conservation purposes on agricultural lands, whether or not
22 done under public supervision or paid for wholly or in part out
23 of public funds, done directly by an owner or person who has
24 legal control of those lands.

25 "Construction" means all work on public works involving
26 laborers, workers or mechanics. This includes any maintenance,

1 repair, assembly, or disassembly work performed on equipment
2 whether owned, leased, or rented.

3 "Locality" means the county where the physical work upon
4 public works is performed, except (1) that if there is not
5 available in the county a sufficient number of competent
6 skilled laborers, workers and mechanics to construct the
7 public works efficiently and properly, "locality" includes any
8 other county nearest the one in which the work or construction
9 is to be performed and from which such persons may be obtained
10 in sufficient numbers to perform the work and (2) that, with
11 respect to contracts for highway work with the Department of
12 Transportation of this State, "locality" may at the discretion
13 of the Secretary of the Department of Transportation be
14 construed to include two or more adjacent counties from which
15 workers may be accessible for work on such construction.

16 "Public body" means the State or any officer, board or
17 commission of the State or any political subdivision or
18 department thereof, or any institution supported in whole or
19 in part by public funds, and includes every county, city,
20 town, village, township, school district, irrigation, utility,
21 reclamation improvement or other district and every other
22 political subdivision, district or municipality of the state
23 whether such political subdivision, municipality or district
24 operates under a special charter or not.

25 "Labor organization" means an organization that is the
26 exclusive representative of an employer's employees recognized

1 or certified pursuant to the National Labor Relations Act.

2 The terms "general prevailing rate of hourly wages",
3 "general prevailing rate of wages" or "prevailing rate of
4 wages" when used in this Act mean the hourly cash wages plus
5 annualized fringe benefits for training and apprenticeship
6 programs approved by the U.S. Department of Labor, Bureau of
7 Apprenticeship and Training, health and welfare, insurance,
8 vacations and pensions paid generally, in the locality in
9 which the work is being performed, to employees engaged in
10 work of a similar character on public works.

11 (Source: P.A. 102-9, eff. 1-1-22; 102-444, eff. 8-20-21;
12 102-673, eff. 11-30-21; 102-813, eff. 5-13-22; 102-1094, eff.
13 6-15-22; 103-8, eff. 6-7-23; 103-327, eff. 1-1-24; 103-346,
14 eff. 1-1-24; 103-359, eff. 7-28-23; 103-447, eff. 8-4-23;
15 103-605, eff. 7-1-24.)

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.