



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB2146

Introduced 2/7/2025, by Sen. Bill Cunningham

#### SYNOPSIS AS INTRODUCED:

New Act  
220 ILCS 5/8-406.3 new

Creates the Advancing Federally Regulated Illinois Transmission Projects Act. Provides that the Department of Department of Commerce and Economic Opportunity may identify one or more Projects for potential application of the PJM State Agreement Approach that the Director determines may improve the resilience, reliability, and access to clean energy of the ratepayers of a public utility with more than 3,000,000 customers in this State. Sets forth eligibility criteria for the projects. Sets forth provisions concerning applications. Amends the Public Utilities Act to make conforming changes. Effective immediately.

LRB104 10692 HLH 20771 b

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the  
5 Advancing Federally Regulated Illinois Transmission Projects  
6 Act.

7 Section 5. Legislative findings. The General Assembly  
8 finds that federally regulated interconnection procedures  
9 delay and impair infrastructure necessary for the resilience,  
10 reliability, and clean energy transition envisioned in Public  
11 Act 102-662 (the "Climate and Equitable Jobs Act") and other  
12 Acts. The General Assembly further finds that the State's  
13 leading role in quantum computing, data centers, battery  
14 manufacturing, and other new economic initiatives requires  
15 resilient and reliable electric systems. The General Assembly  
16 further finds that the Department is uniquely situated to  
17 reduce those delays and impairments for specific electricity  
18 transmission infrastructure located partially or wholly within  
19 the Illinois footprint of PJM Interconnection, L.L.C. by  
20 initiating and managing on behalf of the State the State  
21 Agreement Approach for transmission expansion that addresses  
22 Illinois public policy requirements. The General Assembly  
23 finds that the health, welfare, and prosperity of residents of

1 the State is furthered by the Department pursuing the State  
2 Agreement Approach for projects that meet the resilience,  
3 reliability, and clean energy goals of the Climate and  
4 Equitable Jobs Act.

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

6 "Commission" means the Illinois Commerce Commission.

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

9 "Director" means the Director of Commerce and Economic  
10 Opportunity.

11 "FERC" means the Federal Energy Regulatory Commission.

12 "PJM Operating Agreement" means the Amended and Restated  
13 Operating Agreement of PJM Interconnection, L.L.C., as may be  
14 amended from time to time, or its successor.

15 "PJM" means PJM Interconnection, L.L.C., or its successor.

16 "Project" means a proposed or existing electric  
17 transmission line wholly or in part within the Illinois  
18 footprint of PJM.

19 "State Agreement Approach" or "SAA" means the State  
20 Agreement Approach process for the development and allocation  
21 of costs for transmission expansion projects that address  
22 State public policy requirements as described in Section 1.5.9  
23 of Schedule 6 of the PJM Operating Agreement, as may be amended  
24 from time to time, or its successor.

1           Section 15. Initiation. The Department is authorized to  
2 identify one or more Projects for potential application of the  
3 PJM State Agreement Approach that the Director determines may  
4 improve the resilience, reliability, and access to clean  
5 energy of the ratepayers of a public utility with more than  
6 3,000,000 customers in this State. The Director may consider  
7 any information that the Director determines is relevant,  
8 including studies or reports regarding the expected impact of  
9 Projects. Upon identification of such a Project by the  
10 Director, the Department shall enter into an agreement on  
11 behalf of the State with the owner of the Project reflecting  
12 the intent of the State to have the Project participate in the  
13 PJM State Agreement Approach, for cooperation between the  
14 Project and the Department, and for exchange of information  
15 including appropriate protocols for confidential, proprietary,  
16 and critical infrastructure information. The agreement may  
17 provide for reimbursement of reasonable costs incurred by the  
18 Department under the agreement or under Section 20 of this  
19 Act.

20           Prior to entering into an agreement with any other Project  
21 under the terms of this Section, the Department shall enter  
22 into a contract with a Project that meets the following  
23 criteria:

- 24           (1) more than 75 miles of transmission line from the  
25 Project will be built on easements or rights-of-way of  
26 existing infrastructure, including railroad

1 rights-of-way, municipal rights-of-way or highway  
2 rights-of-way within the State;

3 (2) more than 80 miles of transmission line from the  
4 Project will be built underground within the State;

5 (3) the portion of the Project within the State will  
6 meet the definition of a high voltage direct current  
7 transmission facility once built;

8 (4) the Project connects 2 or more regional  
9 transmission organizations; and

10 (5) the Project will transmit electricity at on the  
11 high voltage direct current transmission facility at a  
12 design voltage of 500 kV or greater.

13 Section 20. Applications. Upon execution of the agreement  
14 identified in Section 15 of this Act by the Department and the  
15 owner of the Project, the Department shall inform PJM in a  
16 manner consistent with PJM's Operating Agreement, of the  
17 Department's intention to pursue the SAA for the Project on  
18 behalf of the State. If and only if the Project does not  
19 require the use of eminent domain within the State pursuant to  
20 Section 8-509 of the Public Utilities Act or otherwise under  
21 law, the Department shall explicitly state in such notice that  
22 the Project is not subject to competitive bidding. The notice  
23 to PJM shall include an affirmative statement that the costs  
24 of the Project will be borne by Illinois ratepayers.

25 Following the initial notice and application to PJM, the

1 Department shall make such filings and prepare and provide  
2 such documents and other materials, or assist PJM with such  
3 filings, documents, or information, or participate in such  
4 hearings, meetings, or other communications as may be  
5 necessary or helpful in facilitating PJM's use of the SAA to  
6 allocate the costs of the Project using a FERC-accepted cost  
7 allocation proposed by the Department to recover costs from  
8 customers within the State, including a proposal for  
9 allocating the costs of the Project under PJM's tariffs, as  
10 may be modified from time to time, and entering into  
11 agreements with PJM as appropriate to implement the SAA for  
12 the Project. Such cost allocation proposed by the Department  
13 to PJM for acceptance by FERC shall provide that all costs  
14 related to the Project shall be recovered from customers  
15 located in the State of Illinois and may not include customers  
16 in any other state unless such other state voluntarily agrees  
17 to be responsible for such cost allocation. The Department  
18 shall coordinate with the Project as necessary.

19 Section 25. Department filings. The Department shall make  
20 such filings and prepare and provide such documents and other  
21 materials for FERC and PJM as may be reasonably necessary to  
22 qualify generators utilizing the Project as a capacity  
23 resource with PJM, as defined under PJM's tariffs, as may be  
24 modified from time to time.

1 Section 900. The Public Utilities Act is amended by adding  
2 Section 8-406.3 as follows:

3 (220 ILCS 5/8-406.3 new)

4 Sec. 8-406.3. State Agreement Approach.

5 (a) The General Assembly finds that development and  
6 operation of interregional electric transmission facilities  
7 can substantially improve the resilience and reliability of  
8 the bulk electric system and substantially advance the public  
9 policy goals of this State, including implementation of Public  
10 Act 102-0662 and subparagraphs (B) and (C) of paragraph (1) of  
11 subsection (c) of Section 1-75 of the Illinois Power Agency  
12 Act and Section 16-111.5 of the Public Utilities Act. The  
13 General Assembly further finds that the health, welfare, and  
14 prosperity of all Illinois residents is advanced by  
15 transmission projects that improve resilience, reliability,  
16 and access to clean energy and that the Commission has the  
17 authority to issue a certificate of public convenience and  
18 necessity under Section 8-406 of this Article to such  
19 transmission projects. However, the General Assembly further  
20 finds that in order to advance such transmission projects  
21 through federal approvals not directly regulated by the  
22 Commission or the State, the State can and should utilize  
23 available tools to simplify and streamline federal processes  
24 to obtain federal approval for electric transmission projects  
25 issued a certificate of public convenience and necessity under

1 Section 8-406 of this Act, such as the State Agreement  
2 Approach offered by PJM Interconnection, L.L.C.

3 (b) As used in this Section:

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

6 "PJM" means PJM Interconnection, L.L.C., or its successor.

7 "PJM Operating Agreement" means the Amended and Restated  
8 Operating Agreement of PJM Interconnection, L.L.C. as may be  
9 amended from time to time or its successor.

10 "Project" means a proposed or existing electric  
11 transmission line wholly or in part within the Illinois  
12 footprint of PJM that meets the criteria set forth in Section  
13 15 of the Advancing Federally Regulated Illinois Transmission  
14 Projects Act.

15 "State Agreement Approach" or "SAA" means the State  
16 Agreement Approach process for the development and allocation  
17 of costs for transmission expansion projects that address  
18 State public policy requirements as described in Section 1.5.9  
19 of Schedule 6 of the PJM Operating Agreement as may be amended  
20 from time to time or its successor.

21 (c) For any applicant for a certificate of public  
22 convenience and necessity under Section 8-406 of this Article  
23 seeking permission to construct, own, or operate a Project:

24 (1) The applicant, with its initial submission to the  
25 Commission under subsection (b) of Section 8-406 of this  
26 Article, may include a statement from the Department that

1 the Department has or plans to submit the Project to PJM  
2 for inclusion under the SAA.

3 (2) If the applicant does not hold a certificate of  
4 service authority as a public utility with the Commission,  
5 the Commission shall accept the statement from the  
6 Department as prima facie evidence that the Project is and  
7 will be for public use.

8 (3) In evaluating the requirements of subsection (d)  
9 of Section 8-406, the Commission shall evaluate whether  
10 the Project is a reasonable method of developing,  
11 constructing, and operating an electric transmission  
12 facility with the same technology, attributes, location  
13 and purpose as the Project while ensuring adequate safety,  
14 reliability, and environmental benefit.

15 (4) In the final order granting the certificate of  
16 public convenience and necessity for the Project, the  
17 Commission shall explicitly:

18 (A) state that the Project is intended and  
19 expected to participate in the PJM SAA; and

20 (B) require that, if the Project enters into a  
21 contract to provide services to one or more customers,  
22 revenue from those contracts shall be disclosed to the  
23 Commission annually on a confidential basis and,  
24 consistent with and to the maximum extent allowable by  
25 law, that revenue shall offset costs otherwise  
26 recoverable from Illinois ratepayers.

1           (5) The Commission shall grant a certificate of  
2           service authority for applicant as a public utility and a  
3           certificate of public convenience and necessity as  
4           described in Section 8-406 except that if the applicant  
5           does not seek authority pursuant to Section 8-509 of this  
6           Article:

7                   (A) Subsections (h) and (i) of Section 8-406 do  
8                   not apply;

9                   (B) The Commission shall issue a final order  
10                   approving the application for the certificate of  
11                   service authority and certificate of public  
12                   convenience and necessity not later than 240 days  
13                   following the initial application; and

14                   (C) The Commission's final order shall explicitly  
15                   state that the Project is not intended for competitive  
16                   bidding under the SAA unless the applicant explicitly  
17                   requests competitive bidding in its initial  
18                   application.

19           (d) Project Labor Agreement. Notwithstanding any other  
20           provision of law, the Commission shall make an explicit  
21           condition of any certificate of public convenience and  
22           necessity that any general contractor constructing any portion  
23           of the Project within the State must enter into one or more  
24           project labor agreements, as such term is defined in Section  
25           1-10 of the Illinois Power Agency Act.

26           Section 999. Effective date. This Act takes effect upon

1 becoming law.