



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4028

Introduced 2/6/2026, by Sen. Donald P. DeWitte

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-108

Amends the Public Utilities Act. In provisions concerning the recovery of costs associated with the provision of delivery and other services, provide that the Illinois Commerce Commission shall, within 180 days after the effective date of the amendatory Act, initiate and complete a rulemaking proceeding to revise 83 Ill. Adm. Code 466 and 83 Ill. Adm. Code 467 to address barriers to timely and cost-effective interconnections for distributed generation facilities with a nameplate capacity of at least 40 kilowatts but no greater than 2 megawatts, including stand-alone solar photovoltaic systems, battery energy storage, hybrid gas-electric systems, and renewable natural gas integrations. Requires the revisions to include certain factors. Provides that the Commission shall coordinate the revisions with a Future of Gas proceeding pursuant to the final Order of the Commission in Docket No. 24-0158 to ensure compatibility with gas decarbonization pathways and to prioritize market-driven distributed resources that enhance reliability and affordability. Provides that the revised rules shall take effect no later than July 1, 2026. Effective immediately.

LRB104 19039 AAS 32484 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 5. The Public Utilities Act is amended by changing
5 Section 16-108 as follows:

6 (220 ILCS 5/16-108)

7 (Text of Section before amendment by P.A. 104-458)

8 Sec. 16-108. Recovery of costs associated with the
9 provision of delivery and other services.

10 (a) An electric utility shall file a delivery services
11 tariff with the Commission at least 210 days prior to the date
12 that it is required to begin offering such services pursuant
13 to this Act. An electric utility shall provide the components
14 of delivery services that are subject to the jurisdiction of
15 the Federal Energy Regulatory Commission at the same prices,
16 terms and conditions set forth in its applicable tariff as
17 approved or allowed into effect by that Commission. The
18 Commission shall otherwise have the authority pursuant to
19 Article IX to review, approve, and modify the prices, terms
20 and conditions of those components of delivery services not
21 subject to the jurisdiction of the Federal Energy Regulatory
22 Commission, including the authority to determine the extent to
23 which such delivery services should be offered on an unbundled

1 basis. In making any such determination the Commission shall
2 consider, at a minimum, the effect of additional unbundling on
3 (i) the objective of just and reasonable rates, (ii) electric
4 utility employees, and (iii) the development of competitive
5 markets for electric energy services in Illinois.

6 (b) The Commission shall enter an order approving, or
7 approving as modified, the delivery services tariff no later
8 than 30 days prior to the date on which the electric utility
9 must commence offering such services. The Commission may
10 subsequently modify such tariff pursuant to this Act.

11 (c) The electric utility's tariffs shall define the
12 classes of its customers for purposes of delivery services
13 charges. Delivery services shall be priced and made available
14 to all retail customers electing delivery services in each
15 such class on a nondiscriminatory basis regardless of whether
16 the retail customer chooses the electric utility, an affiliate
17 of the electric utility, or another entity as its supplier of
18 electric power and energy. Charges for delivery services shall
19 be cost based, and shall allow the electric utility to recover
20 the costs of providing delivery services through its charges
21 to its delivery service customers that use the facilities and
22 services associated with such costs. Such costs shall include
23 the costs of owning, operating and maintaining transmission
24 and distribution facilities. The Commission shall also be
25 authorized to consider whether, and if so to what extent, the
26 following costs are appropriately included in the electric

1 utility's delivery services rates: (i) the costs of that
2 portion of generation facilities used for the production and
3 absorption of reactive power in order that retail customers
4 located in the electric utility's service area can receive
5 electric power and energy from suppliers other than the
6 electric utility, and (ii) the costs associated with the use
7 and redispatch of generation facilities to mitigate
8 constraints on the transmission or distribution system in
9 order that retail customers located in the electric utility's
10 service area can receive electric power and energy from
11 suppliers other than the electric utility. Nothing in this
12 subsection shall be construed as directing the Commission to
13 allocate any of the costs described in (i) or (ii) that are
14 found to be appropriately included in the electric utility's
15 delivery services rates to any particular customer group or
16 geographic area in setting delivery services rates.

17 (d) The Commission shall establish charges, terms and
18 conditions for delivery services that are just and reasonable
19 and shall take into account customer impacts when establishing
20 such charges. In establishing charges, terms and conditions
21 for delivery services, the Commission shall take into account
22 voltage level differences. A retail customer shall have the
23 option to request to purchase electric service at any delivery
24 service voltage reasonably and technically feasible from the
25 electric facilities serving that customer's premises provided
26 that there are no significant adverse impacts upon system

1 reliability or system efficiency. A retail customer shall also
2 have the option to request to purchase electric service at any
3 point of delivery that is reasonably and technically feasible
4 provided that there are no significant adverse impacts on
5 system reliability or efficiency. Such requests shall not be
6 unreasonably denied.

7 (e) Electric utilities shall recover the costs of
8 installing, operating or maintaining facilities for the
9 particular benefit of one or more delivery services customers,
10 including without limitation any costs incurred in complying
11 with a customer's request to be served at a different voltage
12 level, directly from the retail customer or customers for
13 whose benefit the costs were incurred, to the extent such
14 costs are not recovered through the charges referred to in
15 subsections (c) and (d) of this Section.

16 (f) An electric utility shall be entitled but not required
17 to implement transition charges in conjunction with the
18 offering of delivery services pursuant to Section 16-104. If
19 an electric utility implements transition charges, it shall
20 implement such charges for all delivery services customers and
21 for all customers described in subsection (h), but shall not
22 implement transition charges for power and energy that a
23 retail customer takes from cogeneration or self-generation
24 facilities located on that retail customer's premises, if such
25 facilities meet the following criteria:

26 (i) the cogeneration or self-generation facilities

1 serve a single retail customer and are located on that
2 retail customer's premises (for purposes of this
3 subparagraph and subparagraph (ii), an industrial or
4 manufacturing retail customer and a third party contractor
5 that is served by such industrial or manufacturing
6 customer through such retail customer's own electrical
7 distribution facilities under the circumstances described
8 in subsection (vi) of the definition of "alternative
9 retail electric supplier" set forth in Section 16-102,
10 shall be considered a single retail customer);

11 (ii) the cogeneration or self-generation facilities
12 either (A) are sized pursuant to generally accepted
13 engineering standards for the retail customer's electrical
14 load at that premises (taking into account standby or
15 other reliability considerations related to that retail
16 customer's operations at that site) or (B) if the facility
17 is a cogeneration facility located on the retail
18 customer's premises, the retail customer is the thermal
19 host for that facility and the facility has been designed
20 to meet that retail customer's thermal energy requirements
21 resulting in electrical output beyond that retail
22 customer's electrical demand at that premises, comply with
23 the operating and efficiency standards applicable to
24 "qualifying facilities" specified in title 18 Code of
25 Federal Regulations Section 292.205 as in effect on the
26 effective date of this amendatory Act of 1999;

1 (iii) the retail customer on whose premises the
2 facilities are located either has an exclusive right to
3 receive, and corresponding obligation to pay for, all of
4 the electrical capacity of the facility, or in the case of
5 a cogeneration facility that has been designed to meet the
6 retail customer's thermal energy requirements at that
7 premises, an identified amount of the electrical capacity
8 of the facility, over a minimum 5-year period; and

9 (iv) if the cogeneration facility is sized for the
10 retail customer's thermal load at that premises but
11 exceeds the electrical load, any sales of excess power or
12 energy are made only at wholesale, are subject to the
13 jurisdiction of the Federal Energy Regulatory Commission,
14 and are not for the purpose of circumventing the
15 provisions of this subsection (f).

16 If a generation facility located at a retail customer's
17 premises does not meet the above criteria, an electric utility
18 implementing transition charges shall implement a transition
19 charge until December 31, 2006 for any power and energy taken
20 by such retail customer from such facility as if such power and
21 energy had been delivered by the electric utility. Provided,
22 however, that an industrial retail customer that is taking
23 power from a generation facility that does not meet the above
24 criteria but that is located on such customer's premises will
25 not be subject to a transition charge for the power and energy
26 taken by such retail customer from such generation facility if

1 the facility does not serve any other retail customer and
2 either was installed on behalf of the customer and for its own
3 use prior to January 1, 1997, or is both predominantly fueled
4 by byproducts of such customer's manufacturing process at such
5 premises and sells or offers an average of 300 megawatts or
6 more of electricity produced from such generation facility
7 into the wholesale market. Such charges shall be calculated as
8 provided in Section 16-102, and shall be collected on each
9 kilowatt-hour delivered under a delivery services tariff to a
10 retail customer from the date the customer first takes
11 delivery services until December 31, 2006 except as provided
12 in subsection (h) of this Section. Provided, however, that an
13 electric utility, other than an electric utility providing
14 service to at least 1,000,000 customers in this State on
15 January 1, 1999, shall be entitled to petition for entry of an
16 order by the Commission authorizing the electric utility to
17 implement transition charges for an additional period ending
18 no later than December 31, 2008. The electric utility shall
19 file its petition with supporting evidence no earlier than 16
20 months, and no later than 12 months, prior to December 31,
21 2006. The Commission shall hold a hearing on the electric
22 utility's petition and shall enter its order no later than 8
23 months after the petition is filed. The Commission shall
24 determine whether and to what extent the electric utility
25 shall be authorized to implement transition charges for an
26 additional period. The Commission may authorize the electric

1 utility to implement transition charges for some or all of the
2 additional period, and shall determine the mitigation factors
3 to be used in implementing such transition charges; provided,
4 that the Commission shall not authorize mitigation factors
5 less than 110% of those in effect during the 12 months ended
6 December 31, 2006. In making its determination, the Commission
7 shall consider the following factors: the necessity to
8 implement transition charges for an additional period in order
9 to maintain the financial integrity of the electric utility;
10 the prudence of the electric utility's actions in reducing its
11 costs since the effective date of this amendatory Act of 1997;
12 the ability of the electric utility to provide safe, adequate
13 and reliable service to retail customers in its service area;
14 and the impact on competition of allowing the electric utility
15 to implement transition charges for the additional period.

16 (g) The electric utility shall file tariffs that establish
17 the transition charges to be paid by each class of customers to
18 the electric utility in conjunction with the provision of
19 delivery services. The electric utility's tariffs shall define
20 the classes of its customers for purposes of calculating
21 transition charges. The electric utility's tariffs shall
22 provide for the calculation of transition charges on a
23 customer-specific basis for any retail customer whose average
24 monthly maximum electrical demand on the electric utility's
25 system during the 6 months with the customer's highest monthly
26 maximum electrical demands equals or exceeds 3.0 megawatts for

1 electric utilities having more than 1,000,000 customers, and
2 for other electric utilities for any customer that has an
3 average monthly maximum electrical demand on the electric
4 utility's system of one megawatt or more, and (A) for which
5 there exists data on the customer's usage during the 3 years
6 preceding the date that the customer became eligible to take
7 delivery services, or (B) for which there does not exist data
8 on the customer's usage during the 3 years preceding the date
9 that the customer became eligible to take delivery services,
10 if in the electric utility's reasonable judgment there exists
11 comparable usage information or a sufficient basis to develop
12 such information, and further provided that the electric
13 utility can require customers for which an individual
14 calculation is made to sign contracts that set forth the
15 transition charges to be paid by the customer to the electric
16 utility pursuant to the tariff.

17 (h) An electric utility shall also be entitled to file
18 tariffs that allow it to collect transition charges from
19 retail customers in the electric utility's service area that
20 do not take delivery services but that take electric power or
21 energy from an alternative retail electric supplier or from an
22 electric utility other than the electric utility in whose
23 service area the customer is located. Such charges shall be
24 calculated, in accordance with the definition of transition
25 charges in Section 16-102, for the period of time that the
26 customer would be obligated to pay transition charges if it

1 were taking delivery services, except that no deduction for
2 delivery services revenues shall be made in such calculation,
3 and usage data from the customer's class shall be used where
4 historical usage data is not available for the individual
5 customer. The customer shall be obligated to pay such charges
6 on a lump sum basis on or before the date on which the customer
7 commences to take service from the alternative retail electric
8 supplier or other electric utility, provided, that the
9 electric utility in whose service area the customer is located
10 shall offer the customer the option of signing a contract
11 pursuant to which the customer pays such charges ratably over
12 the period in which the charges would otherwise have applied.

13 (i) An electric utility shall be entitled to add to the
14 bills of delivery services customers charges pursuant to
15 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
16 and Section 16-114 of this Act, Section 5-5 of the Electricity
17 Infrastructure Maintenance Fee Law, Section 6-5 of the
18 Renewable Energy, Energy Efficiency, and Coal Resources
19 Development Law of 1997, and Section 13 of the Energy
20 Assistance Act.

21 (i-5) An electric utility required to impose the Coal to
22 Solar and Energy Storage Initiative Charge provided for in
23 subsection (c-5) of Section 1-75 of the Illinois Power Agency
24 Act shall add such charge to the bills of its delivery services
25 customers pursuant to the terms of a tariff conforming to the
26 requirements of subsection (c-5) of Section 1-75 of the

1 Illinois Power Agency Act and this subsection (i-5) and filed
2 with and approved by the Commission. The electric utility
3 shall file its proposed tariff with the Commission on or
4 before July 1, 2022 to be effective, after review and approval
5 or modification by the Commission, beginning January 1, 2023.
6 On or before December 1, 2022, the Commission shall review the
7 electric utility's proposed tariff, including by conducting a
8 docketed proceeding if deemed necessary by the Commission, and
9 shall approve the proposed tariff or direct the electric
10 utility to make modifications the Commission finds necessary
11 for the tariff to conform to the requirements of subsection
12 (c-5) of Section 1-75 of the Illinois Power Agency Act and this
13 subsection (i-5). The electric utility's tariff shall provide
14 for imposition of the Coal to Solar and Energy Storage
15 Initiative Charge on a per-kilowatthour basis to all
16 kilowatthours delivered by the electric utility to its
17 delivery services customers. The tariff shall provide for the
18 calculation of the Coal to Solar and Energy Storage Initiative
19 Charge to be in effect for the year beginning January 1, 2023
20 and each year beginning January 1 thereafter, sufficient to
21 collect the electric utility's estimated payment obligations
22 for the delivery year beginning the following June 1 under
23 contracts for purchase of renewable energy credits entered
24 into pursuant to subsection (c-5) of Section 1-75 of the
25 Illinois Power Agency Act and the obligations of the
26 Department of Commerce and Economic Opportunity, or any

1 successor department or agency, which for purposes of this
2 subsection (i-5) shall be referred to as the Department, to
3 make grant payments during such delivery year from the Coal to
4 Solar and Energy Storage Initiative Fund pursuant to grant
5 contracts entered into pursuant to subsection (c-5) of Section
6 1-75 of the Illinois Power Agency Act, and using the electric
7 utility's kilowatthour deliveries to its delivery services
8 customers during the delivery year ended May 31 of the
9 preceding calendar year. On or before November 1 of each year
10 beginning November 1, 2022, the Department shall notify the
11 electric utilities of the amount of the Department's estimated
12 obligations for grant payments during the delivery year
13 beginning the following June 1 pursuant to grant contracts
14 entered into pursuant to subsection (c-5) of Section 1-75 of
15 the Illinois Power Agency Act; and each electric utility shall
16 incorporate in the calculation of its Coal to Solar and Energy
17 Storage Initiative Charge the fractional portion of the
18 Department's estimated obligations equal to the electric
19 utility's kilowatthour deliveries to its delivery services
20 customers in the delivery year ended the preceding May 31
21 divided by the aggregate deliveries of both electric utilities
22 to delivery services customers in such delivery year. The
23 electric utility shall remit on a monthly basis to the State
24 Treasurer, for deposit in the Coal to Solar and Energy Storage
25 Initiative Fund provided for in subsection (c-5) of Section
26 1-75 of the Illinois Power Agency Act, the electric utility's

1 collections of the Coal to Solar and Energy Storage Initiative
2 Charge estimated to be needed by the Department for grant
3 payments pursuant to grant contracts entered into pursuant to
4 subsection (c-5) of Section 1-75 of the Illinois Power Agency
5 Act. The initial charge under the electric utility's tariff
6 shall be effective for kilowatthours delivered beginning
7 January 1, 2023, and thereafter shall be revised to be
8 effective January 1, 2024 and each January 1 thereafter, based
9 on the payment obligations for the delivery year beginning the
10 following June 1. The tariff shall provide for the electric
11 utility to make an annual filing with the Commission on or
12 before November 15 of each year, beginning in 2023, setting
13 forth the Coal to Solar and Energy Storage Initiative Charge
14 to be in effect for the year beginning the following January 1.
15 The electric utility's tariff shall also provide that the
16 electric utility shall make a filing with the Commission on or
17 before August 1 of each year beginning in 2024 setting forth a
18 reconciliation, for the delivery year ended the preceding May
19 31, of the electric utility's collections of the Coal to Solar
20 and Energy Storage Initiative Charge against actual payments
21 for renewable energy credits pursuant to contracts entered
22 into, and the actual grant payments by the Department pursuant
23 to grant contracts entered into, pursuant to subsection (c-5)
24 of Section 1-75 of the Illinois Power Agency Act. The tariff
25 shall provide that any excess or shortfall of collections to
26 payments shall be deducted from or added to, on a

1 per-kilowatthour basis, the Coal to Solar and Energy Storage
2 Initiative Charge, over the 6-month period beginning October 1
3 of that calendar year.

4 (j) If a retail customer that obtains electric power and
5 energy from cogeneration or self-generation facilities
6 installed for its own use on or before January 1, 1997,
7 subsequently takes service from an alternative retail electric
8 supplier or an electric utility other than the electric
9 utility in whose service area the customer is located for any
10 portion of the customer's electric power and energy
11 requirements formerly obtained from those facilities
12 (including that amount purchased from the utility in lieu of
13 such generation and not as standby power purchases, under a
14 cogeneration displacement tariff in effect as of the effective
15 date of this amendatory Act of 1997), the transition charges
16 otherwise applicable pursuant to subsections (f), (g), or (h)
17 of this Section shall not be applicable in any year to that
18 portion of the customer's electric power and energy
19 requirements formerly obtained from those facilities,
20 provided, that for purposes of this subsection (j), such
21 portion shall not exceed the average number of kilowatt-hours
22 per year obtained from the cogeneration or self-generation
23 facilities during the 3 years prior to the date on which the
24 customer became eligible for delivery services, except as
25 provided in subsection (f) of Section 16-110.

26 (k) The electric utility shall be entitled to recover

1 through tariffed charges all of the costs associated with the
2 purchase of zero emission credits from zero emission
3 facilities to meet the requirements of subsection (d-5) of
4 Section 1-75 of the Illinois Power Agency Act and all of the
5 costs associated with the purchase of carbon mitigation
6 credits from carbon-free energy resources to meet the
7 requirements of subsection (d-10) of Section 1-75 of the
8 Illinois Power Agency Act. Such costs shall include the costs
9 of procuring the zero emission credits and carbon mitigation
10 credits from carbon-free energy resources, as well as the
11 reasonable costs that the utility incurs as part of the
12 procurement processes and to implement and comply with plans
13 and processes approved by the Commission under subsections
14 (d-5) and (d-10). The costs shall be allocated across all
15 retail customers through a single, uniform cents per
16 kilowatt-hour charge applicable to all retail customers, which
17 shall appear as a separate line item on each customer's bill.
18 Beginning June 1, 2017, the electric utility shall be entitled
19 to recover through tariffed charges all of the costs
20 associated with the purchase of renewable energy resources to
21 meet the renewable energy resource standards of subsection (c)
22 of Section 1-75 of the Illinois Power Agency Act, under
23 procurement plans as approved in accordance with that Section
24 and Section 16-111.5 of this Act. Such costs shall include the
25 costs of procuring the renewable energy resources, as well as
26 the reasonable costs that the utility incurs as part of the

1 procurement processes and to implement and comply with plans
2 and processes approved by the Commission under such Sections.
3 The costs associated with the purchase of renewable energy
4 resources shall be allocated across all retail customers in
5 proportion to the amount of renewable energy resources the
6 utility procures for such customers through a single, uniform
7 cents per kilowatt-hour charge applicable to such retail
8 customers, which shall appear as a separate line item on each
9 such customer's bill. The credits, costs, and penalties
10 associated with the self-direct renewable portfolio standard
11 compliance program described in subparagraph (R) of paragraph
12 (1) of subsection (c) of Section 1-75 of the Illinois Power
13 Agency Act shall be allocated to approved eligible self-direct
14 customers by the utility in a cents per kilowatt-hour credit,
15 cost, or penalty, which shall appear as a separate line item on
16 each such customer's bill.

17 Notwithstanding whether the Commission has approved the
18 initial long-term renewable resources procurement plan as of
19 June 1, 2017, an electric utility shall place new tariffed
20 charges into effect beginning with the June 2017 monthly
21 billing period, to the extent practicable, to begin recovering
22 the costs of procuring renewable energy resources, as those
23 charges are calculated under the limitations described in
24 subparagraph (E) of paragraph (1) of subsection (c) of Section
25 1-75 of the Illinois Power Agency Act. Notwithstanding the
26 date on which the utility places such new tariffed charges

1 into effect, the utility shall be permitted to collect the
2 charges under such tariff as if the tariff had been in effect
3 beginning with the first day of the June 2017 monthly billing
4 period. For the delivery years commencing June 1, 2017, June
5 1, 2018, June 1, 2019, and each delivery year thereafter, the
6 electric utility shall deposit into a separate interest
7 bearing account of a financial institution the monies
8 collected under the tariffed charges. Money collected from
9 customers for the procurement of renewable energy resources in
10 a given delivery year may be spent by the utility for the
11 procurement of renewable resources over any of the following 5
12 delivery years, after which unspent money shall be credited
13 back to retail customers. The electric utility shall spend all
14 money collected in earlier delivery years that has not yet
15 been returned to customers, first, before spending money
16 collected in later delivery years. Any interest earned shall
17 be credited back to retail customers under the reconciliation
18 proceeding provided for in this subsection (k), provided that
19 the electric utility shall first be reimbursed from the
20 interest for the administrative costs that it incurs to
21 administer and manage the account. Any taxes due on the funds
22 in the account, or interest earned on it, will be paid from the
23 account or, if insufficient monies are available in the
24 account, from the monies collected under the tariffed charges
25 to recover the costs of procuring renewable energy resources.
26 Monies deposited in the account shall be subject to the

1 review, reconciliation, and true-up process described in this
2 subsection (k) that is applicable to the funds collected and
3 costs incurred for the procurement of renewable energy
4 resources.

5 The electric utility shall be entitled to recover all of
6 the costs identified in this subsection (k) through automatic
7 adjustment clause tariffs applicable to all of the utility's
8 retail customers that allow the electric utility to adjust its
9 tariffed charges consistent with this subsection (k). The
10 determination as to whether any excess funds were collected
11 during a given delivery year for the purchase of renewable
12 energy resources, and the crediting of any excess funds back
13 to retail customers, shall not be made until after the close of
14 the delivery year, which will ensure that the maximum amount
15 of funds is available to implement the approved long-term
16 renewable resources procurement plan during a given delivery
17 year. The amount of excess funds eligible to be credited back
18 to retail customers shall be reduced by an amount equal to the
19 payment obligations required by any contracts entered into by
20 an electric utility under contracts described in subsection
21 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
22 Illinois Power Agency Act, even if such payments have not yet
23 been made and regardless of the delivery year in which those
24 payment obligations were incurred. Notwithstanding anything to
25 the contrary, including in tariffs authorized by this
26 subsection (k) in effect before the effective date of this

1 amendatory Act of the 102nd General Assembly, all unspent
2 funds as of May 31, 2021, excluding any funds credited to
3 customers during any utility billing cycle that commences
4 prior to the effective date of this amendatory Act of the 102nd
5 General Assembly, shall remain in the utility account and
6 shall on a first in, first out basis be used toward utility
7 payment obligations under contracts described in subsection
8 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
9 Illinois Power Agency Act. The electric utility's collections
10 under such automatic adjustment clause tariffs to recover the
11 costs of renewable energy resources, zero emission credits
12 from zero emission facilities, and carbon mitigation credits
13 from carbon-free energy resources shall be subject to separate
14 annual review, reconciliation, and true-up against actual
15 costs by the Commission under a procedure that shall be
16 specified in the electric utility's automatic adjustment
17 clause tariffs and that shall be approved by the Commission in
18 connection with its approval of such tariffs. The procedure
19 shall provide that any difference between the electric
20 utility's collections for zero emission credits and carbon
21 mitigation credits under the automatic adjustment charges for
22 an annual period and the electric utility's actual costs of
23 zero emission credits from zero emission facilities and carbon
24 mitigation credits from carbon-free energy resources for that
25 same annual period shall be refunded to or collected from, as
26 applicable, the electric utility's retail customers in

1 subsequent periods.

2 Nothing in this subsection (k) is intended to affect,
3 limit, or change the right of the electric utility to recover
4 the costs associated with the procurement of renewable energy
5 resources for periods commencing before, on, or after June 1,
6 2017, as otherwise provided in the Illinois Power Agency Act.

7 The funding available under this subsection (k), if any,
8 for the programs described under subsection (b) of Section
9 1-56 of the Illinois Power Agency Act shall not reduce the
10 amount of funding for the programs described in subparagraph
11 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
12 Illinois Power Agency Act. If funding is available under this
13 subsection (k) for programs described under subsection (b) of
14 Section 1-56 of the Illinois Power Agency Act, then the
15 long-term renewable resources plan shall provide for the
16 Agency to procure contracts in an amount that does not exceed
17 the funding, and the contracts approved by the Commission
18 shall be executed by the applicable utility or utilities.

19 (1) A utility that has terminated any contract executed
20 under subsection (d-5) or (d-10) of Section 1-75 of the
21 Illinois Power Agency Act shall be entitled to recover any
22 remaining balance associated with the purchase of zero
23 emission credits prior to such termination, and such utility
24 shall also apply a credit to its retail customer bills in the
25 event of any over-collection.

26 (m)(1) An electric utility that recovers its costs of

1 procuring zero emission credits from zero emission facilities
2 through a cents-per-kilowatthour charge under subsection (k)
3 of this Section shall be subject to the requirements of this
4 subsection (m). Notwithstanding anything to the contrary, such
5 electric utility shall, beginning on April 30, 2018, and each
6 April 30 thereafter until April 30, 2026, calculate whether
7 any reduction must be applied to such cents-per-kilowatthour
8 charge that is paid by retail customers of the electric
9 utility that have opted out of subsections (a) through (j) of
10 Section 8-103B of this Act under subsection (l) of Section
11 8-103B. Such charge shall be reduced for such customers for
12 the next delivery year commencing on June 1 based on the amount
13 necessary, if any, to limit the annual estimated average net
14 increase for the prior calendar year due to the future energy
15 investment costs to no more than 1.3% of 5.98 cents per
16 kilowatt-hour, which is the average amount paid per
17 kilowatthour for electric service during the year ending
18 December 31, 2015 by Illinois industrial retail customers, as
19 reported to the Edison Electric Institute.

20 The calculations required by this subsection (m) shall be
21 made only once for each year, and no subsequent rate impact
22 determinations shall be made.

23 (2) For purposes of this Section, "future energy
24 investment costs" shall be calculated by subtracting the
25 cents-per-kilowatthour charge identified in subparagraph (A)
26 of this paragraph (2) from the sum of the

1 cents-per-kilowatthour charges identified in subparagraph (B)
2 of this paragraph (2):

3 (A) The cents-per-kilowatthour charge identified in
4 the electric utility's tariff placed into effect under
5 Section 8-103 of the Public Utilities Act that, on
6 December 1, 2016, was applicable to those retail customers
7 that have opted out of subsections (a) through (j) of
8 Section 8-103B of this Act under subsection (l) of Section
9 8-103B.

10 (B) The sum of the following cents-per-kilowatthour
11 charges applicable to those retail customers that have
12 opted out of subsections (a) through (j) of Section 8-103B
13 of this Act under subsection (l) of Section 8-103B,
14 provided that if one or more of the following charges has
15 been in effect and applied to such customers for more than
16 one calendar year, then each charge shall be equal to the
17 average of the charges applied over a period that
18 commences with the calendar year ending December 31, 2017
19 and ends with the most recently completed calendar year
20 prior to the calculation required by this subsection (m):

21 (i) the cents-per-kilowatthour charge to recover
22 the costs incurred by the utility under subsection
23 (d-5) of Section 1-75 of the Illinois Power Agency
24 Act, adjusted for any reductions required under this
25 subsection (m); and

26 (ii) the cents-per-kilowatthour charge to recover

1 the costs incurred by the utility under Section
2 16-107.6 of the Public Utilities Act.

3 If no charge was applied for a given calendar year
4 under item (i) or (ii) of this subparagraph (B), then the
5 value of the charge for that year shall be zero.

6 (3) If a reduction is required by the calculation
7 performed under this subsection (m), then the amount of the
8 reduction shall be multiplied by the number of years reflected
9 in the averages calculated under subparagraph (B) of paragraph
10 (2) of this subsection (m). Such reduction shall be applied to
11 the cents-per-kilowatthour charge that is applicable to those
12 retail customers that have opted out of subsections (a)
13 through (j) of Section 8-103B of this Act under subsection (l)
14 of Section 8-103B beginning with the next delivery year
15 commencing after the date of the calculation required by this
16 subsection (m).

17 (4) The electric utility shall file a notice with the
18 Commission on May 1 of 2018 and each May 1 thereafter until May
19 1, 2026 containing the reduction, if any, which must be
20 applied for the delivery year which begins in the year of the
21 filing. The notice shall contain the calculations made
22 pursuant to this Section. By October 1 of each year beginning
23 in 2018, each electric utility shall notify the Commission if
24 it appears, based on an estimate of the calculation required
25 in this subsection (m), that a reduction will be required in
26 the next year.

1 (n) (1) The Commission shall, within 180 days after the
2 effective date of this amendatory Act of the 104th General
3 Assembly, initiate and complete a rulemaking proceeding to
4 revise 83 Ill. Adm. Code 466 and 83 Ill. Adm. Code 467 to
5 address barriers to timely and cost-effective interconnections
6 for distributed generation facilities with a nameplate
7 capacity of at least 40 kilowatts but no greater than 2
8 megawatts, including stand-alone solar photovoltaic systems,
9 battery energy storage, hybrid gas-electric systems, and
10 renewable natural gas integrations. The revisions shall
11 include:

12 (A) capping interconnection study costs at 150% of the
13 initial feasibility estimate or \$50,000 per study,
14 whichever is lesser, requiring electric distribution
15 companies to justify estimates in advance, and prohibiting
16 overhead markups on labor or materials;

17 (B) permitting applicants to self-supply
18 interconnection studies or self-build system upgrades if
19 an electric distribution company cannot complete them
20 within 90 days or at capped costs, as long as such studies
21 and upgrades meet the technical standards for electric
22 distribution companies and are subject to Commission
23 review for compliance;

24 (C) enhancing transparency by requiring electric
25 distribution companies to provide anonymized queue data,
26 model assumptions, and progress reports under

1 confidentiality agreements, while maintaining system
2 security;

3 (D) updating definitions to explicitly include
4 stand-alone solar photovoltaic systems, battery energy
5 storage, and hybrid gas-electric systems as distributed
6 generation facilities and clarifying that lower-voltage
7 facilities that qualify as transmission facilities under
8 FERC Order 888 shall be treated as transmission
9 facilities;

10 (E) mandating that all interconnection agreements be
11 filed with the Commission within 30 days after the
12 execution of the agreement, with provisions allowing
13 applicants to file unexecuted agreements in initiating a
14 rate case proceeding; and

15 (F) adding a pro forma attachment affirming that
16 interconnecting facilities, including storage, comply with
17 the requirements for non-taxable status under 26 U.S.C.
18 45.

19 (2) The Commission shall coordinate the revisions under
20 this subsection (n) with a Future of Gas proceeding pursuant
21 to the final Order of the Commission in Docket No. 24-0158 to
22 ensure compatibility with gas decarbonization pathways and to
23 prioritize market-driven distributed resources that enhance
24 reliability and affordability. The revised rules shall take
25 effect no later than July 1, 2026.

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

1 (Text of Section after amendment by P.A. 104-458)

2 Sec. 16-108. Recovery of costs associated with the
3 provision of delivery and other services.

4 (a) An electric utility shall file a delivery services
5 tariff with the Commission at least 210 days prior to the date
6 that it is required to begin offering such services pursuant
7 to this Act. An electric utility shall provide the components
8 of delivery services that are subject to the jurisdiction of
9 the Federal Energy Regulatory Commission at the same prices,
10 terms and conditions set forth in its applicable tariff as
11 approved or allowed into effect by that Commission. The
12 Commission shall otherwise have the authority pursuant to
13 Article IX to review, approve, and modify the prices, terms
14 and conditions of those components of delivery services not
15 subject to the jurisdiction of the Federal Energy Regulatory
16 Commission, including the authority to determine the extent to
17 which such delivery services should be offered on an unbundled
18 basis. In making any such determination the Commission shall
19 consider, at a minimum, the effect of additional unbundling on
20 (i) the objective of just and reasonable rates, (ii) electric
21 utility employees, and (iii) the development of competitive
22 markets for electric energy services in Illinois.

23 (b) The Commission shall enter an order approving, or
24 approving as modified, the delivery services tariff no later
25 than 30 days prior to the date on which the electric utility

1 must commence offering such services. The Commission may
2 subsequently modify such tariff pursuant to this Act.

3 (c) The electric utility's tariffs shall define the
4 classes of its customers for purposes of delivery services
5 charges. Delivery services shall be priced and made available
6 to all retail customers electing delivery services in each
7 such class on a nondiscriminatory basis regardless of whether
8 the retail customer chooses the electric utility, an affiliate
9 of the electric utility, or another entity as its supplier of
10 electric power and energy. Charges for delivery services shall
11 be cost based, and shall allow the electric utility to recover
12 the costs of providing delivery services through its charges
13 to its delivery service customers that use the facilities and
14 services associated with such costs. Such costs shall include
15 the costs of owning, operating and maintaining transmission
16 and distribution facilities. The Commission shall also be
17 authorized to consider whether, and if so to what extent, the
18 following costs are appropriately included in the electric
19 utility's delivery services rates: (i) the costs of that
20 portion of generation facilities used for the production and
21 absorption of reactive power in order that retail customers
22 located in the electric utility's service area can receive
23 electric power and energy from suppliers other than the
24 electric utility, and (ii) the costs associated with the use
25 and redispatch of generation facilities to mitigate
26 constraints on the transmission or distribution system in

1 order that retail customers located in the electric utility's
2 service area can receive electric power and energy from
3 suppliers other than the electric utility. Nothing in this
4 subsection shall be construed as directing the Commission to
5 allocate any of the costs described in (i) or (ii) that are
6 found to be appropriately included in the electric utility's
7 delivery services rates to any particular customer group or
8 geographic area in setting delivery services rates.

9 (d) The Commission shall establish charges, terms and
10 conditions for delivery services that are just and reasonable
11 and shall take into account customer impacts when establishing
12 such charges. In establishing charges, terms and conditions
13 for delivery services, the Commission shall take into account
14 voltage level differences. A retail customer shall have the
15 option to request to purchase electric service at any delivery
16 service voltage reasonably and technically feasible from the
17 electric facilities serving that customer's premises provided
18 that there are no significant adverse impacts upon system
19 reliability or system efficiency. A retail customer shall also
20 have the option to request to purchase electric service at any
21 point of delivery that is reasonably and technically feasible
22 provided that there are no significant adverse impacts on
23 system reliability or efficiency. Such requests shall not be
24 unreasonably denied.

25 (e) Electric utilities shall recover the costs of
26 installing, operating or maintaining facilities for the

1 particular benefit of one or more delivery services customers,
2 including without limitation any costs incurred in complying
3 with a customer's request to be served at a different voltage
4 level, directly from the retail customer or customers for
5 whose benefit the costs were incurred, to the extent such
6 costs are not recovered through the charges referred to in
7 subsections (c) and (d) of this Section.

8 (f) An electric utility shall be entitled but not required
9 to implement transition charges in conjunction with the
10 offering of delivery services pursuant to Section 16-104. If
11 an electric utility implements transition charges, it shall
12 implement such charges for all delivery services customers and
13 for all customers described in subsection (h), but shall not
14 implement transition charges for power and energy that a
15 retail customer takes from cogeneration or self-generation
16 facilities located on that retail customer's premises, if such
17 facilities meet the following criteria:

18 (i) the cogeneration or self-generation facilities
19 serve a single retail customer and are located on that
20 retail customer's premises (for purposes of this
21 subparagraph and subparagraph (ii), an industrial or
22 manufacturing retail customer and a third party contractor
23 that is served by such industrial or manufacturing
24 customer through such retail customer's own electrical
25 distribution facilities under the circumstances described
26 in subsection (vi) of the definition of "alternative

1 retail electric supplier" set forth in Section 16-102,
2 shall be considered a single retail customer);

3 (ii) the cogeneration or self-generation facilities
4 either (A) are sized pursuant to generally accepted
5 engineering standards for the retail customer's electrical
6 load at that premises (taking into account standby or
7 other reliability considerations related to that retail
8 customer's operations at that site) or (B) if the facility
9 is a cogeneration facility located on the retail
10 customer's premises, the retail customer is the thermal
11 host for that facility and the facility has been designed
12 to meet that retail customer's thermal energy requirements
13 resulting in electrical output beyond that retail
14 customer's electrical demand at that premises, comply with
15 the operating and efficiency standards applicable to
16 "qualifying facilities" specified in title 18 Code of
17 Federal Regulations Section 292.205 as in effect on the
18 effective date of this amendatory Act of 1999;

19 (iii) the retail customer on whose premises the
20 facilities are located either has an exclusive right to
21 receive, and corresponding obligation to pay for, all of
22 the electrical capacity of the facility, or in the case of
23 a cogeneration facility that has been designed to meet the
24 retail customer's thermal energy requirements at that
25 premises, an identified amount of the electrical capacity
26 of the facility, over a minimum 5-year period; and

1 (iv) if the cogeneration facility is sized for the
2 retail customer's thermal load at that premises but
3 exceeds the electrical load, any sales of excess power or
4 energy are made only at wholesale, are subject to the
5 jurisdiction of the Federal Energy Regulatory Commission,
6 and are not for the purpose of circumventing the
7 provisions of this subsection (f).

8 If a generation facility located at a retail customer's
9 premises does not meet the above criteria, an electric utility
10 implementing transition charges shall implement a transition
11 charge until December 31, 2006 for any power and energy taken
12 by such retail customer from such facility as if such power and
13 energy had been delivered by the electric utility. Provided,
14 however, that an industrial retail customer that is taking
15 power from a generation facility that does not meet the above
16 criteria but that is located on such customer's premises will
17 not be subject to a transition charge for the power and energy
18 taken by such retail customer from such generation facility if
19 the facility does not serve any other retail customer and
20 either was installed on behalf of the customer and for its own
21 use prior to January 1, 1997, or is both predominantly fueled
22 by byproducts of such customer's manufacturing process at such
23 premises and sells or offers an average of 300 megawatts or
24 more of electricity produced from such generation facility
25 into the wholesale market. Such charges shall be calculated as
26 provided in Section 16-102, and shall be collected on each

1 kilowatt-hour delivered under a delivery services tariff to a
2 retail customer from the date the customer first takes
3 delivery services until December 31, 2006 except as provided
4 in subsection (h) of this Section. Provided, however, that an
5 electric utility, other than an electric utility providing
6 service to at least 1,000,000 customers in this State on
7 January 1, 1999, shall be entitled to petition for entry of an
8 order by the Commission authorizing the electric utility to
9 implement transition charges for an additional period ending
10 no later than December 31, 2008. The electric utility shall
11 file its petition with supporting evidence no earlier than 16
12 months, and no later than 12 months, prior to December 31,
13 2006. The Commission shall hold a hearing on the electric
14 utility's petition and shall enter its order no later than 8
15 months after the petition is filed. The Commission shall
16 determine whether and to what extent the electric utility
17 shall be authorized to implement transition charges for an
18 additional period. The Commission may authorize the electric
19 utility to implement transition charges for some or all of the
20 additional period, and shall determine the mitigation factors
21 to be used in implementing such transition charges; provided,
22 that the Commission shall not authorize mitigation factors
23 less than 110% of those in effect during the 12 months ended
24 December 31, 2006. In making its determination, the Commission
25 shall consider the following factors: the necessity to
26 implement transition charges for an additional period in order

1 to maintain the financial integrity of the electric utility;
2 the prudence of the electric utility's actions in reducing its
3 costs since the effective date of this amendatory Act of 1997;
4 the ability of the electric utility to provide safe, adequate
5 and reliable service to retail customers in its service area;
6 and the impact on competition of allowing the electric utility
7 to implement transition charges for the additional period.

8 (g) The electric utility shall file tariffs that establish
9 the transition charges to be paid by each class of customers to
10 the electric utility in conjunction with the provision of
11 delivery services. The electric utility's tariffs shall define
12 the classes of its customers for purposes of calculating
13 transition charges. The electric utility's tariffs shall
14 provide for the calculation of transition charges on a
15 customer-specific basis for any retail customer whose average
16 monthly maximum electrical demand on the electric utility's
17 system during the 6 months with the customer's highest monthly
18 maximum electrical demands equals or exceeds 3.0 megawatts for
19 electric utilities having more than 1,000,000 customers, and
20 for other electric utilities for any customer that has an
21 average monthly maximum electrical demand on the electric
22 utility's system of one megawatt or more, and (A) for which
23 there exists data on the customer's usage during the 3 years
24 preceding the date that the customer became eligible to take
25 delivery services, or (B) for which there does not exist data
26 on the customer's usage during the 3 years preceding the date

1 that the customer became eligible to take delivery services,
2 if in the electric utility's reasonable judgment there exists
3 comparable usage information or a sufficient basis to develop
4 such information, and further provided that the electric
5 utility can require customers for which an individual
6 calculation is made to sign contracts that set forth the
7 transition charges to be paid by the customer to the electric
8 utility pursuant to the tariff.

9 (h) An electric utility shall also be entitled to file
10 tariffs that allow it to collect transition charges from
11 retail customers in the electric utility's service area that
12 do not take delivery services but that take electric power or
13 energy from an alternative retail electric supplier or from an
14 electric utility other than the electric utility in whose
15 service area the customer is located. Such charges shall be
16 calculated, in accordance with the definition of transition
17 charges in Section 16-102, for the period of time that the
18 customer would be obligated to pay transition charges if it
19 were taking delivery services, except that no deduction for
20 delivery services revenues shall be made in such calculation,
21 and usage data from the customer's class shall be used where
22 historical usage data is not available for the individual
23 customer. The customer shall be obligated to pay such charges
24 on a lump sum basis on or before the date on which the customer
25 commences to take service from the alternative retail electric
26 supplier or other electric utility, provided, that the

1 electric utility in whose service area the customer is located
2 shall offer the customer the option of signing a contract
3 pursuant to which the customer pays such charges ratably over
4 the period in which the charges would otherwise have applied.

5 (i) An electric utility shall be entitled to add to the
6 bills of delivery services customers charges pursuant to
7 Sections 9-221, 9-222 (except as provided in Section 9-222.1),
8 and Section 16-114 of this Act, Section 5-5 of the Electricity
9 Infrastructure Maintenance Fee Law, Section 6-5 of the
10 Renewable Energy, Energy Efficiency, and Coal Resources
11 Development Law of 1997, and Section 13 of the Energy
12 Assistance Act.

13 (i-5) An electric utility required to impose the Coal to
14 Solar and Energy Storage Initiative Charge provided for in
15 subsection (c-5) of Section 1-75 of the Illinois Power Agency
16 Act shall add such charge to the bills of its delivery services
17 customers pursuant to the terms of a tariff conforming to the
18 requirements of subsection (c-5) of Section 1-75 of the
19 Illinois Power Agency Act and this subsection (i-5) and filed
20 with and approved by the Commission. The electric utility
21 shall file its proposed tariff with the Commission on or
22 before July 1, 2022 to be effective, after review and approval
23 or modification by the Commission, beginning January 1, 2023.
24 On or before December 1, 2022, the Commission shall review the
25 electric utility's proposed tariff, including by conducting a
26 docketed proceeding if deemed necessary by the Commission, and

1 shall approve the proposed tariff or direct the electric
2 utility to make modifications the Commission finds necessary
3 for the tariff to conform to the requirements of subsection
4 (c-5) of Section 1-75 of the Illinois Power Agency Act and this
5 subsection (i-5). The electric utility's tariff shall provide
6 for imposition of the Coal to Solar and Energy Storage
7 Initiative Charge on a per-kilowatthour basis to all
8 kilowatthours delivered by the electric utility to its
9 delivery services customers. The tariff shall provide for the
10 calculation of the Coal to Solar and Energy Storage Initiative
11 Charge to be in effect for the year beginning January 1, 2023
12 and each year beginning January 1 thereafter, sufficient to
13 collect the electric utility's estimated payment obligations
14 for the delivery year beginning the following June 1 under
15 contracts for purchase of renewable energy credits entered
16 into pursuant to subsection (c-5) of Section 1-75 of the
17 Illinois Power Agency Act and the obligations of the
18 Department of Commerce and Economic Opportunity, or any
19 successor department or agency, which for purposes of this
20 subsection (i-5) shall be referred to as the Department, to
21 make grant payments during such delivery year from the Coal to
22 Solar and Energy Storage Initiative Fund pursuant to grant
23 contracts entered into pursuant to subsection (c-5) of Section
24 1-75 of the Illinois Power Agency Act, and using the electric
25 utility's kilowatthour deliveries to its delivery services
26 customers during the delivery year ended May 31 of the

1 preceding calendar year. On or before November 1 of each year
2 beginning November 1, 2022, the Department shall notify the
3 electric utilities of the amount of the Department's estimated
4 obligations for grant payments during the delivery year
5 beginning the following June 1 pursuant to grant contracts
6 entered into pursuant to subsection (c-5) of Section 1-75 of
7 the Illinois Power Agency Act; and each electric utility shall
8 incorporate in the calculation of its Coal to Solar and Energy
9 Storage Initiative Charge the fractional portion of the
10 Department's estimated obligations equal to the electric
11 utility's kilowatthour deliveries to its delivery services
12 customers in the delivery year ended the preceding May 31
13 divided by the aggregate deliveries of both electric utilities
14 to delivery services customers in such delivery year. The
15 electric utility shall remit on a monthly basis to the State
16 Treasurer, for deposit in the Coal to Solar and Energy Storage
17 Initiative Fund provided for in subsection (c-5) of Section
18 1-75 of the Illinois Power Agency Act, the electric utility's
19 collections of the Coal to Solar and Energy Storage Initiative
20 Charge estimated to be needed by the Department for grant
21 payments pursuant to grant contracts entered into pursuant to
22 subsection (c-5) of Section 1-75 of the Illinois Power Agency
23 Act. The initial charge under the electric utility's tariff
24 shall be effective for kilowatthours delivered beginning
25 January 1, 2023, and thereafter shall be revised to be
26 effective January 1, 2024 and each January 1 thereafter, based

1 on the payment obligations for the delivery year beginning the
2 following June 1. The tariff shall provide for the electric
3 utility to make an annual filing with the Commission on or
4 before November 15 of each year, beginning in 2023, setting
5 forth the Coal to Solar and Energy Storage Initiative Charge
6 to be in effect for the year beginning the following January 1.
7 The electric utility's tariff shall also provide that the
8 electric utility shall make a filing with the Commission on or
9 before August 1 of each year beginning in 2024 setting forth a
10 reconciliation, for the delivery year ended the preceding May
11 31, of the electric utility's collections of the Coal to Solar
12 and Energy Storage Initiative Charge against actual payments
13 for renewable energy credits pursuant to contracts entered
14 into, and the actual grant payments by the Department pursuant
15 to grant contracts entered into, pursuant to subsection (c-5)
16 of Section 1-75 of the Illinois Power Agency Act. The tariff
17 shall provide that any excess or shortfall of collections to
18 payments shall be deducted from or added to, on a
19 per-kilowatthour basis, the Coal to Solar and Energy Storage
20 Initiative Charge, over the 6-month period beginning October 1
21 of that calendar year.

22 (j) If a retail customer that obtains electric power and
23 energy from cogeneration or self-generation facilities
24 installed for its own use on or before January 1, 1997,
25 subsequently takes service from an alternative retail electric
26 supplier or an electric utility other than the electric

1 utility in whose service area the customer is located for any
2 portion of the customer's electric power and energy
3 requirements formerly obtained from those facilities
4 (including that amount purchased from the utility in lieu of
5 such generation and not as standby power purchases, under a
6 cogeneration displacement tariff in effect as of the effective
7 date of this amendatory Act of 1997), the transition charges
8 otherwise applicable pursuant to subsections (f), (g), or (h)
9 of this Section shall not be applicable in any year to that
10 portion of the customer's electric power and energy
11 requirements formerly obtained from those facilities,
12 provided, that for purposes of this subsection (j), such
13 portion shall not exceed the average number of kilowatt-hours
14 per year obtained from the cogeneration or self-generation
15 facilities during the 3 years prior to the date on which the
16 customer became eligible for delivery services, except as
17 provided in subsection (f) of Section 16-110.

18 (k) The electric utility shall be entitled to recover
19 through tariffed charges all of the costs associated with the
20 purchase of zero emission credits from zero emission
21 facilities to meet the requirements of subsection (d-5) of
22 Section 1-75 of the Illinois Power Agency Act and all of the
23 costs associated with the purchase of carbon mitigation
24 credits from carbon-free energy resources to meet the
25 requirements of subsection (d-10) of Section 1-75 of the
26 Illinois Power Agency Act. Such costs shall include the costs

1 of procuring the zero emission credits and carbon mitigation
2 credits from carbon-free energy resources, as well as the
3 reasonable costs that the utility incurs as part of the
4 procurement processes and to implement and comply with plans
5 and processes approved by the Commission under subsections
6 (d-5) and (d-10). The costs shall be allocated across all
7 retail customers through a single, uniform cents per
8 kilowatt-hour charge applicable to all retail customers, which
9 shall appear as a separate line item on each customer's bill.
10 The electric utility shall be entitled to recover through
11 tariffed charges approved by the Commission all of the prudent
12 and reasonable costs associated with energy storage resources
13 procurements to meet the energy storage system portfolio
14 standard of subsection (d-20) of Section 1-75 of the Illinois
15 Power Agency Act. Such costs shall include the contract costs
16 for the energy storage system resources and the prudent and
17 reasonable costs that the utility incurs as part of the
18 procurement processes and in implementing and complying with
19 plans and processes approved by the Commission under
20 subsection (d-20). The costs associated with the purchase of
21 energy storage system resources shall be allocated across all
22 retail customers in proportion to the amount of energy storage
23 system resources the utility procures for such customers
24 through a single, uniform cents per kilowatt-hour charge
25 applicable to such retail customers, which shall appear as a
26 separate line item on each customer's bill. Beginning June 1,

1 2017, the electric utility shall be entitled to recover
2 through tariffed charges all of the costs associated with the
3 purchase of renewable energy resources to meet the renewable
4 energy resource standards of subsection (c) of Section 1-75 of
5 the Illinois Power Agency Act, under procurement plans as
6 approved in accordance with that Section and Section 16-111.5
7 of this Act. Such costs shall include the costs of procuring
8 the renewable energy resources, as well as the reasonable
9 costs that the utility incurs as part of the procurement
10 processes and to implement and comply with plans and processes
11 approved by the Commission under such Sections. The costs
12 associated with the purchase of renewable energy resources
13 shall be allocated across all retail customers in proportion
14 to the amount of renewable energy resources the utility
15 procures for such customers through a single, uniform cents
16 per kilowatt-hour charge applicable to such retail customers,
17 which shall appear as a separate line item on each such
18 customer's bill. The credits, costs, and penalties associated
19 with the self-direct renewable portfolio standard compliance
20 program described in subparagraph (R) of paragraph (1) of
21 subsection (c) of Section 1-75 of the Illinois Power Agency
22 Act shall be allocated to approved eligible self-direct
23 customers by the utility in a cents per kilowatt-hour credit,
24 cost, or penalty, which shall appear as a separate line item on
25 each such customer's bill.

26 Notwithstanding whether the Commission has approved the

1 initial long-term renewable resources procurement plan as of
2 June 1, 2017, an electric utility shall place new tariffed
3 charges into effect beginning with the June 2017 monthly
4 billing period, to the extent practicable, to begin recovering
5 the costs of procuring renewable energy resources, as those
6 charges are calculated under the limitations described in
7 subparagraph (E) of paragraph (1) of subsection (c) of Section
8 1-75 of the Illinois Power Agency Act. Notwithstanding the
9 date on which the utility places such new tariffed charges
10 into effect, the utility shall be permitted to collect the
11 charges under such tariff as if the tariff had been in effect
12 beginning with the first day of the June 2017 monthly billing
13 period. For the delivery years commencing June 1, 2017, June
14 1, 2018, June 1, 2019, and each delivery year thereafter, the
15 electric utility shall deposit into a separate interest
16 bearing account of a financial institution the monies
17 collected under the tariffed charges. Money collected from
18 customers for the procurement of renewable energy resources in
19 a given delivery year may be spent by the utility for the
20 procurement of renewable resources over any of the following 5
21 delivery years, after which unspent money shall be credited
22 back to retail customers. The electric utility shall spend all
23 money collected in earlier delivery years that has not yet
24 been returned to customers, first, before spending money
25 collected in later delivery years. Any interest earned shall
26 be credited back to retail customers under the reconciliation

1 proceeding provided for in this subsection (k), provided that
2 the electric utility shall first be reimbursed from the
3 interest for the administrative costs that it incurs to
4 administer and manage the account. Any taxes due on the funds
5 in the account, or interest earned on it, will be paid from the
6 account or, if insufficient monies are available in the
7 account, from the monies collected under the tariffed charges
8 to recover the costs of procuring renewable energy resources.
9 Monies deposited in the account shall be subject to the
10 review, reconciliation, and true-up process described in this
11 subsection (k) that is applicable to the funds collected and
12 costs incurred for the procurement of renewable energy
13 resources.

14 The electric utility shall be entitled to recover all of
15 the costs identified in this subsection (k) through automatic
16 adjustment clause tariffs applicable to all of the utility's
17 retail customers that allow the electric utility to adjust its
18 tariffed charges consistent with this subsection (k). The
19 determination as to whether any excess funds were collected
20 during a given delivery year for the purchase of renewable
21 energy resources, and the crediting of any excess funds back
22 to retail customers, shall not be made until after the close of
23 the delivery year, which will ensure that the maximum amount
24 of funds is available to implement the approved long-term
25 renewable resources procurement plan during a given delivery
26 year. The amount of excess funds eligible to be credited back

1 to retail customers shall be reduced by an amount equal to the
2 payment obligations required by any contracts entered into by
3 an electric utility under contracts described in subsection
4 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
5 Illinois Power Agency Act, even if such payments have not yet
6 been made and regardless of the delivery year in which those
7 payment obligations were incurred. Notwithstanding anything to
8 the contrary, including in tariffs authorized by this
9 subsection (k) in effect before the effective date of this
10 amendatory Act of the 102nd General Assembly, all unspent
11 funds as of May 31, 2021, excluding any funds credited to
12 customers during any utility billing cycle that commences
13 prior to the effective date of this amendatory Act of the 102nd
14 General Assembly, shall remain in the utility account and
15 shall on a first in, first out basis be used toward utility
16 payment obligations under contracts described in subsection
17 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
18 Illinois Power Agency Act. The electric utility's collections
19 under such automatic adjustment clause tariffs to recover the
20 costs of renewable energy resources, zero emission credits
21 from zero emission facilities, energy storage resources, and
22 carbon mitigation credits from carbon-free energy resources
23 shall be subject to separate annual review, reconciliation,
24 and true-up against actual costs by the Commission under a
25 procedure that shall be specified in the electric utility's
26 automatic adjustment clause tariffs and that shall be approved

1 by the Commission in connection with its approval of such
2 tariffs. The procedure shall provide that any difference
3 between the electric utility's collections for energy storage
4 resources, zero emission credits, and carbon mitigation
5 credits under the automatic adjustment charges for an annual
6 period and the electric utility's actual costs of energy
7 storage resources, zero emission credits from zero emission
8 facilities, and carbon mitigation credits from carbon-free
9 energy resources for that same annual period shall be refunded
10 to or collected from, as applicable, the electric utility's
11 retail customers in subsequent periods.

12 Nothing in this subsection (k) is intended to affect,
13 limit, or change the right of the electric utility to recover
14 the costs associated with the procurement of renewable energy
15 resources for periods commencing before, on, or after June 1,
16 2017, as otherwise provided in the Illinois Power Agency Act.

17 The funding available under this subsection (k), if any,
18 for the programs described under subsection (b) of Section
19 1-56 of the Illinois Power Agency Act shall not reduce the
20 amount of funding for the programs described in subparagraph
21 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
22 Illinois Power Agency Act. If funding is available under this
23 subsection (k) for programs described under subsection (b) of
24 Section 1-56 of the Illinois Power Agency Act, then the
25 long-term renewable resources plan shall provide for the
26 Agency to procure contracts in an amount that does not exceed

1 the funding, and the contracts approved by the Commission
2 shall be executed by the applicable utility or utilities.

3 (1) A utility that has terminated any contract executed
4 under subsection (d-5) or (d-10) of Section 1-75 of the
5 Illinois Power Agency Act shall be entitled to recover any
6 remaining balance associated with the purchase of zero
7 emission credits prior to such termination, and such utility
8 shall also apply a credit to its retail customer bills in the
9 event of any over-collection.

10 (m)(1) An electric utility that recovers its costs of
11 procuring zero emission credits from zero emission facilities
12 through a cents-per-kilowatthour charge under subsection (k)
13 of this Section shall be subject to the requirements of this
14 subsection (m). Notwithstanding anything to the contrary, such
15 electric utility shall, beginning on April 30, 2018, and each
16 April 30 thereafter until April 30, 2026, calculate whether
17 any reduction must be applied to such cents-per-kilowatthour
18 charge that is paid by retail customers of the electric
19 utility that have opted out of subsections (a) through (j) of
20 Section 8-103B of this Act under subsection (1) of Section
21 8-103B. Such charge shall be reduced for such customers for
22 the next delivery year commencing on June 1 based on the amount
23 necessary, if any, to limit the annual estimated average net
24 increase for the prior calendar year due to the future energy
25 investment costs to no more than 1.3% of 5.98 cents per
26 kilowatt-hour, which is the average amount paid per

1 kilowatthour for electric service during the year ending
2 December 31, 2015 by Illinois industrial retail customers, as
3 reported to the Edison Electric Institute.

4 The calculations required by this subsection (m) shall be
5 made only once for each year, and no subsequent rate impact
6 determinations shall be made.

7 (2) For purposes of this Section, "future energy
8 investment costs" shall be calculated by subtracting the
9 cents-per-kilowatthour charge identified in subparagraph (A)
10 of this paragraph (2) from the sum of the
11 cents-per-kilowatthour charges identified in subparagraph (B)
12 of this paragraph (2):

13 (A) The cents-per-kilowatthour charge identified in
14 the electric utility's tariff placed into effect under
15 Section 8-103 of the Public Utilities Act that, on
16 December 1, 2016, was applicable to those retail customers
17 that have opted out of subsections (a) through (j) of
18 Section 8-103B of this Act under subsection (1) of Section
19 8-103B.

20 (B) The sum of the following cents-per-kilowatthour
21 charges applicable to those retail customers that have
22 opted out of subsections (a) through (j) of Section 8-103B
23 of this Act under subsection (1) of Section 8-103B,
24 provided that if one or more of the following charges has
25 been in effect and applied to such customers for more than
26 one calendar year, then each charge shall be equal to the

1 average of the charges applied over a period that
2 commences with the calendar year ending December 31, 2017
3 and ends with the most recently completed calendar year
4 prior to the calculation required by this subsection (m):

5 (i) the cents-per-kilowatthour charge to recover
6 the costs incurred by the utility under subsection
7 (d-5) of Section 1-75 of the Illinois Power Agency
8 Act, adjusted for any reductions required under this
9 subsection (m); and

10 (ii) the cents-per-kilowatthour charge to recover
11 the costs incurred by the utility under Section
12 16-107.6 of the Public Utilities Act.

13 If no charge was applied for a given calendar year
14 under item (i) or (ii) of this subparagraph (B), then the
15 value of the charge for that year shall be zero.

16 (3) If a reduction is required by the calculation
17 performed under this subsection (m), then the amount of the
18 reduction shall be multiplied by the number of years reflected
19 in the averages calculated under subparagraph (B) of paragraph
20 (2) of this subsection (m). Such reduction shall be applied to
21 the cents-per-kilowatthour charge that is applicable to those
22 retail customers that have opted out of subsections (a)
23 through (j) of Section 8-103B of this Act under subsection (l)
24 of Section 8-103B beginning with the next delivery year
25 commencing after the date of the calculation required by this
26 subsection (m).

1 (4) The electric utility shall file a notice with the
2 Commission on May 1 of 2018 and each May 1 thereafter until May
3 1, 2026 containing the reduction, if any, which must be
4 applied for the delivery year which begins in the year of the
5 filing. The notice shall contain the calculations made
6 pursuant to this Section. By October 1 of each year beginning
7 in 2018, each electric utility shall notify the Commission if
8 it appears, based on an estimate of the calculation required
9 in this subsection (m), that a reduction will be required in
10 the next year.

11 (n)(1) The Commission shall, within 180 days after the
12 effective date of this amendatory Act of the 104th General
13 Assembly, initiate and complete a rulemaking proceeding to
14 revise 83 Ill. Adm. Code 466 and 83 Ill. Adm. Code 467 to
15 address barriers to timely and cost-effective interconnections
16 for distributed generation facilities with a nameplate
17 capacity of at least 40 kilowatts but no greater than 2
18 megawatts, including stand-alone solar photovoltaic systems,
19 battery energy storage, hybrid gas-electric systems, and
20 renewable natural gas integrations. The revisions shall
21 include:

22 (A) capping interconnection study costs at 150% of the
23 initial feasibility estimate or \$50,000 per study,
24 whichever is lesser, requiring electric distribution
25 companies to justify estimates in advance, and prohibiting
26 overhead markups on labor or materials;

1 (B) permitting applicants to self-supply
2 interconnection studies or self-build system upgrades if
3 an electric distribution company cannot complete them
4 within 90 days or at capped costs, as long as such studies
5 and upgrades meet the technical standards for electric
6 distribution companies and are subject to Commission
7 review for compliance;

8 (C) enhancing transparency by requiring electric
9 distribution companies to provide anonymized queue data,
10 model assumptions, and progress reports under
11 confidentiality agreements, while maintaining system
12 security;

13 (D) updating definitions to explicitly include
14 stand-alone solar photovoltaic systems, battery energy
15 storage, and hybrid gas-electric systems as distributed
16 generation facilities and clarifying that lower-voltage
17 facilities that qualify as transmission facilities under
18 FERC Order 888 shall be treated as transmission
19 facilities;

20 (E) mandating that all interconnection agreements be
21 filed with the Commission within 30 days after the
22 execution of the agreement, with provisions allowing
23 applicants to file unexecuted agreements in initiating a
24 rate case proceeding; and

25 (F) adding a pro forma attachment affirming that
26 interconnecting facilities, including storage, comply with

1 the requirements for non-taxable status under 26 U.S.C.
2 45.

3 (2) The Commission shall coordinate the revisions under
4 this subsection (n) with a Future of Gas proceeding pursuant
5 to the final Order of the Commission in Docket No. 24-0158 to
6 ensure compatibility with gas decarbonization pathways and to
7 prioritize market-driven distributed resources that enhance
8 reliability and affordability. The revised rules shall take
9 effect no later than July 1, 2026.

10 (Source: P.A. 104-458, eff. 6-1-26.)

11 Section 95. No acceleration or delay. Where this Act makes
12 changes in a statute that is represented in this Act by text
13 that is not yet or no longer in effect (for example, a Section
14 represented by multiple versions), the use of that text does
15 not accelerate or delay the taking effect of (i) the changes
16 made by this Act or (ii) provisions derived from any other
17 Public Act.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.