



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB2857

Introduced 2/16/2023, by Rep. Ryan Spain

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Finance Authority Act. Changes the definition of "clean energy". Amends the Illinois Power Agency Act. Changes the definitions of "clean energy", "community renewable generation project", "distributed renewable energy generation device", and "renewable energy resources". Provides that the long-term renewable resources procurement plan shall include the procurement of renewable energy credits from new projects in amounts equal to at least 10,000,000 renewable energy credits delivered annually by the end of the 2021 delivery year, and increasing ratably to reach 45,000,000 renewable energy credits delivered annually from new wind, solar, and other renewable energy resources (rather than just new wind and solar) projects by the end of delivery year 2030 such that the goals are met 75% (rather than entirely) by procurements of renewable energy credits from new wind and photovoltaic projects and 25% by other renewable energy resources such that the State maintains a sufficient, diverse, reliable, and cost effective renewable energy resources mix. Provides that the self-direct credit amount for each renewable energy credit supplied shall be determined annually and is equal to the lower of the volumetric charge collected pursuant to the recovery of costs associated with the provision of delivery and other services to support the renewable portfolio or the average price paid per renewable energy credit divided by 1,000 for all utility-scale renewable energy credits procured by the Illinois Power Agency after June 1, 2017. Removes a provision that provides that the self-direct credit amount does not include costs associated with any contracts entered into before the delivery year in which the customer files the initial compliance report to be eligible for participation in the self-direct program. Amends the Community Energy, Climate, and Jobs Planning Act. Changes the definition of "renewable energy resources". Amends the Public Utilities Act. Changes the definition of "eligible renewable electrical generating facility". Amends the Environmental Protection Act. Changes the definitions of "clean energy" and "large greenhouse gas-emitting unit". Effective immediately.

LRB103 25518 AMQ 51867 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 5. The Illinois Finance Authority Act is amended
5 by changing Section 801-10 as follows:

6 (20 ILCS 3501/801-10)

7 Sec. 801-10. Definitions. The following terms, whenever
8 used or referred to in this Act, shall have the following
9 meanings, except in such instances where the context may
10 clearly indicate otherwise:

11 (a) The term "Authority" means the Illinois Finance
12 Authority created by this Act.

13 (b) The term "project" means an industrial project, clean
14 energy project, conservation project, housing project, public
15 purpose project, higher education project, health facility
16 project, cultural institution project, municipal bond program
17 project, PACE Project, agricultural facility or agribusiness,
18 and "project" may include any combination of one or more of the
19 foregoing undertaken jointly by any person with one or more
20 other persons.

21 (c) The term "public purpose project" means (i) any
22 project or facility, including without limitation land,
23 buildings, structures, machinery, equipment and all other real

1 and personal property, which is authorized or required by law
2 to be acquired, constructed, improved, rehabilitated,
3 reconstructed, replaced or maintained by any unit of
4 government or any other lawful public purpose, including
5 provision of working capital, which is authorized or required
6 by law to be undertaken by any unit of government or (ii) costs
7 incurred and other expenditures, including expenditures for
8 management, investment, or working capital costs, incurred in
9 connection with the reform, consolidation, or implementation
10 of the transition process as described in Articles 22B and 22C
11 of the Illinois Pension Code.

12 (d) The term "industrial project" means the acquisition,
13 construction, refurbishment, creation, development or
14 redevelopment of any facility, equipment, machinery, real
15 property or personal property for use by any instrumentality
16 of the State or its political subdivisions, for use by any
17 person or institution, public or private, for profit or not
18 for profit, or for use in any trade or business, including, but
19 not limited to, any industrial, manufacturing, clean energy,
20 or commercial enterprise that is located within or outside the
21 State, provided that, with respect to a project involving
22 property located outside the State, the property must be
23 owned, operated, leased or managed by an entity located within
24 the State or an entity affiliated with an entity located
25 within the State, and which is (1) a capital project or clean
26 energy project, including, but not limited to: (i) land and

1 any rights therein, one or more buildings, structures or other
2 improvements, machinery and equipment, whether now existing or
3 hereafter acquired, and whether or not located on the same
4 site or sites; (ii) all appurtenances and facilities
5 incidental to the foregoing, including, but not limited to,
6 utilities, access roads, railroad sidings, track, docking and
7 similar facilities, parking facilities, dockage, wharfage,
8 railroad roadbed, track, trestle, depot, terminal, switching
9 and signaling or related equipment, site preparation and
10 landscaping; and (iii) all non-capital costs and expenses
11 relating thereto or (2) any addition to, renovation,
12 rehabilitation or improvement of a capital project or a clean
13 energy project, or (3) any activity or undertaking within or
14 outside the State, provided that, with respect to a project
15 involving property located outside the State, the property
16 must be owned, operated, leased or managed by an entity
17 located within the State or an entity affiliated with an
18 entity located within the State, which the Authority
19 determines will aid, assist or encourage economic growth,
20 development or redevelopment within the State or any area
21 thereof, will promote the expansion, retention or
22 diversification of employment opportunities within the State
23 or any area thereof or will aid in stabilizing or developing
24 any industry or economic sector of the State economy. The term
25 "industrial project" also means the production of motion
26 pictures.

1 (e) The term "bond" or "bonds" shall include bonds, notes
2 (including bond, grant or revenue anticipation notes),
3 certificates and/or other evidences of indebtedness
4 representing an obligation to pay money, including refunding
5 bonds.

6 (f) The terms "lease agreement" and "loan agreement" shall
7 mean: (i) an agreement whereby a project acquired by the
8 Authority by purchase, gift or lease is leased to any person,
9 corporation or unit of local government which will use or
10 cause the project to be used as a project as heretofore defined
11 upon terms providing for lease rental payments at least
12 sufficient to pay when due all principal of, interest and
13 premium, if any, on any bonds of the Authority issued with
14 respect to such project, providing for the maintenance,
15 insuring and operation of the project on terms satisfactory to
16 the Authority, providing for disposition of the project upon
17 termination of the lease term, including purchase options or
18 abandonment of the premises, and such other terms as may be
19 deemed desirable by the Authority, or (ii) any agreement
20 pursuant to which the Authority agrees to loan the proceeds of
21 its bonds issued with respect to a project or other funds of
22 the Authority to any person which will use or cause the project
23 to be used as a project as heretofore defined upon terms
24 providing for loan repayment installments at least sufficient
25 to pay when due all principal of, interest and premium, if any,
26 on any bonds of the Authority, if any, issued with respect to

1 the project, and providing for maintenance, insurance and
2 other matters as may be deemed desirable by the Authority.

3 (g) The term "financial aid" means the expenditure of
4 Authority funds or funds provided by the Authority through the
5 issuance of its bonds, notes or other evidences of
6 indebtedness or from other sources for the development,
7 construction, acquisition or improvement of a project.

8 (h) The term "person" means an individual, corporation,
9 unit of government, business trust, estate, trust, partnership
10 or association, 2 or more persons having a joint or common
11 interest, or any other legal entity.

12 (i) The term "unit of government" means the federal
13 government, the State or unit of local government, a school
14 district, or any agency or instrumentality, office, officer,
15 department, division, bureau, commission, college or
16 university thereof.

17 (j) The term "health facility" means: (a) any public or
18 private institution, place, building, or agency required to be
19 licensed under the Hospital Licensing Act; (b) any public or
20 private institution, place, building, or agency required to be
21 licensed under the Nursing Home Care Act, the Specialized
22 Mental Health Rehabilitation Act of 2013, the ID/DD Community
23 Care Act, or the MC/DD Act; (c) any public or licensed private
24 hospital as defined in the Mental Health and Developmental
25 Disabilities Code; (d) any such facility exempted from such
26 licensure when the Director of Public Health attests that such

1 exempted facility meets the statutory definition of a facility
2 subject to licensure; (e) any other public or private health
3 service institution, place, building, or agency which the
4 Director of Public Health attests is subject to certification
5 by the Secretary, U.S. Department of Health and Human Services
6 under the Social Security Act, as now or hereafter amended, or
7 which the Director of Public Health attests is subject to
8 standard-setting by a recognized public or voluntary
9 accrediting or standard-setting agency; (f) any public or
10 private institution, place, building or agency engaged in
11 providing one or more supporting services to a health
12 facility; (g) any public or private institution, place,
13 building or agency engaged in providing training in the
14 healing arts, including, but not limited to, schools of
15 medicine, dentistry, osteopathy, optometry, podiatry, pharmacy
16 or nursing, schools for the training of x-ray, laboratory or
17 other health care technicians and schools for the training of
18 para-professionals in the health care field; (h) any public or
19 private congregate, life or extended care or elderly housing
20 facility or any public or private home for the aged or infirm,
21 including, without limitation, any Facility as defined in the
22 Life Care Facilities Act; (i) any public or private mental,
23 emotional or physical rehabilitation facility or any public or
24 private educational, counseling, or rehabilitation facility or
25 home, for those persons with a developmental disability, those
26 who are physically ill or disabled, the emotionally disturbed,

1 those persons with a mental illness or persons with learning
2 or similar disabilities or problems; (j) any public or private
3 alcohol, drug or substance abuse diagnosis, counseling
4 treatment or rehabilitation facility, (k) any public or
5 private institution, place, building or agency licensed by the
6 Department of Children and Family Services or which is not so
7 licensed but which the Director of Children and Family
8 Services attests provides child care, child welfare or other
9 services of the type provided by facilities subject to such
10 licensure; (l) any public or private adoption agency or
11 facility; and (m) any public or private blood bank or blood
12 center. "Health facility" also means a public or private
13 structure or structures suitable primarily for use as a
14 laboratory, laundry, nurses or interns residence or other
15 housing or hotel facility used in whole or in part for staff,
16 employees or students and their families, patients or
17 relatives of patients admitted for treatment or care in a
18 health facility, or persons conducting business with a health
19 facility, physician's facility, surgicenter, administration
20 building, research facility, maintenance, storage or utility
21 facility and all structures or facilities related to any of
22 the foregoing or required or useful for the operation of a
23 health facility, including parking or other facilities or
24 other supporting service structures required or useful for the
25 orderly conduct of such health facility. "Health facility"
26 also means, with respect to a project located outside the

1 State, any public or private institution, place, building, or
2 agency which provides services similar to those described
3 above, provided that such project is owned, operated, leased
4 or managed by a participating health institution located
5 within the State, or a participating health institution
6 affiliated with an entity located within the State.

7 (k) The term "participating health institution" means (i)
8 a private corporation or association or (ii) a public entity
9 of this State, in either case authorized by the laws of this
10 State or the applicable state to provide or operate a health
11 facility as defined in this Act and which, pursuant to the
12 provisions of this Act, undertakes the financing, construction
13 or acquisition of a project or undertakes the refunding or
14 refinancing of obligations, loans, indebtedness or advances as
15 provided in this Act.

16 (l) The term "health facility project", means a specific
17 health facility work or improvement to be financed or
18 refinanced (including without limitation through reimbursement
19 of prior expenditures), acquired, constructed, enlarged,
20 remodeled, renovated, improved, furnished, or equipped, with
21 funds provided in whole or in part hereunder, any accounts
22 receivable, working capital, liability or insurance cost or
23 operating expense financing or refinancing program of a health
24 facility with or involving funds provided in whole or in part
25 hereunder, or any combination thereof.

26 (m) The term "bond resolution" means the resolution or

1 resolutions authorizing the issuance of, or providing terms
2 and conditions related to, bonds issued under this Act and
3 includes, where appropriate, any trust agreement, trust
4 indenture, indenture of mortgage or deed of trust providing
5 terms and conditions for such bonds.

6 (n) The term "property" means any real, personal or mixed
7 property, whether tangible or intangible, or any interest
8 therein, including, without limitation, any real estate,
9 leasehold interests, appurtenances, buildings, easements,
10 equipment, furnishings, furniture, improvements, machinery,
11 rights of way, structures, accounts, contract rights or any
12 interest therein.

13 (o) The term "revenues" means, with respect to any
14 project, the rents, fees, charges, interest, principal
15 repayments, collections and other income or profit derived
16 therefrom.

17 (p) The term "higher education project" means, in the case
18 of a private institution of higher education, an educational
19 facility to be acquired, constructed, enlarged, remodeled,
20 renovated, improved, furnished, or equipped, or any
21 combination thereof.

22 (q) The term "cultural institution project" means, in the
23 case of a cultural institution, a cultural facility to be
24 acquired, constructed, enlarged, remodeled, renovated,
25 improved, furnished, or equipped, or any combination thereof.

26 (r) The term "educational facility" means any property

1 located within the State, or any property located outside the
2 State, provided that, if the property is located outside the
3 State, it must be owned, operated, leased or managed by an
4 entity located within the State or an entity affiliated with
5 an entity located within the State, in each case constructed
6 or acquired before or after the effective date of this Act,
7 which is or will be, in whole or in part, suitable for the
8 instruction, feeding, recreation or housing of students, the
9 conducting of research or other work of a private institution
10 of higher education, the use by a private institution of
11 higher education in connection with any educational, research
12 or related or incidental activities then being or to be
13 conducted by it, or any combination of the foregoing,
14 including, without limitation, any such property suitable for
15 use as or in connection with any one or more of the following:
16 an academic facility, administrative facility, agricultural
17 facility, assembly hall, athletic facility, auditorium,
18 boating facility, campus, communication facility, computer
19 facility, continuing education facility, classroom, dining
20 hall, dormitory, exhibition hall, fire fighting facility, fire
21 prevention facility, food service and preparation facility,
22 gymnasium, greenhouse, health care facility, hospital,
23 housing, instructional facility, laboratory, library,
24 maintenance facility, medical facility, museum, offices,
25 parking area, physical education facility, recreational
26 facility, research facility, stadium, storage facility,

1 student union, study facility, theatre or utility.

2 (s) The term "cultural facility" means any property
3 located within the State, or any property located outside the
4 State, provided that, if the property is located outside the
5 State, it must be owned, operated, leased or managed by an
6 entity located within the State or an entity affiliated with
7 an entity located within the State, in each case constructed
8 or acquired before or after the effective date of this Act,
9 which is or will be, in whole or in part, suitable for the
10 particular purposes or needs of a cultural institution,
11 including, without limitation, any such property suitable for
12 use as or in connection with any one or more of the following:
13 an administrative facility, aquarium, assembly hall,
14 auditorium, botanical garden, exhibition hall, gallery,
15 greenhouse, library, museum, scientific laboratory, theater or
16 zoological facility, and shall also include, without
17 limitation, books, works of art or music, animal, plant or
18 aquatic life or other items for display, exhibition or
19 performance. The term "cultural facility" includes buildings
20 on the National Register of Historic Places which are owned or
21 operated by nonprofit entities.

22 (t) "Private institution of higher education" means a
23 not-for-profit educational institution which is not owned by
24 the State or any political subdivision, agency,
25 instrumentality, district or municipality thereof, which is
26 authorized by law to provide a program of education beyond the

1 high school level and which:

2 (1) Admits as regular students only individuals having
3 a certificate of graduation from a high school, or the
4 recognized equivalent of such a certificate;

5 (2) Provides an educational program for which it
6 awards a bachelor's degree, or provides an educational
7 program, admission into which is conditioned upon the
8 prior attainment of a bachelor's degree or its equivalent,
9 for which it awards a postgraduate degree, or provides not
10 less than a 2-year program which is acceptable for full
11 credit toward such a degree, or offers a 2-year program in
12 engineering, mathematics, or the physical or biological
13 sciences which is designed to prepare the student to work
14 as a technician and at a semiprofessional level in
15 engineering, scientific, or other technological fields
16 which require the understanding and application of basic
17 engineering, scientific, or mathematical principles or
18 knowledge;

19 (3) Is accredited by a nationally recognized
20 accrediting agency or association or, if not so
21 accredited, is an institution whose credits are accepted,
22 on transfer, by not less than 3 institutions which are so
23 accredited, for credit on the same basis as if transferred
24 from an institution so accredited, and holds an unrevoked
25 certificate of approval under the Private College Act from
26 the Board of Higher Education, or is qualified as a

1 "degree granting institution" under the Academic Degree
2 Act; and

3 (4) Does not discriminate in the admission of students
4 on the basis of race or color. "Private institution of
5 higher education" also includes any "academic
6 institution".

7 (u) The term "academic institution" means any
8 not-for-profit institution which is not owned by the State or
9 any political subdivision, agency, instrumentality, district
10 or municipality thereof, which institution engages in, or
11 facilitates academic, scientific, educational or professional
12 research or learning in a field or fields of study taught at a
13 private institution of higher education. Academic institutions
14 include, without limitation, libraries, archives, academic,
15 scientific, educational or professional societies,
16 institutions, associations or foundations having such
17 purposes.

18 (v) The term "cultural institution" means any
19 not-for-profit institution which is not owned by the State or
20 any political subdivision, agency, instrumentality, district
21 or municipality thereof, which institution engages in the
22 cultural, intellectual, scientific, educational or artistic
23 enrichment of the people of the State. Cultural institutions
24 include, without limitation, aquaria, botanical societies,
25 historical societies, libraries, museums, performing arts
26 associations or societies, scientific societies and zoological

1 societies.

2 (w) The term "affiliate" means, with respect to financing
3 of an agricultural facility or an agribusiness, any lender,
4 any person, firm or corporation controlled by, or under common
5 control with, such lender, and any person, firm or corporation
6 controlling such lender.

7 (x) The term "agricultural facility" means land, any
8 building or other improvement thereon or thereto, and any
9 personal properties deemed necessary or suitable for use,
10 whether or not now in existence, in farming, ranching, the
11 production of agricultural commodities (including, without
12 limitation, the products of aquaculture, hydroponics and
13 silviculture) or the treating, processing or storing of such
14 agricultural commodities when such activities are customarily
15 engaged in by farmers as a part of farming and which land,
16 building, improvement or personal property is located within
17 the State, or is located outside the State, provided that, if
18 such property is located outside the State, it must be owned,
19 operated, leased, or managed by an entity located within the
20 State or an entity affiliated with an entity located within
21 the State.

22 (y) The term "lender" with respect to financing of an
23 agricultural facility or an agribusiness, means any federal or
24 State chartered bank, Federal Land Bank, Production Credit
25 Association, Bank for Cooperatives, federal or State chartered
26 savings and loan association or building and loan association,

1 Small Business Investment Company or any other institution
2 qualified within this State to originate and service loans,
3 including, but without limitation to, insurance companies,
4 credit unions and mortgage loan companies. "Lender" also means
5 a wholly owned subsidiary of a manufacturer, seller or
6 distributor of goods or services that makes loans to
7 businesses or individuals, commonly known as a "captive
8 finance company".

9 (z) The term "agribusiness" means any sole proprietorship,
10 limited partnership, co-partnership, joint venture,
11 corporation or cooperative which operates or will operate a
12 facility located within the State or outside the State,
13 provided that, if any facility is located outside the State,
14 it must be owned, operated, leased, or managed by an entity
15 located within the State or an entity affiliated with an
16 entity located within the State, that is related to the
17 processing of agricultural commodities (including, without
18 limitation, the products of aquaculture, hydroponics and
19 silviculture) or the manufacturing, production or construction
20 of agricultural buildings, structures, equipment, implements,
21 and supplies, or any other facilities or processes used in
22 agricultural production. Agribusiness includes but is not
23 limited to the following:

24 (1) grain handling and processing, including grain
25 storage, drying, treatment, conditioning, mailing and
26 packaging;

- 1 (2) seed and feed grain development and processing;
- 2 (3) fruit and vegetable processing, including
3 preparation, canning and packaging;
- 4 (4) processing of livestock and livestock products,
5 dairy products, poultry and poultry products, fish or
6 apiarian products, including slaughter, shearing,
7 collecting, preparation, canning and packaging;
- 8 (5) fertilizer and agricultural chemical
9 manufacturing, processing, application and supplying;
- 10 (6) farm machinery, equipment and implement
11 manufacturing and supplying;
- 12 (7) manufacturing and supplying of agricultural
13 commodity processing machinery and equipment, including
14 machinery and equipment used in slaughter, treatment,
15 handling, collecting, preparation, canning or packaging of
16 agricultural commodities;
- 17 (8) farm building and farm structure manufacturing,
18 construction and supplying;
- 19 (9) construction, manufacturing, implementation,
20 supplying or servicing of irrigation, drainage and soil
21 and water conservation devices or equipment;
- 22 (10) fuel processing and development facilities that
23 produce fuel from agricultural commodities or byproducts;
- 24 (11) facilities and equipment for processing and
25 packaging agricultural commodities specifically for
26 export;

1 (12) facilities and equipment for forestry product
2 processing and supplying, including sawmilling operations,
3 wood chip operations, timber harvesting operations, and
4 manufacturing of prefabricated buildings, paper, furniture
5 or other goods from forestry products;

6 (13) facilities and equipment for research and
7 development of products, processes and equipment for the
8 production, processing, preparation or packaging of
9 agricultural commodities and byproducts.

10 (aa) The term "asset" with respect to financing of any
11 agricultural facility or any agribusiness, means, but is not
12 limited to the following: cash crops or feed on hand;
13 livestock held for sale; breeding stock; marketable bonds and
14 securities; securities not readily marketable; accounts
15 receivable; notes receivable; cash invested in growing crops;
16 net cash value of life insurance; machinery and equipment;
17 cars and trucks; farm and other real estate including life
18 estates and personal residence; value of beneficial interests
19 in trusts; government payments or grants; and any other
20 assets.

21 (bb) The term "liability" with respect to financing of any
22 agricultural facility or any agribusiness shall include, but
23 not be limited to the following: accounts payable; notes or
24 other indebtedness owed to any source; taxes; rent; amounts
25 owed on real estate contracts or real estate mortgages;
26 judgments; accrued interest payable; and any other liability.

1 (cc) The term "Predecessor Authorities" means those
2 authorities as described in Section 845-75.

3 (dd) The term "housing project" means a specific work or
4 improvement located within the State or outside the State and
5 undertaken to provide residential dwelling accommodations,
6 including the acquisition, construction or rehabilitation of
7 lands, buildings and community facilities and in connection
8 therewith to provide nonhousing facilities which are part of
9 the housing project, including land, buildings, improvements,
10 equipment and all ancillary facilities for use for offices,
11 stores, retirement homes, hotels, financial institutions,
12 service, health care, education, recreation or research
13 establishments, or any other commercial purpose which are or
14 are to be related to a housing development, provided that any
15 work or improvement located outside the State is owned,
16 operated, leased or managed by an entity located within the
17 State, or any entity affiliated with an entity located within
18 the State.

19 (ee) The term "conservation project" means any project
20 including the acquisition, construction, rehabilitation,
21 maintenance, operation, or upgrade that is intended to create
22 or expand open space or to reduce energy usage through
23 efficiency measures. For the purpose of this definition, "open
24 space" has the definition set forth under Section 10 of the
25 Illinois Open Land Trust Act.

26 (ff) The term "significant presence" means the existence

1 within the State of the national or regional headquarters of
2 an entity or group or such other facility of an entity or group
3 of entities where a significant amount of the business
4 functions are performed for such entity or group of entities.

5 (gg) The term "municipal bond issuer" means the State or
6 any other state or commonwealth of the United States, or any
7 unit of local government, school district, agency or
8 instrumentality, office, department, division, bureau,
9 commission, college or university thereof located in the State
10 or any other state or commonwealth of the United States.

11 (hh) The term "municipal bond program project" means a
12 program for the funding of the purchase of bonds, notes or
13 other obligations issued by or on behalf of a municipal bond
14 issuer.

15 (ii) The term "participating lender" means any trust
16 company, bank, savings bank, credit union, merchant bank,
17 investment bank, broker, investment trust, pension fund,
18 building and loan association, savings and loan association,
19 insurance company, venture capital company, or other
20 institution approved by the Authority which provides a portion
21 of the financing for a project.

22 (jj) The term "loan participation" means any loan in which
23 the Authority co-operates with a participating lender to
24 provide all or a portion of the financing for a project.

25 (kk) The term "PACE Project" means an energy project as
26 defined in Section 5 of the Property Assessed Clean Energy

1 Act.

2 (ll) The term "clean energy" means energy generation that
3 is substantially free (90% or more) of carbon dioxide
4 emissions by design or operations, ~~or~~ that otherwise
5 contributes to the reduction in emissions of environmentally
6 hazardous materials or reduces the volume of environmentally
7 dangerous materials, or that is generated by renewable energy
8 resources as defined in the Illinois Power Agency Act.

9 (mm) The term "clean energy project" means the
10 acquisition, construction, refurbishment, creation,
11 development or redevelopment of any facility, equipment,
12 machinery, real property, or personal property for use by the
13 State or any unit of local government, school district, agency
14 or instrumentality, office, department, division, bureau,
15 commission, college, or university of the State, for use by
16 any person or institution, public or private, for profit or
17 not for profit, or for use in any trade or business, which the
18 Authority determines will aid, assist, or encourage the
19 development or implementation of clean energy in the State, or
20 as otherwise contemplated by Article 850.

21 (nn) The term "Climate Bank" means the Authority in the
22 exercise of those powers conferred on it by this Act related to
23 clean energy or clean water, drinking water, or wastewater
24 treatment.

25 (oo) "Equity investment eligible community" and "eligible
26 community" mean the geographic areas throughout Illinois that

1 would most benefit from equitable investments by the State
2 designed to combat discrimination. Specifically, the eligible
3 communities shall be defined as the following areas:

4 (1) R3 Areas as established pursuant to Section 10-40
5 of the Cannabis Regulation and Tax Act, where residents
6 have historically been excluded from economic
7 opportunities, including opportunities in the energy
8 sector; and

9 (2) Environmental justice communities, as defined by
10 the Illinois Power Agency pursuant to the Illinois Power
11 Agency Act, where residents have historically been subject
12 to disproportionate burdens of pollution, including
13 pollution from the energy sector.

14 (pp) "Equity investment eligible person" and "eligible
15 person" mean the persons who would most benefit from equitable
16 investments by the State designed to combat discrimination.
17 Specifically, eligible persons means the following people:

18 (1) persons whose primary residence is in an equity
19 investment eligible community;

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

22 (3) persons who were formerly incarcerated.

23 (qq) "Environmental justice community" means the
24 definition of that term based on existing methodologies and
25 findings used and as may be updated by the Illinois Power
26 Agency and its program administrator in the Illinois Solar for

1 All Program.

2 (Source: P.A. 101-610, eff. 1-1-20; 102-662, eff. 9-15-21.)

3 Section 10. The Illinois Power Agency Act is amended by
4 changing Sections 1-10 and 1-75 as follows:

5 (20 ILCS 3855/1-10)

6 Sec. 1-10. Definitions.

7 "Agency" means the Illinois Power Agency.

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

16 "Authority" means the Illinois Finance Authority.

17 "Brownfield site photovoltaic project" means photovoltaics
18 that are either:

19 (1) interconnected to an electric utility as defined
20 in this Section, a municipal utility as defined in this
21 Section, a public utility as defined in Section 3-105 of
22 the Public Utilities Act, or an electric cooperative as
23 defined in Section 3-119 of the Public Utilities Act and
24 located at a site that is regulated by any of the following

1 entities under the following programs:

2 (A) the United States Environmental Protection
3 Agency under the federal Comprehensive Environmental
4 Response, Compensation, and Liability Act of 1980, as
5 amended;

6 (B) the United States Environmental Protection
7 Agency under the Corrective Action Program of the
8 federal Resource Conservation and Recovery Act, as
9 amended;

10 (C) the Illinois Environmental Protection Agency
11 under the Illinois Site Remediation Program; or

12 (D) the Illinois Environmental Protection Agency
13 under the Illinois Solid Waste Program; or

14 (2) located at the site of a coal mine that has
15 permanently ceased coal production, permanently halted any
16 re-mining operations, and is no longer accepting any coal
17 combustion residues; has both completed all clean-up and
18 remediation obligations under the federal Surface Mining
19 and Reclamation Act of 1977 and all applicable Illinois
20 rules and any other clean-up, remediation, or ongoing
21 monitoring to safeguard the health and well-being of the
22 people of the State of Illinois, as well as demonstrated
23 compliance with all applicable federal and State
24 environmental rules and regulations, including, but not
25 limited, to 35 Ill. Adm. Code Part 845 and any rules for
26 historic fill of coal combustion residuals, including any

1 rules finalized in Subdocket A of Illinois Pollution
2 Control Board docket R2020-019.

3 "Clean coal facility" means an electric generating
4 facility that uses primarily coal as a feedstock and that
5 captures and sequesters carbon dioxide emissions at the
6 following levels: at least 50% of the total carbon dioxide
7 emissions that the facility would otherwise emit if, at the
8 time construction commences, the facility is scheduled to
9 commence operation before 2016, at least 70% of the total
10 carbon dioxide emissions that the facility would otherwise
11 emit if, at the time construction commences, the facility is
12 scheduled to commence operation during 2016 or 2017, and at
13 least 90% of the total carbon dioxide emissions that the
14 facility would otherwise emit if, at the time construction
15 commences, the facility is scheduled to commence operation
16 after 2017. The power block of the clean coal facility shall
17 not exceed allowable emission rates for sulfur dioxide,
18 nitrogen oxides, carbon monoxide, particulates and mercury for
19 a natural gas-fired combined-cycle facility the same size as
20 and in the same location as the clean coal facility at the time
21 the clean coal facility obtains an approved air permit. All
22 coal used by a clean coal facility shall have high volatile
23 bituminous rank and greater than 1.7 pounds of sulfur per
24 million Btu ~~btu~~ content, unless the clean coal facility does
25 not use gasification technology and was operating as a
26 conventional coal-fired electric generating facility on June

1 1, 2009 (the effective date of Public Act 95-1027).

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

18 "Clean coal SNG facility" means a facility that uses a
19 gasification process to produce substitute natural gas, that
20 sequesters at least 90% of the total carbon dioxide emissions
21 that the facility would otherwise emit, that uses at least 90%
22 coal as a feedstock, with all such coal having a high
23 bituminous rank and greater than 1.7 pounds of sulfur per
24 million Btu ~~btu~~ content, and that has a valid and effective
25 permit to construct emission sources and air pollution control
26 equipment and approval with respect to the federal regulations

1 for Prevention of Significant Deterioration of Air Quality
2 (PSD) for the plant pursuant to the federal Clean Air Act;
3 provided, however, a clean coal SNG brownfield facility shall
4 not be a clean coal SNG facility.

5 "Clean energy" means energy generation that is 90% or
6 greater free of carbon dioxide emissions or is generated by a
7 renewable energy resource.

8 "Commission" means the Illinois Commerce Commission.

9 "Community renewable generation project" means an electric
10 generating facility that:

11 (1) is powered by a renewable energy resource ~~wind,~~
12 ~~solar thermal energy, photovoltaic cells or panels,~~
13 ~~biodiesel, crops and untreated and unadulterated organic~~
14 ~~waste biomass, and hydropower that does not involve new~~
15 ~~construction or significant expansion of hydropower dams;~~

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

23 (3) credits the value of electricity generated by the
24 facility to the subscribers of the facility; and

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

1 "Costs incurred in connection with the development and
2 construction of a facility" means:

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

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

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

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

19 (5) the costs of plans, specifications, site study and
20 investigation, installation, surveys, other Agency costs
21 and estimates of costs, and other expenses necessary or
22 incidental to determining the feasibility of any project,
23 together with such other expenses as may be necessary or
24 incidental to the financing, insuring, acquisition, and
25 construction of a specific project and starting up,
26 commissioning, and placing that project in operation.

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

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

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

8 "Director" means the Director of the Illinois Power
9 Agency.

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

13 "Distributed renewable energy generation device" means a
14 device that is:

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

22 (2) interconnected at the distribution system level of
23 either an electric utility as defined in this Section, a
24 municipal utility as defined in this Section that owns or
25 operates electric distribution facilities, or a rural
26 electric cooperative as defined in Section 3-119 of the

1 Public Utilities Act;

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

5 (4) (blank).

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

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

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

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

1 sector; and

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

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

10 (1) persons who graduate from or are current or former
11 participants in the Clean Jobs Workforce Network Program,
12 the Clean Energy Contractor Incubator Program, the
13 Illinois Climate Works Preapprenticeship Program,
14 Returning Residents Clean Jobs Training Program, or the
15 Clean Energy Primes Contractor Accelerator Program, and
16 the solar training pipeline and multi-cultural jobs
17 program created in paragraphs (a) (1) and (a) (3) of Section
18 16-208.12 ~~16-108.21~~ of the Public Utilities Act;

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

21 (3) persons who were formerly incarcerated;

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

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

1 is a natural person that is an eligible person offering
2 personal services as an independent contractor.

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

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

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

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

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

1 "High voltage direct current transmission facilities"
2 means the collection of installed equipment that converts
3 alternating current energy in one location to direct current
4 and transmits that direct current energy to a high voltage
5 direct current converter station using Voltage Source
6 Conversion technology. "High voltage direct current
7 transmission facilities" includes the high voltage direct
8 current converter station itself and associated high voltage
9 direct current transmission lines. Notwithstanding the
10 preceding, after September 15, 2021 (the effective date of
11 Public Act 102-662) ~~this amendatory Act of the 102nd General~~
12 ~~Assembly~~, an otherwise qualifying collection of equipment does
13 not qualify as high voltage direct current transmission
14 facilities unless its developer entered into a project labor
15 agreement, is capable of transmitting electricity at 525kv
16 with an Illinois converter station located and interconnected
17 in the region of the PJM Interconnection, LLC, and the system
18 does not operate as a public utility, as that term is defined
19 in Section 3-105 of the Public Utilities Act.

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

23 "Indexed renewable energy credit" means a tradable credit
24 that represents the environmental attributes of one megawatt
25 hour of energy produced from a renewable energy resource, the
26 price of which shall be calculated by subtracting the strike

1 price offered by a new utility-scale wind project or a new
2 utility-scale photovoltaic project from the index price in a
3 given settlement period.

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

7 "Local government" means a unit of local government as
8 defined in Section 1 of Article VII of the Illinois
9 Constitution.

10 "Municipality" means a city, village, or incorporated
11 town.

12 "Municipal utility" means a public utility owned and
13 operated by any subdivision or municipal corporation of this
14 State.

15 "Nameplate capacity" means the aggregate inverter
16 nameplate capacity in kilowatts AC.

17 "Person" means any natural person, firm, partnership,
18 corporation, either domestic or foreign, company, association,
19 limited liability company, joint stock company, or association
20 and includes any trustee, receiver, assignee, or personal
21 representative thereof.

22 "Project" means the planning, bidding, and construction of
23 a facility.

24 "Project labor agreement" means a pre-hire collective
25 bargaining agreement that covers all terms and conditions of
26 employment on a specific construction project and must include

1 the following:

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

4 (2) provisions establishing the benefits and other
5 compensation for each class of labor organization
6 employee;

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

9 (4) provisions establishing that no lockout or
10 disputes will be engaged in by the general contractor
11 building the project; and

12 (5) provisions for minorities and women, as defined
13 under the Business Enterprise for Minorities, Women, and
14 Persons with Disabilities Act, setting forth goals for
15 apprenticeship hours to be performed by minorities and
16 women and setting forth goals for total hours to be
17 performed by underrepresented minorities and women.

18 A labor organization and the general contractor building
19 the project shall have the authority to include other terms
20 and conditions as they deem necessary.

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

23 "Qualified combined heat and power systems" means systems
24 that, either simultaneously or sequentially, produce
25 electricity and useful thermal energy from a single fuel
26 source. Such systems are eligible for "renewable energy

1 credits" in an amount equal to its total energy output where a
2 renewable fuel is consumed or in an amount equal to the net
3 reduction in nonrenewable fuel consumed on a total energy
4 output basis.

5 "Real property" means any interest in land together with
6 all structures, fixtures, and improvements thereon, including
7 lands under water and riparian rights, any easements,
8 covenants, licenses, leases, rights-of-way, uses, and other
9 interests, together with any liens, judgments, mortgages, or
10 other claims or security interests related to real property.

11 "Renewable energy credit" means a tradable credit that
12 represents the environmental attributes of one megawatt hour
13 of energy produced from a renewable energy resource.

14 "Renewable energy resources" includes energy and its
15 associated renewable energy credit or renewable energy credits
16 from wind, solar thermal energy, photovoltaic cells and
17 panels, biofuels, hydrogen, other carbon neutral fuels,
18 biodiesel, anaerobic digestion, crops and untreated and
19 unadulterated organic waste biomass, and hydropower that does
20 not involve new construction or significant expansion of
21 hydropower dams, waste heat to power systems, or qualified
22 combined heat and power systems. For purposes of this Act,
23 landfill gas produced in the State is considered a renewable
24 energy resource. "Renewable energy resources" does not include
25 the incineration or burning of tires, garbage, general
26 household, institutional, and commercial waste, industrial

1 lunchroom or office waste, landscape waste, railroad
2 crossties, utility poles, or construction or demolition
3 debris, other than untreated and unadulterated waste wood.

4 "Renewable energy resources" also includes high voltage direct
5 current renewable energy credits and the associated energy
6 converted to alternating current by a high voltage direct
7 current converter station to the extent that: (1) the
8 generator of such renewable energy resource contracted with a
9 third party to transmit the energy over the high voltage
10 direct current transmission facilities, and (2) the
11 third-party contracting for delivery of renewable energy
12 resources over the high voltage direct current transmission
13 facilities have ownership rights over the unretired associated
14 high voltage direct current renewable energy credit.

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

17 "Revenue bond" means any bond, note, or other evidence of
18 indebtedness issued by the Authority, the principal and
19 interest of which is payable solely from revenues or income
20 derived from any project or activity of the Agency.

21 "Sequester" means permanent storage of carbon dioxide by
22 injecting it into a saline aquifer, a depleted gas reservoir,
23 or an oil reservoir, directly or through an enhanced oil
24 recovery process that may involve intermediate storage,
25 regardless of whether these activities are conducted by a
26 clean coal facility, a clean coal SNG facility, a clean coal

1 SNG brownfield facility, or a party with which a clean coal
2 facility, clean coal SNG facility, or clean coal SNG
3 brownfield facility has contracted for such purposes.

4 "Service area" has the same definition as found in Section
5 16-102 of the Public Utilities Act.

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

9 "Sourcing agreement" means (i) in the case of an electric
10 utility, an agreement between the owner of a clean coal
11 facility and such electric utility, which agreement shall have
12 terms and conditions meeting the requirements of paragraph (3)
13 of subsection (d) of Section 1-75, (ii) in the case of an
14 alternative retail electric supplier, an agreement between the
15 owner of a clean coal facility and such alternative retail
16 electric supplier, which agreement shall have terms and
17 conditions meeting the requirements of Section 16-115(d) (5) of
18 the Public Utilities Act, and (iii) in case of a gas utility,
19 an agreement between the owner of a clean coal SNG brownfield
20 facility and the gas utility, which agreement shall have the
21 terms and conditions meeting the requirements of subsection
22 (h-1) of Section 9-220 of the Public Utilities Act.

23 "Strike price" means a contract price for energy and
24 renewable energy credits from a new utility-scale wind project
25 or a new utility-scale photovoltaic project.

26 "Subscriber" means a person who (i) takes delivery service

1 from an electric utility, and (ii) has a subscription of no
2 less than 200 watts to a community renewable generation
3 project that is located in the electric utility's service
4 area. No subscriber's subscriptions may total more than 40% of
5 the nameplate capacity of an individual community renewable
6 generation project. Entities that are affiliated by virtue of
7 a common parent shall not represent multiple subscriptions
8 that total more than 40% of the nameplate capacity of an
9 individual community renewable generation project.

10 "Subscription" means an interest in a community renewable
11 generation project expressed in kilowatts, which is sized
12 primarily to offset part or all of the subscriber's
13 electricity usage.

14 "Substitute natural gas" or "SNG" means a gas manufactured
15 by gasification of hydrocarbon feedstock, which is
16 substantially interchangeable in use and distribution with
17 conventional natural gas.

18 "Total resource cost test" or "TRC test" means a standard
19 that is met if, for an investment in energy efficiency or
20 demand-response measures, the benefit-cost ratio is greater
21 than one. The benefit-cost ratio is the ratio of the net
22 present value of the total benefits of the program to the net
23 present value of the total costs as calculated over the
24 lifetime of the measures. A total resource cost test compares
25 the sum of avoided electric utility costs, representing the
26 benefits that accrue to the system and the participant in the

1 delivery of those efficiency measures and including avoided
2 costs associated with reduced use of natural gas or other
3 fuels, avoided costs associated with reduced water
4 consumption, and avoided costs associated with reduced
5 operation and maintenance costs, as well as other quantifiable
6 societal benefits, to the sum of all incremental costs of
7 end-use measures that are implemented due to the program
8 (including both utility and participant contributions), plus
9 costs to administer, deliver, and evaluate each demand-side
10 program, to quantify the net savings obtained by substituting
11 the demand-side program for supply resources. In calculating
12 avoided costs of power and energy that an electric utility
13 would otherwise have had to acquire, reasonable estimates
14 shall be included of financial costs likely to be imposed by
15 future regulations and legislation on emissions of greenhouse
16 gases. In discounting future societal costs and benefits for
17 the purpose of calculating net present values, a societal
18 discount rate based on actual, long-term Treasury bond yields
19 should be used. Notwithstanding anything to the contrary, the
20 TRC test shall not include or take into account a calculation
21 of market price suppression effects or demand reduction
22 induced price effects.

23 "Utility-scale solar project" means an electric generating
24 facility that:

25 (1) generates electricity using photovoltaic cells;

26 and

1 (2) has a nameplate capacity that is greater than
2 5,000 kilowatts.

3 "Utility-scale wind project" means an electric generating
4 facility that:

5 (1) generates electricity using wind; and

6 (2) has a nameplate capacity that is greater than
7 5,000 kilowatts.

8 "Waste Heat to Power Systems" means systems that capture
9 and generate electricity from energy that would otherwise be
10 lost to the atmosphere without the use of additional fuel.

11 "Zero emission credit" means a tradable credit that
12 represents the environmental attributes of one megawatt hour
13 of energy produced from a zero emission facility.

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

18 (Source: P.A. 102-662, eff. 9-15-21; revised 6-2-22.)

19 (20 ILCS 3855/1-75)

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

23 (a) The Planning and Procurement Bureau shall each year,
24 beginning in 2008, develop procurement plans and conduct
25 competitive procurement processes in accordance with the

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

1 customers" has the same definition as found in Section
2 16-111.5(a) of the Public Utilities Act.

3 Beginning with the plan or plans to be implemented in the
4 2017 delivery year, the Agency shall no longer include the
5 procurement of renewable energy resources in the annual
6 procurement plans required by this subsection (a), except as
7 provided in subsection (q) of Section 16-111.5 of the Public
8 Utilities Act, and shall instead develop a long-term renewable
9 resources procurement plan in accordance with subsection (c)
10 of this Section and Section 16-111.5 of the Public Utilities
11 Act.

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

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

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

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

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

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

13 (E) expertise in credit protocols and familiarity
14 with contract protocols;

15 (F) adequate resources to perform and fulfill the
16 required functions and responsibilities; and

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

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

26 (A) direct previous experience administering a

1 large-scale competitive procurement process;

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

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

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

10 (E) expertise in credit and contract protocols;

11 (F) adequate resources to perform and fulfill the
12 required functions and responsibilities; and

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

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

1 utilities and other interested parties. These parties
2 shall, within 5 business days, notify the Agency in
3 writing if they object to any experts or expert consulting
4 firms on the lists. Objections shall be based on:

5 (A) failure to satisfy qualification criteria;

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

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

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

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

23 (5) The Agency shall select an expert or expert
24 consulting firm to develop procurement plans based on the
25 proposals submitted and shall award contracts of up to 5
26 years to those selected.

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

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

24 (c) Renewable portfolio standard.

25 (1) (A) The Agency shall develop a long-term renewable
26 resources procurement plan that shall include procurement

1 programs and competitive procurement events necessary to
2 meet the goals set forth in this subsection (c). The
3 initial long-term renewable resources procurement plan
4 shall be released for comment no later than 160 days after
5 June 1, 2017 (the effective date of Public Act 99-906).
6 The Agency shall review, and may revise on an expedited
7 basis, the long-term renewable resources procurement plan
8 at least every 2 years, which shall be conducted in
9 conjunction with the procurement plan under Section
10 16-111.5 of the Public Utilities Act to the extent
11 practicable to minimize administrative expense. No later
12 than 120 days after the effective date of this amendatory
13 Act of the 102nd General Assembly, the Agency shall
14 release for comment a revision to the long-term renewable
15 resources procurement plan, updating elements of the most
16 recently approved plan as needed to comply with this
17 amendatory Act of the 102nd General Assembly, and any
18 long-term renewable resources procurement plan update
19 published by the Agency but not yet approved by the
20 Illinois Commerce Commission shall be withdrawn. The
21 long-term renewable resources procurement plans shall be
22 subject to review and approval by the Commission under
23 Section 16-111.5 of the Public Utilities Act.

24 (B) Subject to subparagraph (F) of this paragraph (1),
25 the long-term renewable resources procurement plan shall
26 attempt to meet the goals for procurement of renewable

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

24 For the delivery year beginning June 1, 2017, the
25 procurement plan shall attempt to include, subject to the
26 prioritization outlined in this subparagraph (B),

1 cost-effective renewable energy resources equal to at
2 least 13% of each utility's load for eligible retail
3 customers and 13% of the applicable portion of each
4 utility's load for retail customers who are not eligible
5 retail customers, which applicable portion shall equal 50%
6 of the utility's load for retail customers who are not
7 eligible retail customers on February 28, 2017.

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

18 For the delivery year beginning June 1, 2019, and for
19 each year thereafter, the procurement plans shall attempt
20 to include, subject to the prioritization outlined in this
21 subparagraph (B), cost-effective renewable energy
22 resources equal to a minimum percentage of each utility's
23 load for all retail customers as follows: 16% by June 1,
24 2019; increasing by 1.5% each year thereafter to 25% by
25 June 1, 2025; and 25% by June 1, 2026; increasing by at
26 least 3% each delivery year thereafter to at least 40% by

1 the 2030 delivery year, and continuing at no less than 40%
2 for each delivery year thereafter. The Agency shall
3 attempt to procure 50% by delivery year 2040. The Agency
4 shall determine the annual increase between delivery year
5 2030 and delivery year 2040, if any, taking into account
6 energy demand, other energy resources, and other public
7 policy goals.

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

15 (C) The long-term renewable resources procurement plan
16 described in subparagraph (A) of this paragraph (1) shall
17 include the procurement of renewable energy credits from
18 new projects in amounts equal to at least the following:

19 (i) 10,000,000 renewable energy credits delivered
20 annually by the end of the 2021 delivery year, and
21 increasing ratably to reach 45,000,000 renewable
22 energy credits delivered annually from new wind, ~~and~~
23 solar, and other renewable energy resource projects by
24 the end of delivery year 2030 such that the goals in
25 subparagraph (B) of this paragraph (1) are met 75%
26 ~~entirely~~ by procurements of renewable energy credits

1 from new wind and photovoltaic projects and 25% by
2 other renewable energy resource such that the State
3 maintains a sufficient, diverse, reliable, and
4 cost-effective renewable energy resources mix. Of the
5 75% of procurements from new wind and photovoltaic
6 projects ~~that amount,~~ to the extent possible, the
7 Agency shall procure 45% from wind projects and 55%
8 from photovoltaic projects. Of the amount to be
9 procured from photovoltaic projects, the Agency shall
10 procure: at least 50% from solar photovoltaic projects
11 using the program outlined in subparagraph (K) of this
12 paragraph (1) from distributed renewable energy
13 generation devices or community renewable generation
14 projects; at least 47% from utility-scale solar
15 projects; at least 3% from brownfield site
16 photovoltaic projects that are not community renewable
17 generation projects. To the extent that during any
18 delivery year the Agency is unable to procure
19 sufficient renewable energy credits to meet one or
20 more of these categorical percentages, the Agency
21 shall attempt to meet the overall annual procurement
22 goals provided in this Section by procuring renewable
23 energy credits from another category of renewable
24 energy resources.

25 In developing the long-term renewable resources
26 procurement plan, the Agency shall consider other

1 approaches, in addition to competitive procurements,
2 that can be used to procure renewable energy credits
3 from brownfield site photovoltaic projects and thereby
4 help return blighted or contaminated land to
5 productive use while enhancing public health and the
6 well-being of Illinois residents, including those in
7 environmental justice communities, as defined using
8 existing methodologies and findings used by the Agency
9 and its Administrator in its Illinois Solar for All
10 Program.

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

17 (iii) For purposes of this Section:

18 "New wind projects" means wind renewable energy
19 facilities that are energized after June 1, 2017 for
20 the delivery year commencing June 1, 2017.

21 "New photovoltaic projects" means photovoltaic
22 renewable energy facilities that are energized after
23 June 1, 2017. Photovoltaic projects developed under
24 Section 1-56 of this Act shall not apply towards the
25 new photovoltaic project requirements in this
26 subparagraph (C).

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

13 (D) Renewable energy credits shall be cost effective.
14 For purposes of this subsection (c), "cost effective"
15 means that the costs of procuring renewable energy
16 resources do not cause the limit stated in subparagraph
17 (E) of this paragraph (1) to be exceeded and, for
18 renewable energy credits procured through a competitive
19 procurement event, do not exceed benchmarks based on
20 market prices for like products in the region. For
21 purposes of this subsection (c), "like products" means
22 contracts for renewable energy credits from the same or
23 substantially similar technology, same or substantially
24 similar vintage (new or existing), the same or
25 substantially similar quantity, and the same or
26 substantially similar contract length and structure.

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

20 (E) For purposes of this subsection (c), the required
21 procurement of cost-effective renewable energy resources
22 for a particular year commencing prior to June 1, 2017
23 shall be measured as a percentage of the actual amount of
24 electricity (megawatt-hours) supplied by the electric
25 utility to eligible retail customers in the delivery year
26 ending immediately prior to the procurement, and, for

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

15 Notwithstanding the requirements of this subsection
16 (c), the total of renewable energy resources procured
17 under the procurement plan for any single year shall be
18 subject to the limitations of this subparagraph (E). Such
19 procurement shall be reduced for all retail customers
20 based on the amount necessary to limit the annual
21 estimated average net increase due to the costs of these
22 resources included in the amounts paid by eligible retail
23 customers in connection with electric service to no more
24 than 4.25% of the amount paid per kilowatthour by those
25 customers during the year ending May 31, 2009. To arrive
26 at a maximum dollar amount of renewable energy resources

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

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

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

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

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

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

12 (G) The following provisions shall apply to the
13 Agency's procurement of renewable energy credits under
14 this subsection (c):

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

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

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

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

13 (iii) Notwithstanding whether the Commission has
14 approved the periodic long-term renewable resources
15 procurement plan revision described in Section
16 16-111.5 of the Public Utilities Act, the Agency shall
17 conduct at least one subsequent forward procurement
18 for renewable energy credits from new utility-scale
19 wind projects, new utility-scale solar projects, and
20 new brownfield site photovoltaic projects within 240
21 days after the effective date of this amendatory Act
22 of the 102nd General Assembly in quantities necessary
23 to meet the requirements of subparagraph (C) of this
24 paragraph (1) through the delivery year beginning June
25 1, 2021.

26 (iv) Notwithstanding whether the Commission has

1 approved the periodic long-term renewable resources
2 procurement plan revision described in Section
3 16-111.5 of the Public Utilities Act, the Agency shall
4 open capacity for each category in the Adjustable
5 Block program within 90 days after the effective date
6 of this amendatory Act of the 102nd General Assembly
7 manner:

8 (1) The Agency shall open the first block of
9 annual capacity for the category described in item
10 (i) of subparagraph (K) of this paragraph (1). The
11 first block of annual capacity for item (i) shall
12 be for at least 75 megawatts of total nameplate
13 capacity. The price of the renewable energy credit
14 for this block of capacity shall be 4% less than
15 the price of the last open block in this category.
16 Projects on a waitlist shall be awarded contracts
17 first in the order in which they appear on the
18 waitlist. Notwithstanding anything to the
19 contrary, for those renewable energy credits that
20 qualify and are procured under this subitem (1) of
21 this item (iv), the renewable energy credit
22 delivery contract value shall be paid in full,
23 based on the estimated generation during the first
24 15 years of operation, by the contracting
25 utilities at the time that the facility producing
26 the renewable energy credits is interconnected at

1 the distribution system level of the utility and
2 verified as energized and in compliance by the
3 Program Administrator. The electric utility shall
4 receive and retire all renewable energy credits
5 generated by the project for the first 15 years of
6 operation. Renewable energy credits generated by
7 the project thereafter shall not be transferred
8 under the renewable energy credit delivery
9 contract with the counterparty electric utility.

10 (2) The Agency shall open the first block of
11 annual capacity for the category described in item
12 (ii) of subparagraph (K) of this paragraph (1).
13 The first block of annual capacity for item (ii)
14 shall be for at least 75 megawatts of total
15 nameplate capacity.

16 (A) The price of the renewable energy
17 credit for any project on a waitlist for this
18 category before the opening of this block
19 shall be 4% less than the price of the last
20 open block in this category. Projects on the
21 waitlist shall be awarded contracts first in
22 the order in which they appear on the
23 waitlist. Any projects that are less than or
24 equal to 25 kilowatts in size on the waitlist
25 for this capacity shall be moved to the
26 waitlist for paragraph (1) of this item (iv).

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

1 the counterparty electric utility.

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

17 (3) For opening the first 2 blocks of annual
18 capacity for projects participating in item (iii)
19 of subparagraph (K) of paragraph (1) of subsection
20 (c), projects shall be selected exclusively from
21 those projects on the ordinal waitlists of
22 community renewable generation projects
23 established by the Agency based on the status of
24 those ordinal waitlists as of December 31, 2020,
25 and only those projects previously determined to
26 be eligible for the Agency's April 2019 community

1 solar project selection process.

2 The first 2 blocks of annual capacity for item
3 (iii) shall be for 250 megawatts of total
4 nameplate capacity, with both blocks opening
5 simultaneously under the schedule outlined in the
6 paragraphs below. Projects shall be selected as
7 follows:

8 (A) The geographic balance of selected
9 projects shall follow the Group classification
10 found in the Agency's Revised Long-Term
11 Renewable Resources Procurement Plan, with 70%
12 of capacity allocated to projects on the Group
13 B waitlist and 30% of capacity allocated to
14 projects on the Group A waitlist.

15 (B) Contract awards for waitlisted
16 projects shall be allocated proportionate to
17 the total nameplate capacity amount across
18 both ordinal waitlists associated with that
19 applicant firm or its affiliates, subject to
20 the following conditions.

21 (i) Each applicant firm having a
22 waitlisted project eligible for selection
23 shall receive no less than 500 kilowatts
24 in awarded capacity across all groups, and
25 no approved vendor may receive more than
26 20% of each Group's waitlist allocation.

1 (ii) Each applicant firm, upon
2 receiving an award of program capacity
3 proportionate to its waitlisted capacity,
4 may then determine which waitlisted
5 projects it chooses to be selected for a
6 contract award up to that capacity amount.

7 (iii) Assuming all other program
8 requirements are met, applicant firms may
9 adjust the nameplate capacity of applicant
10 projects without losing waitlist
11 eligibility, so long as no project is
12 greater than 2,000 kilowatts in size.

13 (iv) Assuming all other program
14 requirements are met, applicant firms may
15 adjust the expected production associated
16 with applicant projects, subject to
17 verification by the Program Administrator.

18 (C) After a review of affiliate
19 information and the current ordinal waitlists,
20 the Agency shall announce the nameplate
21 capacity award amounts associated with
22 applicant firms no later than 90 days after
23 the effective date of this amendatory Act of
24 the 102nd General Assembly.

25 (D) Applicant firms shall submit their
26 portfolio of projects used to satisfy those

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

18 (E) The renewable energy credit delivery
19 contract shall be subject to the contract and
20 payment terms outlined in item (iv) of
21 subparagraph (L) of this subsection (c).
22 Contract instruments used for this
23 subparagraph shall contain the following
24 terms:

25 (i) Renewable energy credit prices
26 shall be fixed, without further adjustment

1 under any other provision of this Act or
2 for any other reason, at 10% lower than
3 prices applicable to the last open block
4 for this category, inclusive of any adders
5 available for achieving a minimum of 50%
6 of subscribers to the project's nameplate
7 capacity being residential or small
8 commercial customers with subscriptions of
9 below 25 kilowatts in size;

10 (ii) A requirement that a minimum of
11 50% of subscribers to the project's
12 nameplate capacity be residential or small
13 commercial customers with subscriptions of
14 below 25 kilowatts in size;

15 (iii) Permission for the ability of a
16 contract holder to substitute projects
17 with other waitlisted projects without
18 penalty should a project receive a
19 non-binding estimate of costs to construct
20 the interconnection facilities and any
21 required distribution upgrades associated
22 with that project of greater than 30 cents
23 per watt AC of that project's nameplate
24 capacity. In developing the applicable
25 contract instrument, the Agency may
26 consider whether other circumstances

1 outside of the control of the applicant
2 firm should also warrant project
3 substitution rights.

4 The Agency shall publish a finalized
5 updated renewable energy credit delivery
6 contract developed consistent with these terms
7 and conditions no less than 30 days before
8 applicant firms must submit their portfolio of
9 projects pursuant to item (D).

10 (F) To be eligible for an award, the
11 applicant firm shall certify that not less
12 than prevailing wage, as determined pursuant
13 to the Illinois Prevailing Wage Act, was or
14 will be paid to employees who are engaged in
15 construction activities associated with a
16 selected project.

17 (4) The Agency shall open the first block of
18 annual capacity for the category described in item
19 (iv) of subparagraph (K) of this paragraph (1).
20 The first block of annual capacity for item (iv)
21 shall be for at least 50 megawatts of total
22 nameplate capacity. Renewable energy credit prices
23 shall be fixed, without further adjustment under
24 any other provision of this Act or for any other
25 reason, at the price in the last open block in the
26 category described in item (ii) of subparagraph

1 (K) of this paragraph (1). Pricing for future
2 blocks of annual capacity for this category may be
3 adjusted in the Agency's second revision to its
4 Long-Term Renewable Resources Procurement Plan.
5 Projects in this category shall be subject to the
6 contract terms outlined in item (iv) of
7 subparagraph (L) of this paragraph (1).

8 (5) The Agency shall open the equivalent of 2
9 years of annual capacity for the category
10 described in item (v) of subparagraph (K) of this
11 paragraph (1). The first block of annual capacity
12 for item (v) shall be for at least 10 megawatts of
13 total nameplate capacity. Notwithstanding the
14 provisions of item (v) of subparagraph (K) of this
15 paragraph (1), for the purpose of this initial
16 block, the agency shall accept new project
17 applications intended to increase the diversity of
18 areas hosting community solar projects, the
19 business models of projects, and the size of
20 projects, as described by the Agency in its
21 long-term renewable resources procurement plan
22 that is approved as of the effective date of this
23 amendatory Act of the 102nd General Assembly.
24 Projects in this category shall be subject to the
25 contract terms outlined in item (iii) of
26 subsection (L) of this paragraph (1).

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

22 (v) Upon the effective date of this amendatory Act
23 of the 102nd General Assembly, for all competitive
24 procurements and any procurements of renewable energy
25 credit from new utility-scale wind and new
26 utility-scale photovoltaic projects, the Agency shall

1 procure indexed renewable energy credits and direct
2 respondents to offer a strike price.

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

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

21 (3) To ensure funding in the annual budget
22 established under subparagraph (E) for indexed
23 renewable energy credit procurements for each year
24 of the term of such contracts, which must have a
25 minimum tenure of 20 calendar years, the
26 procurement administrator, Agency, Commission

1 staff, and procurement monitor shall quantify the
2 annual cost of the contract by utilizing an
3 industry-standard, third-party forward price curve
4 for energy at the appropriate hub or load zone,
5 including the estimated magnitude and timing of
6 the price effects related to federal carbon
7 controls. Each forward price curve shall contain a
8 specific value of the forecasted market price of
9 electricity for each annual delivery year of the
10 contract. For procurement planning purposes, the
11 impact on the annual budget for the cost of
12 indexed renewable energy credits for each delivery
13 year shall be determined as the expected annual
14 contract expenditure for that year, equaling the
15 difference between (i) the sum across all relevant
16 contracts of the applicable strike price
17 multiplied by contract quantity and (ii) the sum
18 across all relevant contracts of the forward price
19 curve for the applicable load zone for that year
20 multiplied by contract quantity. The contracting
21 utility shall not assume an obligation in excess
22 of the estimated annual cost of the contracts for
23 indexed renewable energy credits. Forward curves
24 shall be revised on an annual basis as updated
25 forward price curves are released and filed with
26 the Commission in the proceeding approving the

1 Agency's most recent long-term renewable resources
2 procurement plan. If the expected contract spend
3 is higher or lower than the total quantity of
4 contracts multiplied by the forward price curve
5 value for that year, the forward price curve shall
6 be updated by the procurement administrator, in
7 consultation with the Agency, Commission staff,
8 and procurement monitors, using then-currently
9 available price forecast data and additional
10 budget dollars shall be obligated or reobligated
11 as appropriate.

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

22 (vi) All procurements under this subparagraph (G)
23 shall comply with the geographic requirements in
24 subparagraph (I) of this paragraph (1) and shall
25 follow the procurement processes and procedures
26 described in this Section and Section 16-111.5 of the

1 Public Utilities Act to the extent practicable, and
2 these processes and procedures may be expedited to
3 accommodate the schedule established by this
4 subparagraph (G).

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

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

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

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

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

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

1 by the amount of metered electricity
2 (megawatt-hours) delivered by the alternative
3 retail electric supplier to Illinois retail
4 customers during the delivery year ending May 31,
5 2016.

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

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

1 metered electricity (megawatt-hours) delivered in the
2 delivery year immediately preceding that delivery
3 year, provided that the 14.5% shall increase by 1.5%
4 each delivery year thereafter to 25% by the delivery
5 year beginning June 1, 2025, and thereafter the 25%
6 value shall apply to each delivery year.

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

25 On or before April 1 of each year, the Agency shall
26 annually publish a report on its website that

1 identifies the aggregate amount of renewable energy
2 credits supplied by alternative retail electric
3 suppliers under this subparagraph (H).

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

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

1 (J) In order to promote the competitive development of
2 renewable energy resources in furtherance of the State's
3 interest in the health, safety, and welfare of its
4 residents, renewable energy credits shall not be eligible
5 to be counted toward the renewable energy requirements of
6 this subsection (c) if they are sourced from a generating
7 unit whose costs were being recovered through rates
8 regulated by this State or any other state or states on or
9 after January 1, 2017. Each contract executed to purchase
10 renewable energy credits under this subsection (c) shall
11 provide for the contract's termination if the costs of the
12 generating unit supplying the renewable energy credits
13 subsequently begin to be recovered through rates regulated
14 by this State or any other state or states; and each
15 contract shall further provide that, in that event, the
16 supplier of the credits must return 110% of all payments
17 received under the contract. Amounts returned under the
18 requirements of this subparagraph (J) shall be retained by
19 the utility and all of these amounts shall be used for the
20 procurement of additional renewable energy credits from
21 new wind or new photovoltaic resources as defined in this
22 subsection (c). The long-term plan shall provide that
23 these renewable energy credits shall be procured in the
24 next procurement event.

25 Notwithstanding the limitations of this subparagraph
26 (J), renewable energy credits sourced from generating

1 units that are constructed, purchased, owned, or leased by
2 an electric utility as part of an approved project,
3 program, or pilot under Section 1-56 of this Act shall be
4 eligible to be counted toward the renewable energy
5 requirements of this subsection (c), regardless of how the
6 costs of these units are recovered. As long as a
7 generating unit or an identifiable portion of a generating
8 unit has not had and does not have its costs recovered
9 through rates regulated by this State or any other state,
10 HVDC renewable energy credits associated with that
11 generating unit or identifiable portion thereof shall be
12 eligible to be counted toward the renewable energy
13 requirements of this subsection (c).

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

1 renewable energy credit prices to adjust at a predictable
2 rate over time. The prices set by the Adjustable Block
3 program can be reflected as a set value or as the product
4 of a formula.

5 The Adjustable Block program shall include for each
6 category of eligible projects for each delivery year: a
7 single block of nameplate capacity, a price for renewable
8 energy credits within that block, and the terms and
9 conditions for securing a spot on a waitlist once the
10 block is fully committed or reserved. Except as outlined
11 below, the waitlist of projects in a given year will carry
12 over to apply to the subsequent year when another block is
13 opened. Only projects energized on or after June 1, 2017
14 shall be eligible for the Adjustable Block program. For
15 each category for each delivery year the Agency shall
16 determine the amount of generation capacity in each block,
17 and the purchase price for each block, provided that the
18 purchase price provided and the total amount of generation
19 in all blocks for all categories shall be sufficient to
20 meet the goals in this subsection (c). The Agency shall
21 strive to issue a single block sized to provide for
22 stability and market growth. The Agency shall establish
23 program eligibility requirements that ensure that projects
24 that enter the program are sufficiently mature to indicate
25 a demonstrable path to completion. The Agency may
26 periodically review its prior decisions establishing the

1 amount of generation capacity in each block, and the
2 purchase price for each block, and may propose, on an
3 expedited basis, changes to these previously set values,
4 including but not limited to redistributing these amounts
5 and the available funds as necessary and appropriate,
6 subject to Commission approval as part of the periodic
7 plan revision process described in Section 16-111.5 of the
8 Public Utilities Act. The Agency may define different
9 block sizes, purchase prices, or other distinct terms and
10 conditions for projects located in different utility
11 service territories if the Agency deems it necessary to
12 meet the goals in this subsection (c).

13 The Adjustable Block program shall include the
14 following categories in at least the following amounts:

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

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

26 (iii) At least 30% from photovoltaic community

1 renewable generation projects. Capacity for this
2 category for the first 2 delivery years after the
3 effective date of this amendatory Act of the 102nd
4 General Assembly shall be allocated to waitlist
5 projects as provided in paragraph (3) of item (iv) of
6 subparagraph (G). Starting in the third delivery year
7 after the effective date of this amendatory Act of the
8 102nd General Assembly or earlier if the Agency
9 determines there is additional capacity needed for to
10 meet previous delivery year requirements, the
11 following shall apply:

12 (1) the Agency shall select projects on a
13 first-come, first-serve basis, however the Agency
14 may suggest additional methods to prioritize
15 projects that are submitted at the same time;

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

20 (3) projects shall not be colocated with one
21 or more other community renewable generation
22 projects, as defined in the Agency's first revised
23 long-term renewable resources procurement plan
24 approved by the Commission on February 18, 2020,
25 such that the aggregate nameplate capacity exceeds
26 5,000 kilowatts; and

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

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

1 to, those public schools subject to the prioritization
2 provisions of this subparagraph. For the purposes of
3 this item (iv):

4 "Environmental Justice Community" shall have the
5 same meaning set forth in the Agency's long-term
6 renewable resources procurement plan;

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

10 "Public schools" shall have the meaning set forth
11 in Section 1-3 of the School Code.

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

26 (1) community ownership or community

1 wealth-building;

2 (2) additional direct and indirect community
3 benefit, beyond project participation as a
4 subscriber, including, but not limited to,
5 economic, environmental, social, cultural, and
6 physical benefits;

7 (3) meaningful involvement in project
8 organization and development by community members
9 or nonprofit organizations or public entities
10 located in or serving the community;

11 (4) engagement in project operations and
12 management by nonprofit organizations, public
13 entities, or community members; and

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

18 Selection criteria may also prioritize projects
19 that:

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

1 Program;

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

5 (3) are located in Equity Investment Eligible
6 Communities;

7 (4) are not greenfield projects;

8 (5) serve only local subscribers;

9 (6) have a nameplate capacity that does not
10 exceed 500 kW;

11 (7) are developed by an equity eligible
12 contractor; or

13 (8) otherwise meaningfully advance the goals
14 of providing more direct and tangible connection
15 and benefits to the communities which they serve
16 or in which they operate and increasing the
17 variety of community solar locations, models, and
18 options in Illinois.

19 For the purposes of this item (v):

20 "Community" means a social unit in which people
21 come together regularly to effect change; a social
22 unit in which participants are marked by a cooperative
23 spirit, a common purpose, or shared interests or
24 characteristics; or a space understood by its
25 residents to be delineated through geographic
26 boundaries or landmarks.

1 "Community benefit" means a range of services and
2 activities that provide affirmative, economic,
3 environmental, social, cultural, or physical value to
4 a community; or a mechanism that enables economic
5 development, high-quality employment, and education
6 opportunities for local workers and residents, or
7 formal monitoring and oversight structures such that
8 community members may ensure that those services and
9 activities respond to local knowledge and needs.

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

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

1 meet individual criteria as well as projects that
2 address a higher number of criteria.

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

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

1 contractors. The amount or percentage of advanced
2 capital may vary by subcategory within this category
3 and by an applicant's demonstration of need, with such
4 levels to be established through the Long-Term
5 Renewable Resources Procurement Plan authorized under
6 subparagraph (A) of paragraph (1) of subsection (c) of
7 this Section.

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

1 subparagraph (L).

2 (vii) The remaining capacity shall be allocated by
3 the Agency in order to respond to market demand. The
4 Agency shall allocate any discretionary capacity prior
5 to the beginning of each delivery year.

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

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

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

1 (L) Notwithstanding provisions for advancing capital
2 prior to project energization found in item (vi) of
3 subparagraph (K), the procurement of photovoltaic
4 renewable energy credits under items (i) through (vi) of
5 subparagraph (K) of this paragraph (1) shall otherwise be
6 subject to the following contract and payment terms:

7 (i) (Blank).

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

1 with the counterparty electric utility.

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

23 (iv) For those renewable energy credits that
24 qualify and are procured under items (iii) and (iv) of
25 subparagraph (K) of this paragraph (1), and any like
26 projects that qualify and are procured under item

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

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

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

22 (vi) The utility shall be the counterparty to the
23 contracts executed under this subparagraph (L) that
24 are approved by the Commission under the process
25 described in Section 16-111.5 of the Public Utilities
26 Act. No contract shall be executed for an amount that

1 is less than one renewable energy credit per year.

2 (vii) If, at any time, approved applications for
3 the Adjustable Block program exceed funds collected by
4 the electric utility or would cause the Agency to
5 exceed the limitation described in subparagraph (E) of
6 this paragraph (1) on the amount of renewable energy
7 resources that may be procured, then the Agency may
8 consider future uncommitted funds to be reserved for
9 these contracts on a first-come, first-served basis.

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

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

26 (x) Contracts may be assignable, but only to

1 entities first deemed by the Agency to have met
2 program terms and requirements applicable to direct
3 program participation. In developing contracts for the
4 delivery of renewable energy credits, the Agency shall
5 be permitted to establish fees applicable to each
6 contract assignment.

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

22 The Program Administrator may charge application fees
23 to participating firms to cover the cost of program
24 administration. Any application fee amounts shall
25 initially be determined through the long-term renewable
26 resources procurement plan, and modifications to any

1 application fee that deviate more than 25% from the
2 Commission's approved value must be approved by the
3 Commission as a long-term plan revision under Section
4 16-111.5 of the Public Utilities Act. The Agency shall
5 consider stakeholder feedback when making adjustments to
6 application fees and shall notify stakeholders in advance
7 of any planned changes.

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

21 The Agency and its consultant or consultants shall
22 monitor block activity, share program activity with
23 stakeholders and conduct quarterly meetings to discuss
24 program activity and market conditions. If necessary, the
25 Agency may make prospective administrative adjustments to
26 the Adjustable Block program design, such as making

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

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

1 for program participation shall include the following:

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

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

24 (iii) To discourage deceptive marketing or other
25 bad faith business practices, the Agency may require
26 direct program participants, including agents

1 operating on their behalf, to provide standardized
2 disclosures to a customer prior to that customer's
3 execution of a contract for the development of a
4 distributed generation system or a subscription to a
5 community solar project.

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

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

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

1 received.

2 (vii) To the extent that complaints received
3 implicate the jurisdiction of the Office of the
4 Attorney General, the Illinois Commerce Commission, or
5 local, State, or federal law enforcement, the Agency
6 shall also refer complaints to those entities as
7 appropriate.

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

25 Through the development of its long-term renewable
26 resources procurement plan, the Agency may consider

1 whether community renewable generation projects utilizing
2 technologies other than photovoltaics should be supported
3 through State-administered incentive funding, and may
4 issue requests for information to gauge market demand.

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

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

21 The owners of and any subscribers to a community
22 renewable generation project shall not be considered
23 public utilities or alternative retail electricity
24 suppliers under the Public Utilities Act solely as a
25 result of their interest in or subscription to a community
26 renewable generation project and shall not be required to

1 become an alternative retail electric supplier by
2 participating in a community renewable generation project
3 with a public utility.

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

1 required under this subparagraph (O), the Commission shall
2 consider the experience and performance under the programs
3 and any evaluation reports. The Commission shall also
4 provide for an independent evaluation of those programs on
5 a periodic basis that are funded under this subparagraph
6 (O).

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

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

1 the Energy Community Reinvestment Act or seek an exemption
2 from this requirement from the Commission.

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

10 (1) Each facility shall be subject to the
11 prevailing wage requirements included in the
12 Prevailing Wage Act. The Agency shall require
13 verification that all construction performed on the
14 facility by the renewable energy credit delivery
15 contract holder, its contractors, or its
16 subcontractors relating to construction of the
17 facility is performed by construction employees
18 receiving an amount for that work equal to or greater
19 than the general prevailing rate, as that term is
20 defined in Section 3 of the Prevailing Wage Act. For
21 purposes of this item (1), "house of worship" means
22 property that is both (1) used exclusively by a
23 religious society or body of persons as a place for
24 religious exercise or religious worship and (2)
25 recognized as exempt from taxation pursuant to Section
26 15-40 of the Property Tax Code. This item (1) shall

1 apply to any the following:

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

3 (ii) all new utility-scale photovoltaic
4 projects;

5 (iii) all new brownfield photovoltaic
6 projects;

7 (iv) all new photovoltaic community renewable
8 energy facilities that qualify for item (iii) of
9 subparagraph (K) of this paragraph (1);

10 (v) all new community driven community
11 photovoltaic projects that qualify for item (v) of
12 subparagraph (K) of this paragraph (1);

13 (vi) all new photovoltaic distributed
14 renewable energy generation devices on schools
15 that qualify for item (iv) of subparagraph (K) of
16 this paragraph (1);

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

25 (viii) all new photovoltaic distributed
26 renewable energy generation devices that (1)

1 qualify for item (ii) of subparagraph (K) of this
2 paragraph (1); (2) are not projects that serve
3 single-family or multi-family residential
4 buildings; and (3) are not houses of worship where
5 the aggregate capacity including collocated
6 projects would not exceed 100 kilowatts.

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

1 terms and conditions as defined by this Act.

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

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

1 agreements may include the purchase of energy or other
2 products on a physical or financial basis and may involve
3 an alternative retail electric supplier as defined in
4 Section 16-102 of the Public Utilities Act. This program
5 shall take effect in the delivery year commencing June 1,
6 2023.

7 (1) For the purposes of this subparagraph:

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

17 "Retail customer" has the meaning set forth in
18 Section 16-102 of the Public Utilities Act and
19 multiple retail customer accounts under the same
20 corporate parent may aggregate their account demands
21 to meet the 10,000 kilowatt threshold. The criteria
22 for determining whether this subparagraph is
23 applicable to a retail customer shall be based on the
24 12 consecutive billing periods prior to the start of
25 the year in which the application is filed.

26 (2) For renewable energy credits to count toward

1 the self-direct renewable portfolio standard
2 compliance program, they must:

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

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

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

25 (iv) be equivalent in volume to at least 40%
26 of the eligible self-direct customer's usage,

1 determined annually by the eligible self-direct
2 customer's usage during the previous delivery
3 year, measured to the nearest megawatt-hour;

4 (v) be retired by or on behalf of the large
5 energy customer;

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

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

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

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

26 (4) The Commission shall approve a reduction in

1 the volumetric charges collected pursuant to Section
2 16-108 of the Public Utilities Act for approved
3 eligible self-direct customers equivalent to the
4 anticipated cost of renewable energy credit deliveries
5 under contracts for ~~new~~ utility-scale wind and ~~new~~
6 utility-scale solar entered for each delivery year
7 ~~after~~ the large energy customer retires ~~begins~~
8 ~~retiring~~ eligible new utility scale renewable energy
9 credits ~~for self-compliance~~. The self-direct credit
10 amount for each renewable energy credit supplied shall
11 be determined annually and is equal to the lower of the
12 volumetric charge collected pursuant to Section 16-108
13 of the Public Utilities Act as calculated under
14 subparagraph (E) of paragraph (1) of subsection (c) of
15 this Section to support the renewable portfolio or the
16 average price paid per renewable energy credit divided
17 by 1,000 for all utility-scale renewable energy
18 credits procured by the Agency pursuant to this
19 Section after June 1, 2017, including indexed
20 renewable energy credits and ~~estimated portion of the~~
21 ~~cost authorized by subparagraph (E) of paragraph (1)~~
22 ~~of this subsection (c) that supported the annual~~
23 ~~procurement of utility scale renewable energy credits~~
24 ~~in the prior delivery year using a methodology~~
25 ~~described in the long term renewable resources~~
26 ~~procurement plan, expressed on a per kilowatthour~~

1 ~~basis, and does not include (i) costs associated with~~
2 ~~any contracts entered into before the delivery year in~~
3 ~~which the customer files the initial compliance report~~
4 ~~to be eligible for participation in the self-direct~~
5 ~~program, and (ii) costs associated with procuring~~
6 renewable energy credits through existing and future
7 contracts through the Adjustable Block Program,
8 subsection (c-5) of this Section 1-75, and the Solar
9 for All Program. The Agency shall assist the
10 Commission in determining the current and future
11 costs. The Agency must determine the self-direct
12 credit amount for new and existing eligible
13 self-direct customers and submit this to the
14 Commission in an annual compliance filing. The
15 Commission must approve the self-direct credit amount
16 by June 1, 2023 and June 1 of each delivery year
17 thereafter. The approved self-direct credit amount
18 shall be multiplied by each renewable energy credit
19 procured by participating self-direct customers to
20 form the customer's utility bill credit amount.

21 (5) Customers described in this subparagraph (R)
22 shall apply, on a form developed by the Agency, to the
23 Agency to be designated as a self-direct eligible
24 customer. Once the Agency determines that a
25 self-direct customer is eligible for participation in
26 the program, the self-direct customer will remain

1 eligible until the end of the term of the contract.
2 Thereafter, application may be made not less than 12
3 months before the filing date of the long-term
4 renewable resources procurement plan described in this
5 Act. At a minimum, such application shall contain the
6 following:

7 (i) the customer's certification that, at the
8 time of the customer's application, the customer
9 qualifies to be a self-direct eligible customer,
10 including documents demonstrating that
11 qualification;

12 (ii) the customer's certification that the
13 customer has entered into or will enter into by
14 the beginning of the applicable procurement year,
15 one or more bilateral contracts for new wind
16 projects or new photovoltaic projects, including
17 supporting documentation;

18 (iii) certification that the contract or
19 contracts for new renewable energy resources are
20 long-term contracts with term lengths of at least
21 10 years, including supporting documentation;

22 (iv) certification of the quantities of
23 renewable energy credits that the customer will
24 purchase each year under such contract or
25 contracts, including supporting documentation;

26 (v) proof that the contract is sufficient to

1 produce renewable energy credits to be equivalent
2 in volume to at least 40% of the large energy
3 customer's usage from the previous delivery year,
4 measured to the nearest megawatt-hour; and

5 (vi) certification that the customer intends
6 to maintain the contract for the duration of the
7 length of the contract.

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

22 (2) (Blank).

23 (3) (Blank).

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

26 (5) Beginning with the 2010 delivery year and ending

1 June 1, 2017, an electric utility subject to this
2 subsection (c) shall apply the lesser of the maximum
3 alternative compliance payment rate or the most recent
4 estimated alternative compliance payment rate for its
5 service territory for the corresponding compliance period,
6 established pursuant to subsection (d) of Section 16-115D
7 of the Public Utilities Act to its retail customers that
8 take service pursuant to the electric utility's hourly
9 pricing tariff or tariffs. The electric utility shall
10 retain all amounts collected as a result of the
11 application of the alternative compliance payment rate or
12 rates to such customers, and, beginning in 2011, the
13 utility shall include in the information provided under
14 item (1) of subsection (d) of Section 16-111.5 of the
15 Public Utilities Act the amounts collected under the
16 alternative compliance payment rate or rates for the prior
17 year ending May 31. Notwithstanding any limitation on the
18 procurement of renewable energy resources imposed by item
19 (2) of this subsection (c), the Agency shall increase its
20 spending on the purchase of renewable energy resources to
21 be procured by the electric utility for the next plan year
22 by an amount equal to the amounts collected by the utility
23 under the alternative compliance payment rate or rates in
24 the prior year ending May 31.

25 (6) The electric utility shall be entitled to recover
26 all of its costs associated with the procurement of

1 renewable energy credits under plans approved under this
2 Section and Section 16-111.5 of the Public Utilities Act.
3 These costs shall include associated reasonable expenses
4 for implementing the procurement programs, including, but
5 not limited to, the costs of administering and evaluating
6 the Adjustable Block program, through an automatic
7 adjustment clause tariff in accordance with subsection (k)
8 of Section 16-108 of the Public Utilities Act.

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

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

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

5 (1) In addition to the procurement of renewable energy
6 credits pursuant to long-term renewable resources
7 procurement plans in accordance with subsection (c) of
8 this Section and Section 16-111.5 of the Public Utilities
9 Act, the Agency shall conduct procurement events in
10 accordance with this subsection (c-5) for the procurement
11 by electric utilities that served more than 300,000 retail
12 customers in this State as of January 1, 2019 of renewable
13 energy credits from new renewable energy facilities to be
14 installed at or adjacent to the sites of electric
15 generating facilities that, as of January 1, 2016, burned
16 coal as their primary fuel source and meet the other
17 criteria specified in this subsection (c-5). For purposes
18 of this subsection (c-5), "new renewable energy facility"
19 means a new utility-scale solar project as defined in this
20 Section 1-75. The renewable energy credits procured
21 pursuant to this subsection (c-5) may be included or
22 counted for purposes of compliance with the amounts of
23 renewable energy credits required to be procured pursuant
24 to subsection (c) of this Section to the extent that there
25 are otherwise shortfalls in compliance with such
26 requirements. The procurement of renewable energy credits

1 by electric utilities pursuant to this subsection (c-5)
2 shall be funded solely by revenues collected from the Coal
3 to Solar and Energy Storage Initiative Charge provided for
4 in this subsection (c-5) and subsection (i-5) of Section
5 16-108 of the Public Utilities Act, shall not be funded by
6 revenues collected through any of the other funding
7 mechanisms provided for in subsection (c) of this Section,
8 and shall not be subject to the limitation imposed by
9 subsection (c) on charges to retail customers for costs to
10 procure renewable energy resources pursuant to subsection
11 (c), and shall not be subject to any other requirements or
12 limitations of subsection (c).

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

1 than September 30, 2022 and no later than October 31, 2022
2 and shall be to select owners of electric generating
3 facilities located anywhere in this State that meet the
4 eligibility criteria specified in this subsection (c-5).
5 The Agency shall establish and announce a time period,
6 which shall begin no later than 30 days prior to the
7 scheduled date for the procurement event, during which
8 applicants may submit applications to be selected as
9 suppliers of renewable energy credits pursuant to this
10 subsection (c-5). The eligibility criteria for selection
11 as a supplier of renewable energy credits pursuant to this
12 subsection (c-5) shall be as follows:

13 (A) The applicant owns an electric generating
14 facility located in this State that: (i) as of January
15 1, 2016, burned coal as its primary fuel to generate
16 electricity; and (ii) has, or had prior to retirement,
17 an electric generating capacity of at least 150
18 megawatts. The electric generating facility can be
19 either: (i) retired as of the date of the procurement
20 event; or (ii) still operating as of the date of the
21 procurement event.

22 (B) The applicant is not (i) an electric
23 cooperative as defined in Section 3-119 of the Public
24 Utilities Act, or (ii) an entity described in
25 subsection (b)(1) of Section 3-105 of the Public
26 Utilities Act, or an association or consortium of or

1 an entity owned by entities described in (i) or (ii);
2 and the coal-fueled electric generating facility was
3 at one time owned, in whole or in part, by a public
4 utility as defined in Section 3-105 of the Public
5 Utilities Act.

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

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

7 (E) The applicant agrees that personnel operating
8 the new renewable energy facility and the energy
9 storage facility will have the requisite skills,
10 knowledge, training, experience, and competence, which
11 may be demonstrated by completion or current
12 participation and ultimate completion by employees of
13 an accredited or otherwise recognized apprenticeship
14 program for the employee's particular craft, trade, or
15 skill, including through training and education
16 courses and opportunities offered by the owner to
17 employees of the coal-fueled electric generating
18 facility or by previous employment experience
19 performing the employee's particular work skill or
20 function.

21 (F) The applicant commits that not less than the
22 prevailing wage, as determined pursuant to the
23 Prevailing Wage Act, will be paid to the applicant's
24 employees engaged in construction activities
25 associated with the new renewable energy facility and
26 the new energy storage facility and to the employees

1 of applicant's contractors engaged in construction
2 activities associated with the new renewable energy
3 facility and the new energy storage facility, and
4 that, on or before the commercial operation date of
5 the new renewable energy facility, the applicant shall
6 file a report with the Agency certifying that the
7 requirements of this subparagraph (F) have been met.

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

19 (H) The applicant commits to enter into a contract
20 or contracts for the applicable duration to provide
21 specified numbers of renewable energy credits each
22 year from the new renewable energy facility to
23 electric utilities that served more than 300,000
24 retail customers in this State as of January 1, 2019,
25 at a price of \$30 per renewable energy credit. The
26 price per renewable energy credit shall be fixed at

1 \$30 for the applicable duration and the renewable
2 energy credits shall not be indexed renewable energy
3 credits as provided for in item (v) of subparagraph
4 (G) of paragraph (1) of subsection (c) of Section 1-75
5 of this Act. The applicable duration of each contract
6 shall be 20 years, unless the applicant is physically
7 interconnected to the PJM Interconnection, LLC
8 transmission grid and had a generating capacity of at
9 least 1,200 megawatts as of January 1, 2021, in which
10 case the applicable duration of the contract shall be
11 15 years.

12 (I) The applicant's application is certified by an
13 officer of the applicant and by an officer of the
14 applicant's ultimate parent company, if any.

15 (3) An applicant may submit applications to contract
16 to supply renewable energy credits from more than one new
17 renewable energy facility to be constructed at or adjacent
18 to one or more qualifying electric generating facilities
19 owned by the applicant. The Agency may select new
20 renewable energy facilities to be located at or adjacent
21 to the sites of more than one qualifying electric
22 generation facility owned by an applicant to contract with
23 electric utilities to supply renewable energy credits from
24 such facilities.

25 (4) The Agency shall assess fees to each applicant to
26 recover the Agency's costs incurred in receiving and

1 evaluating applications, conducting the procurement event,
2 developing contracts for sale, delivery and purchase of
3 renewable energy credits, and monitoring the
4 administration of such contracts, as provided for in this
5 subsection (c-5), including fees paid to a procurement
6 administrator retained by the Agency for one or more of
7 these purposes.

8 (5) The Agency shall select the applicants and the new
9 renewable energy facilities to contract with electric
10 utilities to supply renewable energy credits in accordance
11 with this subsection (c-5). In the first procurement
12 event, the Agency shall select applicants and new
13 renewable energy facilities to supply renewable energy
14 credits, at a price of \$30 per renewable energy credit,
15 aggregating to no less than 400,000 renewable energy
16 credits per year for the applicable duration, assuming
17 sufficient qualifying applications to supply, in the
18 aggregate, at least that amount of renewable energy
19 credits per year; and not more than 580,000 renewable
20 energy credits per year for the applicable duration. In
21 the second procurement event, the Agency shall select
22 applicants and new renewable energy facilities to supply
23 renewable energy credits, at a price of \$30 per renewable
24 energy credit, aggregating to no more than 625,000
25 renewable energy credits per year less the amount of
26 renewable energy credits each year contracted for as a

1 result of the first procurement event, for the applicable
2 durations. The number of renewable energy credits to be
3 procured as specified in this paragraph (5) shall not be
4 reduced based on renewable energy credits procured in the
5 self-direct renewable energy credit compliance program
6 established pursuant to subparagraph (R) of paragraph (1)
7 of subsection (c) of Section 1-75.

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

26 (7) The Agency shall submit its proposed selection of

1 applicants, new renewable energy facilities to be
2 constructed, and renewable energy credit amounts for each
3 procurement event to the Commission for approval. The
4 Commission shall, within 2 business days after receipt of
5 the Agency's proposed selections, approve the proposed
6 selections if it determines that the applicants and the
7 new renewable energy facilities to be constructed meet the
8 selection criteria set forth in this subsection (c-5) and
9 that the Agency seeks approval for contracts of applicable
10 durations aggregating to no more than the maximum amount
11 of renewable energy credits per year authorized by this
12 subsection (c-5) for the procurement event, at a price of
13 \$30 per renewable energy credit.

14 (8) The Agency, in conjunction with its procurement
15 administrator if one is retained, the electric utilities,
16 and potential applicants for contracts to produce and
17 supply renewable energy credits pursuant to this
18 subsection (c-5), shall develop a standard form contract
19 for the sale, delivery and purchase of renewable energy
20 credits pursuant to this subsection (c-5). Each contract
21 resulting from the first procurement event shall allow for
22 a commercial operation date for the new renewable energy
23 facility of either June 1, 2023 or June 1, 2024, with such
24 dates subject to adjustment as provided in this paragraph.
25 Each contract resulting from the second procurement event
26 shall provide for a commercial operation date on June 1

1 next occurring up to 48 months after execution of the
2 contract. Each contract shall provide that the owner shall
3 receive payments for renewable energy credits for the
4 applicable durations beginning with the commercial
5 operation date of the new renewable energy facility. The
6 form contract shall provide for adjustments to the
7 commercial operation and payment start dates as needed due
8 to any delays in completing the procurement and
9 contracting processes, in finalizing interconnection
10 agreements and installing interconnection facilities, and
11 in obtaining other necessary governmental permits and
12 approvals. The form contract shall be, to the maximum
13 extent possible, consistent with standard electric
14 industry contracts for sale, delivery, and purchase of
15 renewable energy credits while taking into account the
16 specific requirements of this subsection (c-5). The form
17 contract shall provide for over-delivery and
18 under-delivery of renewable energy credits within
19 reasonable ranges during each 12-month period and penalty,
20 default, and enforcement provisions for failure of the
21 selling party to deliver renewable energy credits as
22 specified in the contract and to comply with the
23 requirements of this subsection (c-5). The standard form
24 contract shall specify that all renewable energy credits
25 delivered to the electric utility pursuant to the contract
26 shall be retired. The Agency shall make the proposed

1 contracts available for a reasonable period for comment by
2 potential applicants, and shall publish the final form
3 contract at least 30 days before the date of the first
4 procurement event.

5 (9) Coal to Solar and Energy Storage Initiative
6 Charge.

7 (A) By no later than July 1, 2022, each electric
8 utility that served more than 300,000 retail customers
9 in this State as of January 1, 2019 shall file a tariff
10 with the Commission for the billing and collection of
11 a Coal to Solar and Energy Storage Initiative Charge
12 in accordance with subsection (i-5) of Section 16-108
13 of the Public Utilities Act, with such tariff to be
14 effective, following review and approval or
15 modification by the Commission, beginning January 1,
16 2023. The tariff shall provide for the calculation and
17 setting of the electric utility's Coal to Solar and
18 Energy Storage Initiative Charge to collect revenues
19 estimated to be sufficient, in the aggregate, (i) to
20 enable the electric utility to pay for the renewable
21 energy credits it has contracted to purchase in the
22 delivery year beginning June 1, 2023 and each delivery
23 year thereafter from new renewable energy facilities
24 located at the sites of qualifying electric generating
25 facilities, and (ii) to fund the grant payments to be
26 made in each delivery year by the Department of

1 Commerce and Economic Opportunity, or any successor
2 department or agency, which shall be referred to in
3 this subsection (c-5) as the Department, pursuant to
4 paragraph (10) of this subsection (c-5). The electric
5 utility's tariff shall provide for the billing and
6 collection of the Coal to Solar and Energy Storage
7 Initiative Charge on each kilowatthour of electricity
8 delivered to its delivery services customers within
9 its service territory and shall provide for an annual
10 reconciliation of revenues collected with actual
11 costs, in accordance with subsection (i-5) of Section
12 16-108 of the Public Utilities Act.

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

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

23 (A) The Coal to Solar and Energy Storage
24 Initiative Fund is established as a special fund in
25 the State treasury. The Coal to Solar and Energy
26 Storage Initiative Fund is authorized to receive, by

1 statutory deposit, that portion specified in item (B)
2 of paragraph (9) of this subsection (c-5) of moneys
3 collected by electric utilities through imposition of
4 the Coal to Solar and Energy Storage Initiative Charge
5 required by this subsection (c-5). The Coal to Solar
6 and Energy Storage Initiative Fund shall be
7 administered by the Department to provide grants to
8 support the installation and operation of energy
9 storage facilities at the sites of qualifying electric
10 generating facilities meeting the criteria specified
11 in this paragraph (10).

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

22 (C) The Department shall utilize up to
23 \$280,500,000 in the Coal to Solar and Energy Storage
24 Initiative Fund for grants, assuming sufficient
25 qualifying applicants, to support installation of
26 energy storage facilities at the sites of up to 3

1 qualifying electric generating facilities located in
2 the Midcontinent Independent System Operator, Inc.,
3 region in Illinois and the sites of up to 2 qualifying
4 electric generating facilities located in the PJM
5 Interconnection, LLC region in Illinois that meet the
6 criteria set forth in this subparagraph (C). The
7 criteria for receipt of a grant pursuant to this
8 subparagraph (C) are as follows:

9 (1) the electric generating facility at the
10 site has, or had prior to retirement, an electric
11 generating capacity of at least 150 megawatts;

12 (2) the electric generating facility burns (or
13 burned prior to retirement) coal as its primary
14 source of fuel;

15 (3) if the electric generating facility is
16 retired, it was retired subsequent to January 1,
17 2016;

18 (4) the owner of the electric generating
19 facility has not been selected by the Agency
20 pursuant to this subsection (c-5) of this Section
21 to enter into a contract to sell renewable energy
22 credits to one or more electric utilities from a
23 new renewable energy facility located or to be
24 located at or adjacent to the site at which the
25 electric generating facility is located;

26 (5) the electric generating facility located

1 at the site was at one time owned, in whole or in
2 part, by a public utility as defined in Section
3 3-105 of the Public Utilities Act;

4 (6) the electric generating facility at the
5 site is not owned by (i) an electric cooperative
6 as defined in Section 3-119 of the Public
7 Utilities Act, or (ii) an entity described in
8 subsection (b)(1) of Section 3-105 of the Public
9 Utilities Act, or an association or consortium of
10 or an entity owned by entities described in items
11 (i) or (ii);

12 (7) the proposed energy storage facility at
13 the site will have energy storage capacity of at
14 least 37 megawatts;

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

24 (9) the owner agrees that the new energy
25 storage facility will be constructed or installed
26 by a qualified entity or entities consistent with

1 the requirements of subsection (g) of Section
2 16-128A of the Public Utilities Act and any rules
3 adopted under that Section;

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

18 (11) the owner commits that not less than the
19 prevailing wage, as determined pursuant to the
20 Prevailing Wage Act, will be paid to the owner's
21 employees engaged in construction activities
22 associated with the new energy storage facility
23 and to the employees of the owner's contractors
24 engaged in construction activities associated with
25 the new energy storage facility, and that, on or
26 before the commercial operation date of the new

1 energy storage facility, the owner shall file a
2 report with the Department certifying that the
3 requirements of this subparagraph (11) have been
4 met; and

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

16 The Department shall accept applications for this
17 grant program until March 31, 2022 and shall announce
18 the award of grants no later than June 1, 2022. The
19 Department shall make the grant payments to a
20 recipient in equal annual amounts for 10 years
21 following the date the energy storage facility is
22 placed into commercial operation. The annual grant
23 payments to a qualifying energy storage facility shall
24 be \$110,000 per megawatt of energy storage capacity,
25 with total annual grant payments pursuant to this
26 subparagraph (C) for qualifying energy storage

1 facilities not to exceed \$28,050,000 in any year.

2 (D) Grants of funding for energy storage
3 facilities pursuant to subparagraph (C) of this
4 paragraph (10), from the Coal to Solar and Energy
5 Storage Initiative Fund, shall be memorialized in
6 grant contracts between the Department and the
7 recipient. The grant contracts shall specify the date
8 or dates in each year on which the annual grant
9 payments shall be paid.

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

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

22 (A) Each applicant selected in a procurement event
23 to contract to supply renewable energy credits in
24 accordance with this subsection (c-5) and each owner
25 selected by the Department to receive a grant or
26 grants to support the construction and operation of a

1 new energy storage facility or facilities in
2 accordance with this subsection (c-5) shall, within 60
3 days following the Commission's approval of the
4 applicant to contract to supply renewable energy
5 credits or within 60 days following execution of a
6 grant contract with the Department, as applicable,
7 submit to the Commission a diversity, equity, and
8 inclusion plan setting forth the applicant's or
9 owner's numeric goals for the diversity composition of
10 its supplier entities for the new renewable energy
11 facility or new energy storage facility, as
12 applicable, which shall be referred to for purposes of
13 this paragraph (11) as the project, and the
14 applicant's or owner's action plan and schedule for
15 achieving those goals.

16 (B) For purposes of this paragraph (11), diversity
17 composition shall be based on the percentage, which
18 shall be a minimum of 25%, of eligible expenditures
19 for contract awards for materials and services (which
20 shall be defined in the plan) to business enterprises
21 owned by minority persons, women, or persons with
22 disabilities as defined in Section 2 of the Business
23 Enterprise for Minorities, Women, and Persons with
24 Disabilities Act, to LGBTQ business enterprises, to
25 veteran-owned business enterprises, and to business
26 enterprises located in environmental justice

1 communities. The diversity composition goals of the
2 plan may include eligible expenditures in areas for
3 vendor or supplier opportunities in addition to
4 development and construction of the project, and may
5 exclude from eligible expenditures materials and
6 services with limited market availability, limited
7 production and availability from suppliers in the
8 United States, such as solar panels and storage
9 batteries, and material and services that are subject
10 to critical energy infrastructure or cybersecurity
11 requirements or restrictions. The plan may provide
12 that the diversity composition goals may be met
13 through Tier 1 Direct or Tier 2 subcontracting
14 expenditures or a combination thereof for the project.

15 (C) The plan shall provide for, but not be limited
16 to: (i) internal initiatives, including multi-tier
17 initiatives, by the applicant or owner, or by its
18 engineering, procurement and construction contractor
19 if one is used for the project, which for purposes of
20 this paragraph (11) shall be referred to as the EPC
21 contractor, to enable diverse businesses to be
22 considered fairly for selection to provide materials
23 and services; (ii) requirements for the applicant or
24 owner or its EPC contractor to proactively solicit and
25 utilize diverse businesses to provide materials and
26 services; and (iii) requirements for the applicant or

1 owner or its EPC contractor to hire a diverse
2 workforce for the project. The plan shall include a
3 description of the applicant's or owner's diversity
4 recruiting efforts both for the project and for other
5 areas of the applicant's or owner's business
6 operations. The plan shall provide for the imposition
7 of financial penalties on the applicant's or owner's
8 EPC contractor for failure to exercise best efforts to
9 comply with and execute the EPC contractor's diversity
10 obligations under the plan. The plan may provide for
11 the applicant or owner to set aside a portion of the
12 work on the project to serve as an incubation program
13 for qualified businesses, as specified in the plan,
14 owned by minority persons, women, persons with
15 disabilities, LGBTQ persons, and veterans, and
16 businesses located in environmental justice
17 communities, seeking to enter the renewable energy
18 industry.

19 (D) The applicant or owner may submit a revised or
20 updated plan to the Commission from time to time as
21 circumstances warrant. The applicant or owner shall
22 file annual reports with the Commission detailing the
23 applicant's or owner's progress in implementing its
24 plan and achieving its goals and any modifications the
25 applicant or owner has made to its plan to better
26 achieve its diversity, equity and inclusion goals. The

1 applicant or owner shall file a final report on the
2 fifth June 1 following the commercial operation date
3 of the new renewable energy resource or new energy
4 storage facility, but the applicant or owner shall
5 thereafter continue to be subject to applicable
6 reporting requirements of Section 5-117 of the Public
7 Utilities Act.

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

1 outcomes.

2 (1) Minimum equity standards. The Agency shall create
3 programs with the purpose of increasing access to and
4 development of equity eligible contractors, who are prime
5 contractors and subcontractors, across all of the programs
6 it manages. All applications for renewable energy credit
7 procurements shall comply with specific minimum equity
8 commitments. Starting in the delivery year immediately
9 following the next long-term renewable resources
10 procurement plan, at least 10% of the project workforce
11 for each entity participating in a procurement program
12 outlined in this subsection (c-10) must be done by equity
13 eligible persons or equity eligible contractors. The
14 Agency shall increase the minimum percentage each delivery
15 year thereafter by increments that ensure a statewide
16 average of 30% of the project workforce for each entity
17 participating in a procurement program is done by equity
18 eligible persons or equity eligible contractors by 2030.
19 The Agency shall propose a schedule of percentage
20 increases to the minimum equity standards in its draft
21 revised renewable energy resources procurement plan
22 submitted to the Commission for approval pursuant to
23 paragraph (5) of subsection (b) of Section 16-111.5 of the
24 Public Utilities Act. In determining these annual
25 increases, the Agency shall have the discretion to
26 establish different minimum equity standards for different

1 types of procurements and different regions of the State
2 if the Agency finds that doing so will further the
3 purposes of this subsection (c-10). The proposed schedule
4 of annual increases shall be revisited and updated on an
5 annual basis. Revisions shall be developed with
6 stakeholder input, including from equity eligible persons,
7 equity eligible contractors, clean energy industry
8 representatives, and community-based organizations that
9 work with such persons and contractors.

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

20 (B) Halfway through each delivery year, the Agency
21 shall require each entity participating in a
22 procurement program to confirm that it will achieve
23 compliance in that delivery year, when applicable. The
24 Agency may offer corrective action plans to entities
25 that are not on track to achieve compliance.

26 (C) At the end of each delivery year, each entity

1 participating and completing work in that delivery
2 year in a procurement program of subsection (c) shall
3 submit a report to the Agency that demonstrates how it
4 achieved compliance with the minimum equity standards
5 percentage for that delivery year.

6 (D) The Agency shall prohibit participation in
7 procurement programs by an approved vendor or
8 designee, as applicable, or entities with which an
9 approved vendor or designee, as applicable, shares a
10 common parent company if an approved vendor or
11 designee, as applicable, failed to meet the minimum
12 equity standards for the prior delivery year. Waivers
13 approved for lack of equity eligible persons or equity
14 eligible contractors in a geographic area of a project
15 shall not count against the approved vendor or
16 designee. The Agency shall offer a corrective action
17 plan for any such entities to assist them in obtaining
18 compliance and shall allow continued access to
19 procurement programs upon an approved vendor or
20 designee demonstrating compliance.

21 (E) The Agency shall pursue efficiencies achieved
22 by combining with other approved vendor or designee
23 reporting.

24 (2) Equity accountability system within the Adjustable
25 Block program. The equity category described in item (vi)
26 of subparagraph (K) of subsection (c) is only available to

1 applicants that are equity eligible contractors.

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

25 (4) In the first revision to the long-term renewable
26 energy resources procurement plan and each revision

1 thereafter, the Agency shall include the following:

2 (A) The current status and number of equity
3 eligible contractors listed in the Energy Workforce
4 Equity Database designed in subsection (c-25),
5 including the number of equity eligible contractors
6 with current certifications as issued by the Agency.

7 (B) A mechanism for measuring, tracking, and
8 reporting project workforce at the approved vendor or
9 designee level, as applicable, which shall include a
10 measurement methodology and records to be made
11 available for audit by the Agency or the Program
12 Administrator.

13 (C) A program for approved vendors, designees,
14 eligible persons, and equity eligible contractors to
15 receive trainings, guidance, and other support from
16 the Agency or its designee regarding the equity
17 category outlined in item (vi) of subparagraph (K) of
18 paragraph (1) of subsection (c) and in meeting the
19 minimum equity standards of this subsection (c-10).

20 (D) A process for certifying equity eligible
21 contractors and equity eligible persons. The
22 certification process shall coordinate with the Energy
23 Workforce Equity Database set forth in subsection
24 (c-25).

25 (E) An application for waiver of the minimum
26 equity standards of this subsection, which the Agency

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

1 database.

2 (5) The Agency shall collect information about work on
3 projects or portfolios of projects subject to these
4 minimum equity standards to ensure compliance with this
5 subsection (c-10). Reporting in furtherance of this
6 requirement may be combined with other annual reporting
7 requirements. Such reporting shall include proof of
8 certification of each equity eligible contractor or equity
9 eligible person during the applicable time period.

10 (6) The Agency shall keep confidential all information
11 and communication that provides private or personal
12 information.

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

1 workforce measure, certified as equity eligible persons or
2 equity eligible contractors; (B) definitions for equity
3 investment eligible persons and equity investment eligible
4 community; and (C) such other modifications necessary to
5 advance the goals of this amendatory Act of the 102nd
6 General Assembly effectively. Such revised criteria may
7 also establish distinct equity accountability systems for
8 different types of procurements or different regions of
9 the State if the Agency finds that doing so will further
10 the purposes of such programs. Revisions shall be
11 developed with stakeholder input, including from equity
12 eligible persons, equity eligible contractors, and
13 community-based organizations that work with such persons
14 and contractors.

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

17 (1) Purpose. It is the purpose of this subsection to
18 empower the Agency and other State actors to remedy racial
19 discrimination in Illinois' clean energy economy as
20 effectively and expediently as possible, including through
21 the use of race-conscious remedies, such as race-conscious
22 contracting and hiring goals, as consistent with State and
23 federal law.

24 (2) Racial disparity and discrimination review
25 process.

26 (A) Within one year after awarding contracts using

1 the equity actions processes established in this
2 Section, the Agency shall publish a report evaluating
3 the effectiveness of the equity actions point criteria
4 of this Section in increasing participation of equity
5 eligible persons and equity eligible contractors. The
6 report shall disaggregate participating workers and
7 contractors by race and ethnicity. The report shall be
8 forwarded to the Governor, the General Assembly, and
9 the Illinois Commerce Commission and be made available
10 to the public.

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

1 establishes a strong basis in evidence that there is
2 discrimination in Illinois' clean energy economy, the
3 Agency, Department of Commerce and Economic
4 Opportunity, Department of Labor, Department of
5 Corrections, and other appropriate agencies shall take
6 appropriate remedial actions, including race-conscious
7 remedial actions as consistent with State and federal
8 law, to effectively remedy this discrimination. Such
9 remedies may include modification of the equity
10 accountability system as described in subsection
11 (c-10).

12 (c-20) Program data collection.

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

25 (2) Agency collection of program data. The Agency
26 shall collect demographic and geographic data for each

1 entity awarded contracts under any Agency-administered
2 program.

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

6 (A) demographic information, including racial or
7 ethnic identity for real persons employed, contracted,
8 or subcontracted through the program and owners of
9 businesses or entities that apply to receive renewable
10 energy credits from the Agency;

11 (B) geographic location of the residency of real
12 persons employed, contracted, or subcontracted through
13 the program and geographic location of the
14 headquarters of the business or entity that applies to
15 receive renewable energy credits from the Agency; and

16 (C) any other information the Agency determines is
17 necessary for the purpose of achieving the purpose of
18 this subsection.

19 (4) Publication of collected information. The Agency
20 shall publish, at least annually, information on the
21 demographics of program participants on an aggregate
22 basis.

23 (5) Nothing in this subsection shall be interpreted to
24 limit the authority of the Agency, or other agency or
25 department of the State, to require or collect demographic
26 information from applicants of other State programs.

1 (c-25) Energy Workforce Equity Database.

2 (1) The Agency, in consultation with the Department of
3 Commerce and Economic Opportunity, shall create an Energy
4 Workforce Equity Database, and may contract with a third
5 party to do so ("database program administrator"). If the
6 Department decides to contract with a third party, that
7 third party shall be exempt from the requirements of
8 Section 20-10 of the Illinois Procurement Code. The Energy
9 Workforce Equity Database shall be a searchable database
10 of suppliers, vendors, and subcontractors for clean energy
11 industries that is:

12 (A) publicly accessible;

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

14 (C) organized by company specialty or field;

15 (D) region-specific; and

16 (E) populated with information including, but not
17 limited to, contacts for suppliers, vendors, or
18 subcontractors who are minority and women-owned
19 business enterprise certified or who participate or
20 have participated in any of the programs described in
21 this Act.

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

25 (A) a map of environmental justice and equity
26 investment eligible communities;

1 (B) job postings and recruiting opportunities;

2 (C) a means by which recruiting clean energy
3 companies can find and interact with current or former
4 participants of clean energy workforce training
5 programs;

6 (D) information on workforce training service
7 providers and training opportunities available to
8 prospective workers;

9 (E) renewable energy company diversity reporting;

10 (F) a list of equity eligible contractors with
11 their contact information, types of work performed,
12 and locations worked in;

13 (G) reporting on outcomes of the programs
14 described in the workforce programs of the Energy
15 Transition Act, including information such as, but not
16 limited to, retention rate, graduation rate, and
17 placement rates of trainees; and

18 (H) information about the Jobs and Environmental
19 Justice Grant Program, the Clean Energy Jobs and
20 Justice Fund, and other sources of capital.

21 (3) The Agency shall ensure the database is regularly
22 updated to ensure information is current and shall
23 coordinate with the Department of Commerce and Economic
24 Opportunity to ensure that it includes information on
25 individuals and entities that are or have participated in
26 the Clean Jobs Workforce Network Program, Clean Energy

1 Contractor Incubator Program, Returning Residents Clean
2 Jobs Training Program, or Clean Energy Primes Contractor
3 Accelerator Program.

4 (c-30) Enforcement of minimum equity standards. All
5 entities seeking renewable energy credits must submit an
6 annual report to demonstrate compliance with each of the
7 equity commitments required under subsection (c-10). If the
8 Agency concludes the entity has not met or maintained its
9 minimum equity standards required under the applicable
10 subparagraphs under subsection (c-10), the Agency shall deny
11 the entity's ability to participate in procurement programs in
12 subsection (c), including by withholding approved vendor or
13 designee status. The Agency may require the entity to enter
14 into a corrective action plan. An entity that is not
15 recertified for failing to meet required equity actions in
16 subparagraph (c-10) may reapply once they have a corrective
17 action plan and achieve compliance with the minimum equity
18 standards.

19 (d) Clean coal portfolio standard.

20 (1) The procurement plans shall include electricity
21 generated using clean coal. Each utility shall enter into
22 one or more sourcing agreements with the initial clean
23 coal facility, as provided in paragraph (3) of this
24 subsection (d), covering electricity generated by the
25 initial clean coal facility representing at least 5% of
26 each utility's total supply to serve the load of eligible

1 retail customers in 2015 and each year thereafter, as
2 described in paragraph (3) of this subsection (d), subject
3 to the limits specified in paragraph (2) of this
4 subsection (d). It is the goal of the State that by January
5 1, 2025, 25% of the electricity used in the State shall be
6 generated by cost-effective clean coal facilities. For
7 purposes of this subsection (d), "cost-effective" means
8 that the expenditures pursuant to such sourcing agreements
9 do not cause the limit stated in paragraph (2) of this
10 subsection (d) to be exceeded and do not exceed cost-based
11 benchmarks, which shall be developed to assess all
12 expenditures pursuant to such sourcing agreements covering
13 electricity generated by clean coal facilities, other than
14 the initial clean coal facility, by the procurement
15 administrator, in consultation with the Commission staff,
16 Agency staff, and the procurement monitor and shall be
17 subject to Commission review and approval.

18 A utility party to a sourcing agreement shall
19 immediately retire any emission credits that it receives
20 in connection with the electricity covered by such
21 agreement.

22 Utilities shall maintain adequate records documenting
23 the purchases under the sourcing agreement to comply with
24 this subsection (d) and shall file an accounting with the
25 load forecast that must be filed with the Agency by July 15
26 of each year, in accordance with subsection (d) of Section

1 16-111.5 of the Public Utilities Act.

2 A utility shall be deemed to have complied with the
3 clean coal portfolio standard specified in this subsection
4 (d) if the utility enters into a sourcing agreement as
5 required by this subsection (d).

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

20 Notwithstanding the requirements of this subsection
21 (d), the total amount paid under sourcing agreements with
22 clean coal facilities pursuant to the procurement plan for
23 any given year shall be reduced by an amount necessary to
24 limit the annual estimated average net increase due to the
25 costs of these resources included in the amounts paid by
26 eligible retail customers in connection with electric

1 service to:

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

5 (B) in 2011, the greater of an additional 0.5% of
6 the amount paid per kilowatthour by those customers
7 during the year ending May 31, 2010 or 1% of the amount
8 paid per kilowatthour by those customers during the
9 year ending May 31, 2009;

10 (C) in 2012, the greater of an additional 0.5% of
11 the amount paid per kilowatthour by those customers
12 during the year ending May 31, 2011 or 1.5% of the
13 amount paid per kilowatthour by those customers during
14 the year ending May 31, 2009;

15 (D) in 2013, the greater of an additional 0.5% of
16 the amount paid per kilowatthour by those customers
17 during the year ending May 31, 2012 or 2% of the amount
18 paid per kilowatthour by those customers during the
19 year ending May 31, 2009; and

20 (E) thereafter, the total amount paid under
21 sourcing agreements with clean coal facilities
22 pursuant to the procurement plan for any single year
23 shall be reduced by an amount necessary to limit the
24 estimated average net increase due to the cost of
25 these resources included in the amounts paid by
26 eligible retail customers in connection with electric

1 service to no more than the greater of (i) 2.015% of
2 the amount paid per kilowatthour by those customers
3 during the year ending May 31, 2009 or (ii) the
4 incremental amount per kilowatthour paid for these
5 resources in 2013. These requirements may be altered
6 only as provided by statute.

7 No later than June 30, 2015, the Commission shall
8 review the limitation on the total amount paid under
9 sourcing agreements, if any, with clean coal facilities
10 pursuant to this subsection (d) and report to the General
11 Assembly its findings as to whether that limitation unduly
12 constrains the amount of electricity generated by
13 cost-effective clean coal facilities that is covered by
14 sourcing agreements.

15 (3) Initial clean coal facility. In order to promote
16 development of clean coal facilities in Illinois, each
17 electric utility subject to this Section shall execute a
18 sourcing agreement to source electricity from a proposed
19 clean coal facility in Illinois (the "initial clean coal
20 facility") that will have a nameplate capacity of at least
21 500 MW when commercial operation commences, that has a
22 final Clean Air Act permit on June 1, 2009 (the effective
23 date of Public Act 95-1027), and that will meet the
24 definition of clean coal facility in Section 1-10 of this
25 Act when commercial operation commences. The sourcing
26 agreements with this initial clean coal facility shall be

1 subject to both approval of the initial clean coal
2 facility by the General Assembly and satisfaction of the
3 requirements of paragraph (4) of this subsection (d) and
4 shall be executed within 90 days after any such approval
5 by the General Assembly. The Agency and the Commission
6 shall have authority to inspect all books and records
7 associated with the initial clean coal facility during the
8 term of such a sourcing agreement. A utility's sourcing
9 agreement for electricity produced by the initial clean
10 coal facility shall include:

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

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

24 (ii) provide that all miscellaneous net
25 revenue, including but not limited to net revenue
26 from the sale of emission allowances, if any,

1 substitute natural gas, if any, grants or other
2 support provided by the State of Illinois or the
3 United States Government, firm transmission
4 rights, if any, by-products produced by the
5 facility, energy or capacity derived from the
6 facility and not covered by a sourcing agreement
7 pursuant to paragraph (3) of this subsection (d)
8 or item (5) of subsection (d) of Section 16-115 of
9 the Public Utilities Act, whether generated from
10 the synthesis gas derived from coal, from SNG, or
11 from natural gas, shall be credited against the
12 revenue requirement for this initial clean coal
13 facility;

14 (B) power purchase provisions, which shall:

15 (i) provide that the utility party to such
16 sourcing agreement shall pay the contract price
17 for electricity delivered under such sourcing
18 agreement;

19 (ii) require delivery of electricity to the
20 regional transmission organization market of the
21 utility that is party to such sourcing agreement;

22 (iii) require the utility party to such
23 sourcing agreement to buy from the initial clean
24 coal facility in each hour an amount of energy
25 equal to all clean coal energy made available from
26 the initial clean coal facility during such hour

1 times a fraction, the numerator of which is such
2 utility's retail market sales of electricity
3 (expressed in kilowatthours sold) in the State
4 during the prior calendar month and the
5 denominator of which is the total retail market
6 sales of electricity (expressed in kilowatthours
7 sold) in the State by utilities during such prior
8 month and the sales of electricity (expressed in
9 kilowatthours sold) in the State by alternative
10 retail electric suppliers during such prior month
11 that are subject to the requirements of this
12 subsection (d) and paragraph (5) of subsection (d)
13 of Section 16-115 of the Public Utilities Act,
14 provided that the amount purchased by the utility
15 in any year will be limited by paragraph (2) of
16 this subsection (d); and

17 (iv) be considered pre-existing contracts in
18 such utility's procurement plans for eligible
19 retail customers;

20 (C) contract for differences provisions, which
21 shall:

22 (i) require the utility party to such sourcing
23 agreement to contract with the initial clean coal
24 facility in each hour with respect to an amount of
25 energy equal to all clean coal energy made
26 available from the initial clean coal facility

1 during such hour times a fraction, the numerator
2 of which is such utility's retail market sales of
3 electricity (expressed in kilowatthours sold) in
4 the utility's service territory in the State
5 during the prior calendar month and the
6 denominator of which is the total retail market
7 sales of electricity (expressed in kilowatthours
8 sold) in the State by utilities during such prior
9 month and the sales of electricity (expressed in
10 kilowatthours sold) in the State by alternative
11 retail electric suppliers during such prior month
12 that are subject to the requirements of this
13 subsection (d) and paragraph (5) of subsection (d)
14 of Section 16-115 of the Public Utilities Act,
15 provided that the amount paid by the utility in
16 any year will be limited by paragraph (2) of this
17 subsection (d);

18 (ii) provide that the utility's payment
19 obligation in respect of the quantity of
20 electricity determined pursuant to the preceding
21 clause (i) shall be limited to an amount equal to
22 (1) the difference between the contract price
23 determined pursuant to subparagraph (A) of
24 paragraph (3) of this subsection (d) and the
25 day-ahead price for electricity delivered to the
26 regional transmission organization market of the

1 utility that is party to such sourcing agreement
2 (or any successor delivery point at which such
3 utility's supply obligations are financially
4 settled on an hourly basis) (the "reference
5 price") on the day preceding the day on which the
6 electricity is delivered to the initial clean coal
7 facility busbar, multiplied by (2) the quantity of
8 electricity determined pursuant to the preceding
9 clause (i); and

10 (iii) not require the utility to take physical
11 delivery of the electricity produced by the
12 facility;

13 (D) general provisions, which shall:

14 (i) specify a term of no more than 30 years,
15 commencing on the commercial operation date of the
16 facility;

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

25 (iii) provide that all costs associated with
26 the initial clean coal facility will be

1 periodically reported to the Federal Energy
2 Regulatory Commission and to purchasers in
3 accordance with applicable laws governing
4 cost-based wholesale power contracts;

5 (iv) permit the Illinois Power Agency to
6 assume ownership of the initial clean coal
7 facility, without monetary consideration and
8 otherwise on reasonable terms acceptable to the
9 Agency, if the Agency so requests no less than 3
10 years prior to the end of the stated contract
11 term;

12 (v) require the owner of the initial clean
13 coal facility to provide documentation to the
14 Commission each year, starting in the facility's
15 first year of commercial operation, accurately
16 reporting the quantity of carbon emissions from
17 the facility that have been captured and
18 sequestered and report any quantities of carbon
19 released from the site or sites at which carbon
20 emissions were sequestered in prior years, based
21 on continuous monitoring of such sites. If, in any
22 year after the first year of commercial operation,
23 the owner of the facility fails to demonstrate
24 that the initial clean coal facility captured and
25 sequestered at least 50% of the total carbon
26 emissions that the facility would otherwise emit

1 or that sequestration of emissions from prior
2 years has failed, resulting in the release of
3 carbon dioxide into the atmosphere, the owner of
4 the facility must offset excess emissions. Any
5 such carbon offsets must be permanent, additional,
6 verifiable, real, located within the State of
7 Illinois, and legally and practicably enforceable.
8 The cost of such offsets for the facility that are
9 not recoverable shall not exceed \$15 million in
10 any given year. No costs of any such purchases of
11 carbon offsets may be recovered from a utility or
12 its customers. All carbon offsets purchased for
13 this purpose and any carbon emission credits
14 associated with sequestration of carbon from the
15 facility must be permanently retired. The initial
16 clean coal facility shall not forfeit its
17 designation as a clean coal facility if the
18 facility fails to fully comply with the applicable
19 carbon sequestration requirements in any given
20 year, provided the requisite offsets are
21 purchased. However, the Attorney General, on
22 behalf of the People of the State of Illinois, may
23 specifically enforce the facility's sequestration
24 requirement and the other terms of this contract
25 provision. Compliance with the sequestration
26 requirements and offset purchase requirements

1 specified in paragraph (3) of this subsection (d)
2 shall be reviewed annually by an independent
3 expert retained by the owner of the initial clean
4 coal facility, with the advance written approval
5 of the Attorney General. The Commission may, in
6 the course of the review specified in item (vii),
7 reduce the allowable return on equity for the
8 facility if the facility willfully fails to comply
9 with the carbon capture and sequestration
10 requirements set forth in this item (v);

11 (vi) include limits on, and accordingly
12 provide for modification of, the amount the
13 utility is required to source under the sourcing
14 agreement consistent with paragraph (2) of this
15 subsection (d);

16 (vii) require Commission review: (1) to
17 determine the justness, reasonableness, and
18 prudence of the inputs to the formula referenced
19 in subparagraphs (A)(i) through (A)(iii) of
20 paragraph (3) of this subsection (d), prior to an
21 adjustment in those inputs including, without
22 limitation, the capital structure and return on
23 equity, fuel costs, and other operations and
24 maintenance costs and (2) to approve the costs to
25 be passed through to customers under the sourcing
26 agreement by which the utility satisfies its

1 statutory obligations. Commission review shall
2 occur no less than every 3 years, regardless of
3 whether any adjustments have been proposed, and
4 shall be completed within 9 months;

5 (viii) limit the utility's obligation to such
6 amount as the utility is allowed to recover
7 through tariffs filed with the Commission,
8 provided that neither the clean coal facility nor
9 the utility waives any right to assert federal
10 pre-emption or any other argument in response to a
11 purported disallowance of recovery costs;

12 (ix) limit the utility's or alternative retail
13 electric supplier's obligation to incur any
14 liability until such time as the facility is in
15 commercial operation and generating power and
16 energy and such power and energy is being
17 delivered to the facility busbar;

18 (x) provide that the owner or owners of the
19 initial clean coal facility, which is the
20 counterparty to such sourcing agreement, shall
21 have the right from time to time to elect whether
22 the obligations of the utility party thereto shall
23 be governed by the power purchase provisions or
24 the contract for differences provisions;

25 (xi) append documentation showing that the
26 formula rate and contract, insofar as they relate

1 to the power purchase provisions, have been
2 approved by the Federal Energy Regulatory
3 Commission pursuant to Section 205 of the Federal
4 Power Act;

5 (xii) provide that any changes to the terms of
6 the contract, insofar as such changes relate to
7 the power purchase provisions, are subject to
8 review under the public interest standard applied
9 by the Federal Energy Regulatory Commission
10 pursuant to Sections 205 and 206 of the Federal
11 Power Act; and

12 (xiii) conform with customary lender
13 requirements in power purchase agreements used as
14 the basis for financing non-utility generators.

15 (4) Effective date of sourcing agreements with the
16 initial clean coal facility. Any proposed sourcing
17 agreement with the initial clean coal facility shall not
18 become effective unless the following reports are prepared
19 and submitted and authorizations and approvals obtained:

20 (i) Facility cost report. The owner of the initial
21 clean coal facility shall submit to the Commission,
22 the Agency, and the General Assembly a front-end
23 engineering and design study, a facility cost report,
24 method of financing (including but not limited to
25 structure and associated costs), and an operating and
26 maintenance cost quote for the facility (collectively

1 "facility cost report"), which shall be prepared in
2 accordance with the requirements of this paragraph (4)
3 of subsection (d) of this Section, and shall provide
4 the Commission and the Agency access to the work
5 papers, relied upon documents, and any other backup
6 documentation related to the facility cost report.

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

1 process of selecting such experts or consultants prior
2 to receipt of the facility cost report.

3 (iii) General Assembly approval. The proposed
4 sourcing agreements shall not take effect unless,
5 based on the facility cost report and the Commission's
6 report, the General Assembly enacts authorizing
7 legislation approving (A) the projected price, stated
8 in cents per kilowatthour, to be charged for
9 electricity generated by the initial clean coal
10 facility, (B) the projected impact on residential and
11 small business customers' bills over the life of the
12 sourcing agreements, and (C) the maximum allowable
13 return on equity for the project; and

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

26 (A) The facility cost report shall be prepared by

1 duly licensed engineering and construction firms
2 detailing the estimated capital costs payable to one
3 or more contractors or suppliers for the engineering,
4 procurement and construction of the components
5 comprising the initial clean coal facility and the
6 estimated costs of operation and maintenance of the
7 facility. The facility cost report shall include:

8 (i) an estimate of the capital cost of the
9 core plant based on one or more front end
10 engineering and design studies for the
11 gasification island and related facilities. The
12 core plant shall include all civil, structural,
13 mechanical, electrical, control, and safety
14 systems.

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

26 The quoted construction costs shall be expressed

1 in nominal dollars as of the date that the quote is
2 prepared and shall include capitalized financing costs
3 during construction, taxes, insurance, and other
4 owner's costs, and an assumed escalation in materials
5 and labor beyond the date as of which the construction
6 cost quote is expressed.

7 (B) The front end engineering and design study for
8 the gasification island and the cost study for the
9 balance of plant shall include sufficient design work
10 to permit quantification of major categories of
11 materials, commodities and labor hours, and receipt of
12 quotes from vendors of major equipment required to
13 construct and operate the clean coal facility.

14 (C) The facility cost report shall also include an
15 operating and maintenance cost quote that will provide
16 the estimated cost of delivered fuel, personnel,
17 maintenance contracts, chemicals, catalysts,
18 consumables, spares, and other fixed and variable
19 operations and maintenance costs. The delivered fuel
20 cost estimate will be provided by a recognized third
21 party expert or experts in the fuel and transportation
22 industries. The balance of the operating and
23 maintenance cost quote, excluding delivered fuel
24 costs, will be developed based on the inputs provided
25 by duly licensed engineering and construction firms
26 performing the construction cost quote, potential

1 vendors under long-term service agreements and plant
2 operating agreements, or recognized third party plant
3 operator or operators.

4 The operating and maintenance cost quote
5 (including the cost of the front end engineering and
6 design study) shall be expressed in nominal dollars as
7 of the date that the quote is prepared and shall
8 include taxes, insurance, and other owner's costs, and
9 an assumed escalation in materials and labor beyond
10 the date as of which the operating and maintenance
11 cost quote is expressed.

12 (D) The facility cost report shall also include an
13 analysis of the initial clean coal facility's ability
14 to deliver power and energy into the applicable
15 regional transmission organization markets and an
16 analysis of the expected capacity factor for the
17 initial clean coal facility.

18 (E) Amounts paid to third parties unrelated to the
19 owner or owners of the initial clean coal facility to
20 prepare the core plant construction cost quote,
21 including the front end engineering and design study,
22 and the operating and maintenance cost quote will be
23 reimbursed through Coal Development Bonds.

24 (5) Re-powering and retrofitting coal-fired power
25 plants previously owned by Illinois utilities to qualify
26 as clean coal facilities. During the 2009 procurement

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

1 (6) Costs incurred under this subsection (d) or
2 pursuant to a contract entered into under this subsection
3 (d) shall be deemed prudently incurred and reasonable in
4 amount and the electric utility shall be entitled to full
5 cost recovery pursuant to the tariffs filed with the
6 Commission.

7 (d-5) Zero emission standard.

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

1 procured under this subsection (d-5) shall be for a term
2 of 10 years ending May 31, 2027. The quantity of zero
3 emission credits to be procured under the contracts shall
4 be all of the zero emission credits generated by the zero
5 emission facility in each delivery year; however, if the
6 zero emission facility is owned by more than one entity,
7 then the quantity of zero emission credits to be procured
8 under the contracts shall be the amount of zero emission
9 credits that are generated from the portion of the zero
10 emission facility that is owned by the winning supplier.

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

15 The procurement process shall be subject to the
16 following provisions:

17 (A) Those zero emission facilities that intend to
18 participate in the procurement shall submit to the
19 Agency the following eligibility information for each
20 zero emission facility on or before the date
21 established by the Agency:

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

24 (ii) the amount of power generated annually
25 for each of the years 2005 through 2015, and the
26 projected zero emission credits to be generated

1 over the remaining useful life of the zero
2 emission facility, which shall be used to
3 determine the capability of each facility;

4 (iii) the annual zero emission facility cost
5 projections, expressed on a per megawatthour
6 basis, over the next 6 delivery years, which shall
7 include the following: operation and maintenance
8 expenses; fully allocated overhead costs, which
9 shall be allocated using the methodology developed
10 by the Institute for Nuclear Power Operations;
11 fuel expenditures; non-fuel capital expenditures;
12 spent fuel expenditures; a return on working
13 capital; the cost of operational and market risks
14 that could be avoided by ceasing operation; and
15 any other costs necessary for continued
16 operations, provided that "necessary" means, for
17 purposes of this item (iii), that the costs could
18 reasonably be avoided only by ceasing operations
19 of the zero emission facility; and

20 (iv) a commitment to continue operating, for
21 the duration of the contract or contracts executed
22 under the procurement held under this subsection
23 (d-5), the zero emission facility that produces
24 the zero emission credits to be procured in the
25 procurement.

26 The information described in item (iii) of this

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

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

1 defined as follows:

2 (i) Social Cost of Carbon: The Social Cost of
3 Carbon is \$16.50 per megawatthour, which is based
4 on the U.S. Interagency Working Group on Social
5 Cost of Carbon's price in the August 2016
6 Technical Update using a 3% discount rate,
7 adjusted for inflation for each year of the
8 program. Beginning with the delivery year
9 commencing June 1, 2023, the price per
10 megawatthour shall increase by \$1 per
11 megawatthour, and continue to increase by an
12 additional \$1 per megawatthour each delivery year
13 thereafter.

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

1 determined by the Midcontinent Independent System
2 Operator, Inc., divided by 24 hours per day.

3 (iii) Market price index: The market price
4 index for a delivery year shall be the sum of
5 projected energy prices and projected capacity
6 prices determined as follows:

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

22 (bb) Projected capacity prices:

23 (I) For the delivery years commencing
24 June 1, 2017, June 1, 2018, and June 1,
25 2019, the projected capacity price shall
26 be equal to the sum of (1) 50% multiplied

1 by the Base Residual Auction, or its
2 successor, price for the rest of the RTO
3 zone group as determined by PJM
4 Interconnection LLC, divided by 24 hours
5 per day and, (2) 50% multiplied by the
6 resource auction price determined in the
7 resource auction administered by the
8 Midcontinent Independent System Operator,
9 Inc., in which the largest percentage of
10 load cleared for Local Resource Zone 4,
11 divided by 24 hours per day, and where
12 such price is determined by the
13 Midcontinent Independent System Operator,
14 Inc.

15 (II) For the delivery year commencing
16 June 1, 2020, and each year thereafter,
17 the projected capacity price shall be
18 equal to the sum of (1) 50% multiplied by
19 the Base Residual Auction, or its
20 successor, price for the ComEd zone as
21 determined by PJM Interconnection LLC,
22 divided by 24 hours per day, and (2) 50%
23 multiplied by the resource auction price
24 determined in the resource auction
25 administered by the Midcontinent
26 Independent System Operator, Inc., in

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

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

7 "Rest of the RTO" and "ComEd Zone" shall have
8 the meaning ascribed to them by PJM
9 Interconnection, LLC.

10 "RTO" means regional transmission
11 organization.

12 (C) No later than 45 days after June 1, 2017 (the
13 effective date of Public Act 99-906), the Agency shall
14 publish its proposed zero emission standard
15 procurement plan. The plan shall be consistent with
16 the provisions of this paragraph (1) and shall provide
17 that winning bids shall be selected based on public
18 interest criteria that include, but are not limited
19 to, minimizing carbon dioxide emissions that result
20 from electricity consumed in Illinois and minimizing
21 sulfur dioxide, nitrogen oxide, and particulate matter
22 emissions that adversely affect the citizens of this
23 State. In particular, the selection of winning bids
24 shall take into account the incremental environmental
25 benefits resulting from the procurement, such as any
26 existing environmental benefits that are preserved by

1 the procurements held under Public Act 99-906 and
2 would cease to exist if the procurements were not
3 held, including the preservation of zero emission
4 facilities. The plan shall also describe in detail how
5 each public interest factor shall be considered and
6 weighted in the bid selection process to ensure that
7 the public interest criteria are applied to the
8 procurement and given full effect.

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

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

1 received and file its zero emission standard
2 procurement plan with the Commission.

3 If the Commission determines that the plan will
4 result in the procurement of cost-effective zero
5 emission credits, then the Commission shall, after
6 notice and hearing, but no later than 45 days after the
7 Agency filed the plan, approve the plan or approve
8 with modification. For purposes of this subsection
9 (d-5), "cost effective" means the projected costs of
10 procuring zero emission credits from zero emission
11 facilities do not cause the limit stated in paragraph
12 (2) of this subsection to be exceeded.

13 (C-5) As part of the Commission's review and
14 acceptance or rejection of the procurement results,
15 the Commission shall, in its public notice of
16 successful bidders:

17 (i) identify how the winning bids satisfy the
18 public interest criteria described in subparagraph
19 (C) of this paragraph (1) of minimizing carbon
20 dioxide emissions that result from electricity
21 consumed in Illinois and minimizing sulfur
22 dioxide, nitrogen oxide, and particulate matter
23 emissions that adversely affect the citizens of
24 this State;

25 (ii) specifically address how the selection of
26 winning bids takes into account the incremental

1 environmental benefits resulting from the
2 procurement, including any existing environmental
3 benefits that are preserved by the procurements
4 held under Public Act 99-906 and would have ceased
5 to exist if the procurements had not been held,
6 such as the preservation of zero emission
7 facilities;

8 (iii) quantify the environmental benefit of
9 preserving the resources identified in item (ii)
10 of this subparagraph (C-5), including the
11 following:

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

22 (bb) the costs of replacement with other
23 zero carbon dioxide resources, including wind
24 and photovoltaic, based upon the simple
25 average of the following:

26 (I) the price, or if there is more

1 than one price, the average of the prices,
2 paid for renewable energy credits from new
3 utility-scale wind projects in the
4 procurement events specified in item (i)
5 of subparagraph (G) of paragraph (1) of
6 subsection (c) of this Section; and

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

19 Each utility shall enter into binding contractual
20 arrangements with the winning suppliers.

21 The procurement described in this subsection
22 (d-5), including, but not limited to, the execution of
23 all contracts procured, shall be completed no later
24 than May 10, 2017. Based on the effective date of
25 Public Act 99-906, the Agency and Commission may, as
26 appropriate, modify the various dates and timelines

1 under this subparagraph and subparagraphs (C) and (D)
2 of this paragraph (1). The procurement and plan
3 approval processes required by this subsection (d-5)
4 shall be conducted in conjunction with the procurement
5 and plan approval processes required by subsection (c)
6 of this Section and Section 16-111.5 of the Public
7 Utilities Act, to the extent practicable.
8 Notwithstanding whether a procurement event is
9 conducted under Section 16-111.5 of the Public
10 Utilities Act, the Agency shall immediately initiate a
11 procurement process on June 1, 2017 (the effective
12 date of Public Act 99-906).

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

21 (E) Notwithstanding the requirements of this
22 subsection (d-5), the contracts executed under this
23 subsection (d-5) shall provide that the zero emission
24 facility may, as applicable, suspend or terminate
25 performance under the contracts in the following
26 instances:

1 (i) A zero emission facility shall be excused
2 from its performance under the contract for any
3 cause beyond the control of the resource,
4 including, but not restricted to, acts of God,
5 flood, drought, earthquake, storm, fire,
6 lightning, epidemic, war, riot, civil disturbance
7 or disobedience, labor dispute, labor or material
8 shortage, sabotage, acts of public enemy,
9 explosions, orders, regulations or restrictions
10 imposed by governmental, military, or lawfully
11 established civilian authorities, which, in any of
12 the foregoing cases, by exercise of commercially
13 reasonable efforts the zero emission facility
14 could not reasonably have been expected to avoid,
15 and which, by the exercise of commercially
16 reasonable efforts, it has been unable to
17 overcome. In such event, the zero emission
18 facility shall be excused from performance for the
19 duration of the event, including, but not limited
20 to, delivery of zero emission credits, and no
21 payment shall be due to the zero emission facility
22 during the duration of the event.

23 (ii) A zero emission facility shall be
24 permitted to terminate the contract if legislation
25 is enacted into law by the General Assembly that
26 imposes or authorizes a new tax, special

1 assessment, or fee on the generation of
2 electricity, the ownership or leasehold of a
3 generating unit, or the privilege or occupation of
4 such generation, ownership, or leasehold of
5 generation units by a zero emission facility.
6 However, the provisions of this item (ii) do not
7 apply to any generally applicable tax, special
8 assessment or fee, or requirements imposed by
9 federal law.

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

17 (iv) A zero emission facility shall be
18 permitted to terminate the contract in the event
19 the Nuclear Regulatory Commission terminates the
20 resource's license.

21 (F) If the zero emission facility elects to
22 terminate a contract under subparagraph (E) of this
23 paragraph (1), then the Commission shall reopen the
24 docket in which the Commission approved the zero
25 emission standard procurement plan under subparagraph
26 (C) of this paragraph (1) and, after notice and

1 hearing, enter an order acknowledging the contract
2 termination election if such termination is consistent
3 with the provisions of this subsection (d-5).

4 (2) For purposes of this subsection (d-5), the amount
5 paid per kilowatthour means the total amount paid for
6 electric service expressed on a per kilowatthour basis.
7 For purposes of this subsection (d-5), the total amount
8 paid for electric service includes, without limitation,
9 amounts paid for supply, transmission, distribution,
10 surcharges, and add-on taxes.

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

1 subsection (k) of Section 16-108 of the Public Utilities
2 Act. To arrive at a maximum dollar amount of zero emission
3 credits to be paid for the particular delivery year, the
4 resulting per kilowatthour amount shall be applied to the
5 actual amount of kilowatthours of electricity delivered by
6 the electric utility in the delivery year immediately
7 prior to the procurement, to all retail customers in its
8 service territory. Unpaid contractual volume for any
9 delivery year shall be paid in any subsequent delivery
10 year in which such payments can be made without exceeding
11 the amount specified in this paragraph (2). The
12 calculations required by this paragraph (2) shall be made
13 only once for each procurement plan year. Once the
14 determination as to the amount of zero emission credits to
15 be paid is made based on the calculations set forth in this
16 paragraph (2), no subsequent rate impact determinations
17 shall be made and no adjustments to those contract amounts
18 shall be allowed. All costs incurred under those contracts
19 and in implementing this subsection (d-5) shall be
20 recovered by the electric utility as provided in this
21 Section.

22 No later than June 30, 2019, the Commission shall
23 review the limitation on the amount of zero emission
24 credits procured under this subsection (d-5) and report to
25 the General Assembly its findings as to whether that
26 limitation unduly constrains the procurement of

1 cost-effective zero emission credits.

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

26 For purposes of this Section, the Average ZEC Payment

1 shall be calculated by multiplying the quantity of zero
2 emission credits delivered under the contract times the
3 average contract price. The average contract price shall
4 be determined by subtracting the amount calculated under
5 subparagraph (B) of this paragraph (3) from the amount
6 calculated under subparagraph (A) of this paragraph (3),
7 as follows:

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

11 (B) The average of the market price indices, as
12 defined in subparagraph (B) of paragraph (1) of this
13 subsection (d-5), during the term of the contract,
14 minus the baseline market price index, as defined in
15 subparagraph (B) of paragraph (1) of this subsection
16 (d-5).

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

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

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

25 (6) Electric utilities shall be entitled to recover
26 all of the costs associated with the procurement of zero

1 emission credits through an automatic adjustment clause
2 tariff in accordance with subsection (k) and (m) of
3 Section 16-108 of the Public Utilities Act, and the
4 contracts executed under this subsection (d-5) shall
5 provide that the utilities' payment obligations under such
6 contracts shall be reduced if an adjustment is required
7 under subsection (m) of Section 16-108 of the Public
8 Utilities Act.

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

11 (d-10) Nuclear Plant Assistance; carbon mitigation
12 credits.

13 (1) The General Assembly finds:

14 (A) The health, welfare, and prosperity of all
15 Illinois citizens require that the State of Illinois act
16 to avoid and not increase carbon emissions from electric
17 generation sources while continuing to ensure affordable,
18 stable, and reliable electricity to all citizens.

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

1 (C) The General Assembly finds that nuclear power
2 generation is necessary for the State's transition to 100%
3 clean energy, and ensuring continued operation of nuclear
4 plants advances environmental and public health interests
5 through providing carbon-free electricity while reducing
6 the air pollution profile of the Illinois energy
7 generation fleet.

8 (D) The clean energy attributes of nuclear generation
9 facilities support the State in its efforts to achieve
10 100% clean energy.

11 (E) The State currently invests in various forms of
12 clean energy, including, but not limited to, renewable
13 energy, energy efficiency, and low-emission vehicles,
14 among others.

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

26 (G) Nuclear plants provide carbon-free energy, which

1 helps to avoid many health-related negative impacts for
2 Illinois residents.

3 (H) The procurement of carbon mitigation credits
4 representing the environmental benefits of carbon-free
5 generation will further the State's efforts at achieving
6 100% clean energy and decarbonizing the electricity sector
7 in a safe, reliable, and affordable manner. Further, the
8 procurement of carbon emission credits will enhance the
9 health and welfare of Illinois residents through decreased
10 reliance on more highly polluting generation.

11 (I) The General Assembly therefore finds it necessary
12 to establish carbon mitigation credits to ensure decreased
13 reliance on more carbon-intensive energy resources, for
14 transitioning to a fully decarbonized electricity sector,
15 and to help ensure health and welfare of the State's
16 residents.

17 (2) As used in this subsection:

18 "Baseline costs" means costs used to establish a customer
19 protection cap that have been evaluated through an independent
20 audit of a carbon-free energy resource conducted by the
21 Environmental Protection Agency that evaluated projected
22 annual costs for operation and maintenance expenses; fully
23 allocated overhead costs, which shall be allocated using the
24 methodology developed by the Institute for Nuclear Power
25 Operations; fuel expenditures; nonfuel capital expenditures;
26 spent fuel expenditures; a return on working capital; the cost

1 of operational and market risks that could be avoided by
2 ceasing operation; and any other costs necessary for continued
3 operations, provided that "necessary" means, for purposes of
4 this definition, that the costs could reasonably be avoided
5 only by ceasing operations of the carbon-free energy resource.

6 "Carbon mitigation credit" means a tradable credit that
7 represents the carbon emission reduction attributes of one
8 megawatt-hour of energy produced from a carbon-free energy
9 resource.

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

13 (3) Procurement.

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

26 (B) Each carbon-free energy resource that intends to

1 participate in a procurement shall be required to submit
2 to the Agency the following information for the resource
3 on or before the date established by the Agency:

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

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

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

19 (iv) financial need and the risk of loss of the
20 environmental benefits of such resource, which shall
21 include the following information:

22 (I) the carbon-free energy resource's cost
23 projections, expressed on a per megawatt-hour
24 basis, over the next 5 delivery years, which shall
25 include the following: operation and maintenance
26 expenses; fully allocated overhead costs, which

1 shall be allocated using the methodology developed
2 by the Institute for Nuclear Power Operations;
3 fuel expenditures; nonfuel capital expenditures;
4 spent fuel expenditures; a return on working
5 capital; the cost of operational and market risks
6 that could be avoided by ceasing operation; and
7 any other costs necessary for continued
8 operations, provided that "necessary" means, for
9 purposes of this subitem (I), that the costs could
10 reasonably be avoided only by ceasing operations
11 of the carbon-free energy resource; and

12 (II) the carbon-free energy resource's revenue
13 projections, including energy, capacity, ancillary
14 services, any other direct State support, known or
15 anticipated federal attribute credits, known or
16 anticipated tax credits, and any other direct
17 federal support.

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

1 General Act.

2 (C) The Agency shall solicit bids for the contracts
3 described in this subsection (d-10) from carbon-free
4 energy resources that have satisfied the requirements of
5 subparagraph (B) of this paragraph (3). The contracts
6 procured pursuant to a procurement event shall reflect,
7 and be subject to, the following terms, requirements, and
8 limitations:

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

17 (ii) Contracts for carbon mitigation credits shall
18 commence with the delivery year beginning on June 1,
19 2022 and shall be for a term of 5 delivery years
20 concluding on May 31, 2027.

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

24 (I) one of the following energy price indices,
25 selected by the bidder at the time of the bid for
26 the term of the contract:

1 (aa) the weighted-average hourly day-ahead
2 price for the applicable delivery year at the
3 busbar of all resources procured pursuant to
4 this subsection (d-10), weighted by actual
5 production from the resources; or

6 (bb) the projected energy price for the
7 PJM Interconnection, LLC Northern Illinois Hub
8 for the applicable delivery year determined
9 according to subitem (aa) of item (iii) of
10 subparagraph (B) of paragraph (1) of
11 subsection (d-5).

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

1 (III) any value of monetized federal tax
2 credits, direct payments, or similar subsidy
3 provided to the carbon-free energy resource from
4 any unit of government that is not already
5 reflected in energy prices.

6 If the price-per-megawatt-hour calculation
7 performed under item (iii) of this subparagraph (C)
8 for a given delivery year results in a net positive
9 value, then the electric utility counterparty to the
10 contract shall multiply such net value by the
11 applicable contract quantity and remit the amount to
12 the supplier.

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

25 (iv) To ensure that retail customers in Northern
26 Illinois do not pay more for carbon mitigation credits

1 than the value such credits provide, and
2 notwithstanding the provisions of this subsection
3 (d-10), the Agency shall not accept bids for contracts
4 that exceed a customer protection cap equal to the
5 baseline costs of carbon-free energy resources.

6 The baseline costs for the applicable year shall
7 be the following:

8 (I) For the delivery year beginning June 1,
9 2022, the baseline costs shall be an amount equal
10 to \$30.30 per megawatt-hour.

11 (II) For the delivery year beginning June 1,
12 2023, the baseline costs shall be an amount equal
13 to \$32.50 per megawatt-hour.

14 (III) For the delivery year beginning June 1,
15 2024, the baseline costs shall be an amount equal
16 to \$33.43 per megawatt-hour.

17 (IV) For the delivery year beginning June 1,
18 2025, the baseline costs shall be an amount equal
19 to \$33.50 per megawatt-hour.

20 (V) For the delivery year beginning June 1,
21 2026, the baseline costs shall be an amount equal
22 to \$34.50 per megawatt-hour.

23 An Environmental Protection Agency consultant
24 forecast, included in a report issued April 14, 2021,
25 projects that a carbon-free energy resource has the
26 opportunity to earn on average approximately \$30.28

1 per megawatt-hour, for the sale of energy and capacity
2 during the time period between 2022 and 2027.
3 Therefore, the sale of carbon mitigation credits
4 provides the opportunity to receive an additional
5 amount per megawatt-hour in addition to the projected
6 prices for energy and capacity.

7 Although actual energy and capacity prices may
8 vary from year-to-year, the General Assembly finds
9 that this customer protection cap will help ensure
10 that the cost of carbon mitigation credits will be
11 less than its value, based upon the social cost of
12 carbon identified in the Technical Support Document
13 issued in February 2021 by the U.S. Interagency
14 Working Group on Social Cost of Greenhouse Gases and
15 the PJM Interconnection, LLC carbon dioxide marginal
16 emission rate for 2020, and that a carbon-free energy
17 resource receiving payment for carbon mitigation
18 credits receives no more than necessary to keep those
19 units in operation.

20 (D) No later than 7 days after the effective date of
21 this amendatory Act of the 102nd General Assembly, the
22 Agency shall publish its proposed carbon mitigation credit
23 procurement plan. The Plan shall provide that winning bids
24 shall be selected by taking into consideration which
25 resources best match public interest criteria that
26 include, but are not limited to, minimizing carbon dioxide

1 emissions that result from electricity consumed in
2 Illinois and minimizing sulfur dioxide, nitrogen oxide,
3 and particulate matter emissions that adversely affect the
4 citizens of this State. The selection of winning bids
5 shall also take into account the incremental environmental
6 benefits resulting from the procurement or procurements,
7 such as any existing environmental benefits that are
8 preserved by a procurement held under this subsection
9 (d-10) and would cease to exist if the procurement were
10 not held, including the preservation of carbon-free energy
11 resources. For those bidders having the same public
12 interest criteria score, the relative ranking of such
13 bidders shall be determined by price. The Plan shall
14 describe in detail how each public interest factor shall
15 be considered and weighted in the bid selection process to
16 ensure that the public interest criteria are applied to
17 the procurement. The Plan shall, to the extent practical
18 and permissible by federal law, ensure that successful
19 bidders make commercially reasonable efforts to apply for
20 federal tax credits, direct payments, or similar subsidy
21 programs that support carbon-free generation and for which
22 the successful bidder is eligible. Upon publishing of the
23 carbon mitigation credit procurement plan, copies of the
24 plan shall be posted and made publicly available on the
25 Agency's website. All interested parties shall have 7 days
26 following the date of posting to provide comment to the

1 Agency on the plan. All comments shall be posted to the
2 Agency's website. Following the end of the comment period,
3 but no more than 19 days later than the effective date of
4 this amendatory Act of the 102nd General Assembly, the
5 Agency shall revise the plan as necessary based on the
6 comments received and file its carbon mitigation credit
7 procurement plan with the Commission.

8 (E) If the Commission determines that the plan is
9 likely to result in the procurement of cost-effective
10 carbon mitigation credits, then the Commission shall,
11 after notice and hearing and opportunity for comment, but
12 no later than 42 days after the Agency filed the plan,
13 approve the plan or approve it with modification. For
14 purposes of this subsection (d-10), "cost-effective" means
15 carbon mitigation credits that are procured from
16 carbon-free energy resources at prices that are within the
17 limits specified in this paragraph (3). As part of the
18 Commission's review and acceptance or rejection of the
19 procurement results, the Commission shall, in its public
20 notice of successful bidders:

21 (i) identify how the selected carbon-free energy
22 resources satisfy the public interest criteria
23 described in this paragraph (3) of minimizing carbon
24 dioxide emissions that result from electricity
25 consumed in Illinois and minimizing sulfur dioxide,
26 nitrogen oxide, and particulate matter emissions that

1 adversely affect the citizens of this State;

2 (ii) specifically address how the selection of
3 carbon-free energy resources takes into account the
4 incremental environmental benefits resulting from the
5 procurement, including any existing environmental
6 benefits that are preserved by the procurements held
7 under this amendatory Act of the 102nd General
8 Assembly and would have ceased to exist if the
9 procurements had not been held, such as the
10 preservation of carbon-free energy resources;

11 (iii) quantify the environmental benefit of
12 preserving the carbon-free energy resources procured
13 pursuant to this subsection (d-10), including the
14 following:

15 (I) an assessment value of avoided greenhouse
16 gas emissions measured as the product of the
17 carbon-free energy resources' output over the
18 contract term, using generally accepted
19 methodologies for the valuation of avoided
20 emissions; and

21 (II) an assessment of costs of replacement
22 with other carbon-free energy resources and
23 renewable energy resources, including wind and
24 photovoltaic generation, based upon an assessment
25 of the prices paid for renewable energy credits
26 through programs and procurements conducted

1 pursuant to subsection (c) of Section 1-75 of this
2 Act, and the additional storage necessary to
3 produce the same or similar capability of matching
4 customer usage patterns.

5 (F) The procurements described in this paragraph (3),
6 including, but not limited to, the execution of all
7 contracts procured, shall be completed no later than
8 December 3, 2021. The procurement and plan approval
9 processes required by this paragraph (3) shall be
10 conducted in conjunction with the procurement and plan
11 approval processes required by Section 16-111.5 of the
12 Public Utilities Act, to the extent practicable. However,
13 the Agency and Commission may, as appropriate, modify the
14 various dates and timelines under this subparagraph and
15 subparagraphs (D) and (E) of this paragraph (3) to meet
16 the December 3, 2021 contract execution deadline.
17 Following the completion of such procurements, and
18 consistent with this paragraph (3), the Agency shall
19 calculate the payments to be made under each contract in a
20 timely fashion.

21 (F-1) Costs incurred by the electric utility pursuant
22 to a contract authorized by this subsection (d-10) shall
23 be deemed prudently incurred and reasonable in amount, and
24 the electric utility shall be entitled to full cost
25 recovery pursuant to a tariff or tariffs filed with the
26 Commission.

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

4 (H) If a carbon-free energy resource is sold to
5 another owner, the rights, obligations, and commitments
6 under this subsection (d-10) shall continue to the
7 subsequent owner.

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

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

13 (f) The Agency shall submit the final procurement plan to
14 the Commission. The Agency shall revise a procurement plan if
15 the Commission determines that it does not meet the standards
16 set forth in Section 16-111.5 of the Public Utilities Act.

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

20 (h) The Agency shall assess fees to each bidder to recover
21 the costs incurred in connection with a competitive
22 procurement process.

23 (i) A renewable energy credit, carbon emission credit,
24 zero emission credit, or carbon mitigation credit can only be
25 used once to comply with a single portfolio or other standard
26 as set forth in subsection (c), subsection (d), or subsection

1 (d-5) of this Section, respectively. A renewable energy
2 credit, carbon emission credit, zero emission credit, or
3 carbon mitigation credit cannot be used to satisfy the
4 requirements of more than one standard. If more than one type
5 of credit is issued for the same megawatt hour of energy, only
6 one credit can be used to satisfy the requirements of a single
7 standard. After such use, the credit must be retired together
8 with any other credits issued for the same megawatt hour of
9 energy.

10 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;
11 102-662, eff. 9-15-21.)

12 Section 15. The Community Energy, Climate, and Jobs
13 Planning Act is amended by changing Section 15-10 as follows:

14 (50 ILCS 65/15-10)

15 (Section scheduled to be repealed on September 15, 2045)

16 Sec. 15-10. Definitions. As used in this Act:

17 "Alternative energy improvement" means the installation or
18 upgrade of electrical wiring, outlets, or charging stations to
19 charge a motor vehicle that is fully or partially powered by
20 electricity; photovoltaic, energy storage, or thermal
21 resource; or any combination thereof.

22 "Disadvantaged worker" means an individual who is defined
23 as: (1) being homeless; (2) being a custodial single parent;
24 (3) being a recipient of public assistance; (4) lacking a high

1 school diploma or high school equivalency; (5) having a
2 criminal record or other involvement in the criminal justice
3 system; (6) suffering from chronic unemployment; (7) being
4 previously in the child welfare system; or (8) being a
5 veteran.

6 "Energy efficiency improvement" means equipment, devices,
7 or materials intended to decrease energy consumption or
8 promote a more efficient use of electricity, natural gas,
9 propane, or other forms of energy on property, including, but
10 not limited to:

11 (1) insulation in walls, roofs, floors, foundations,
12 or heating and cooling distribution systems;

13 (2) storm windows and doors, multi-glazed windows and
14 doors, heat-absorbing or heat-reflective glazed and coated
15 window and door systems, and additional glazing,
16 reductions in glass area, and other window and door system
17 modifications that reduce energy consumption;

18 (3) automated energy control systems;

19 (4) high efficiency heating, ventilating, or
20 air-conditioning and distribution system modifications or
21 replacements;

22 (5) caulking, weather-stripping, and air sealing;

23 (6) replacement or modification of lighting fixtures
24 to reduce the energy use of the lighting system;

25 (7) energy controls or recovery systems;

26 (8) day lighting systems;

1 (9) any energy efficiency project, as defined in
2 Section 825-65 of the Illinois Finance Authority Act; and

3 (10) any other installation or modification of
4 equipment, devices, or materials approved as a utility
5 cost-saving measure by the governing body.

6 "Energy project" means the installation or modification of
7 an alternative energy improvement, energy efficiency
8 improvement, or water use improvement, or the acquisition,
9 installation, or improvement of a renewable energy system that
10 is affixed to a stabilized existing property, including new
11 construction.

12 "Environmental justice communities" means the proposed
13 definition of that term based on existing methodologies and
14 findings used by the Illinois Power Agency and its
15 Administrator in its Illinois Solar for All Program.

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

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

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

6 "Equity investment eligible person" or "eligible person"
7 are synonymous and mean the persons who would most benefit
8 from equitable investments by the State designed to combat
9 discrimination and foster sustainable economic growth.
10 Specifically, "eligible person" means the following people:

11 (1) a person whose primary residence is in an equity
12 investment eligible community;

13 (2) a person who is a graduate of or currently
14 enrolled in the foster care system; or

15 (3) a person who was formerly incarcerated.

16 "Governing body" means the county board or board of county
17 commissioners of a county, the city council of a municipality,
18 or the board of trustees of a village.

19 "Local Employment Plan" means a bidding option that public
20 agencies may include in requests for proposals to incentivize
21 bidders to voluntarily plan to retain and create high-skilled
22 local manufacturing jobs; invest in preapprenticeship,
23 apprenticeship, and training opportunities; and develop
24 family-sustaining career pathways into clean energy industries
25 for disadvantaged workers in a specified local area. The Local
26 Employment Plan only applies to work that is not financed with

1 federal money.

2 "Local unit of government" means a county, municipality,
3 or village.

4 "Natural climate solutions" means conservation,
5 restoration, or improved land management actions that increase
6 carbon storage or avoid greenhouse gas emissions on natural
7 and working lands.

8 "Nature-based approaches for climate adaptation" means
9 actions that preserve, enhance, or expand functions provided
10 by nature that increase capacity to manage adverse conditions
11 created or exacerbated by climate change. "Nature-based
12 approaches for climate adaptation" includes, but is not
13 limited to, the restoration of native ecosystems, especially
14 floodplains; installation of bioswales, rain gardens, and
15 other green stormwater infrastructure; and practices that
16 increase soil health and reduce urban heat island effects.

17 "Public agency" means the State of Illinois or any of its
18 government bodies and subdivisions, including the various
19 counties, townships, municipalities, school districts,
20 educational service regions, special road districts, public
21 water supply districts, drainage districts, levee districts,
22 sewer districts, housing authorities, and transit agencies.

23 "Renewable energy resources" has the meaning set forth in
24 Section 1-10 of the Illinois Power Agency Act ~~resource"~~
25 ~~includes energy and its associated renewable energy credit or~~
26 ~~renewable energy credits from wind energy, solar thermal~~

1 ~~energy, geothermal energy, photovoltaic cells and panels,~~
2 ~~biodiesel, anaerobic digestion, and hydropower that does not~~
3 ~~involve new construction or significant expansion of~~
4 ~~hydropower dams. For purposes of this Act, landfill gas~~
5 ~~produced in the State is considered a renewable energy~~
6 ~~resource. "Renewable energy resource" does not include the~~
7 ~~incineration or burning of any solid material.~~

8 "Renewable energy system" means a fixture, product,
9 device, or interacting group of fixtures, products, or devices
10 on the customer's side of the meter that use one or more
11 renewable energy resources to generate electricity, and
12 specifically includes any renewable energy project, as defined
13 in Section 825-65 of the Illinois Finance Authority Act.

14 "U.S. Employment Plan" means a bidding option that public
15 agencies may include in requests for proposals to incentivize
16 bidders to voluntarily plan to retain and create high-skilled
17 U.S. manufacturing jobs; invest in preapprenticeship,
18 apprenticeship, and training opportunities; and develop
19 family-sustaining career pathways into clean energy industries
20 for disadvantaged workers throughout the U.S. The U.S.
21 Employment Plan only applies to work financed with federal
22 Money.

23 "Water use improvement" means any fixture, product,
24 system, device, or interacting group thereof for or serving
25 any property that has the effect of conserving water resources
26 through improved water management, efficiency, or thermal

1 resource.

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

3 Section 20. The Public Utilities Act is amended by
4 changing Section 16-107.5 as follows:

5 (220 ILCS 5/16-107.5)

6 Sec. 16-107.5. Net electricity metering.

7 (a) The General Assembly finds and declares that a program
8 to provide net electricity metering, as defined in this
9 Section, for eligible customers can encourage private
10 investment in renewable energy resources, stimulate economic
11 growth, enhance the continued diversification of Illinois'
12 energy resource mix, and protect the Illinois environment.
13 Further, to achieve the goals of this Act that robust options
14 for customer-site distributed generation continue to thrive in
15 Illinois, the General Assembly finds that a predictable
16 transition must be ensured for customers between full net
17 metering at the retail electricity rate to the distribution
18 generation rebate described in Section 16-107.6.

19 (b) As used in this Section, (i) "community renewable
20 generation project" shall have the meaning set forth in
21 Section 1-10 of the Illinois Power Agency Act; (ii) "eligible
22 customer" means a retail customer that owns, hosts, or
23 operates, including any third-party owned systems, a solar,
24 wind, or other eligible renewable electrical generating

1 facility that is located on the customer's premises or
2 customer's side of the billing meter and is intended primarily
3 to offset the customer's own current or future electrical
4 requirements; (iii) "electricity provider" means an electric
5 utility or alternative retail electric supplier; (iv)
6 "eligible renewable electrical generating facility" means a
7 generator, which may include the co-location of an energy
8 storage system, that is interconnected under rules adopted by
9 the Commission and is powered by a renewable energy resource
10 as defined in Section 1-10 of the Illinois Power Agency Act
11 ~~solar electric energy, wind, dedicated crops grown for~~
12 ~~electricity generation, agricultural residues, untreated and~~
13 ~~unadulterated wood waste, livestock manure, anaerobic~~
14 ~~digestion of livestock or food processing waste, fuel cells or~~
15 ~~microturbines powered by renewable fuels, or hydroelectric~~
16 ~~energy;~~ (v) "net electricity metering" (or "net metering")
17 means the measurement, during the billing period applicable to
18 an eligible customer, of the net amount of electricity
19 supplied by an electricity provider to the customer or
20 provided to the electricity provider by the customer or
21 subscriber; (vi) "subscriber" shall have the meaning as set
22 forth in Section 1-10 of the Illinois Power Agency Act; (vii)
23 "subscription" shall have the meaning set forth in Section
24 1-10 of the Illinois Power Agency Act; (viii) "energy storage
25 system" means commercially available technology that is
26 capable of absorbing energy and storing it for a period of time

1 for use at a later time, including, but not limited to,
2 electrochemical, thermal, and electromechanical technologies,
3 and may be interconnected behind the customer's meter or
4 interconnected behind its own meter; and (ix) "future
5 electrical requirements" means modeled electrical requirements
6 upon occupation of a new or vacant property, and other
7 reasonable expectations of future electrical use, as well as,
8 for occupied properties, a reasonable approximation of the
9 annual load of 2 electric vehicles and, for non-electric
10 heating customers, a reasonable approximation of the
11 incremental electric load associated with fuel switching. The
12 approximations shall be applied to the appropriate net
13 metering tariff and do not need to be unique to each individual
14 eligible customer. The utility shall submit these
15 approximations to the Commission for review, modification, and
16 approval.

17 (c) A net metering facility shall be equipped with
18 metering equipment that can measure the flow of electricity in
19 both directions at the same rate.

20 (1) For eligible customers whose electric service has
21 not been declared competitive pursuant to Section 16-113
22 of this Act as of July 1, 2011 and whose electric delivery
23 service is provided and measured on a kilowatt-hour basis
24 and electric supply service is not provided based on
25 hourly pricing, this shall typically be accomplished
26 through use of a single, bi-directional meter. If the

1 eligible customer's existing electric revenue meter does
2 not meet this requirement, the electricity provider shall
3 arrange for the local electric utility or a meter service
4 provider to install and maintain a new revenue meter at
5 the electricity provider's expense, which may be the smart
6 meter described by subsection (b) of Section 16-108.5 of
7 this Act.

8 (2) For eligible customers whose electric service has
9 not been declared competitive pursuant to Section 16-113
10 of this Act as of July 1, 2011 and whose electric delivery
11 service is provided and measured on a kilowatt demand
12 basis and electric supply service is not provided based on
13 hourly pricing, this shall typically be accomplished
14 through use of a dual channel meter capable of measuring
15 the flow of electricity both into and out of the
16 customer's facility at the same rate and ratio. If such
17 customer's existing electric revenue meter does not meet
18 this requirement, then the electricity provider shall
19 arrange for the local electric utility or a meter service
20 provider to install and maintain a new revenue meter at
21 the electricity provider's expense, which may be the smart
22 meter described by subsection (b) of Section 16-108.5 of
23 this Act.

24 (3) For all other eligible customers, until such time
25 as the local electric utility installs a smart meter, as
26 described by subsection (b) of Section 16-108.5 of this

1 Act, the electricity provider may arrange for the local
2 electric utility or a meter service provider to install
3 and maintain metering equipment capable of measuring the
4 flow of electricity both into and out of the customer's
5 facility at the same rate and ratio, typically through the
6 use of a dual channel meter. If the eligible customer's
7 existing electric revenue meter does not meet this
8 requirement, then the costs of installing such equipment
9 shall be paid for by the customer.

10 (d) An electricity provider shall measure and charge or
11 credit for the net electricity supplied to eligible customers
12 or provided by eligible customers whose electric service has
13 not been declared competitive pursuant to Section 16-113 of
14 this Act as of July 1, 2011 and whose electric delivery service
15 is provided and measured on a kilowatt-hour basis and electric
16 supply service is not provided based on hourly pricing in the
17 following manner:

18 (1) If the amount of electricity used by the customer
19 during the billing period exceeds the amount of
20 electricity produced by the customer, the electricity
21 provider shall charge the customer for the net electricity
22 supplied to and used by the customer as provided in
23 subsection (e-5) of this Section.

24 (2) If the amount of electricity produced by a
25 customer during the billing period exceeds the amount of
26 electricity used by the customer during that billing

1 period, the electricity provider supplying that customer
2 shall apply a 1:1 kilowatt-hour credit to a subsequent
3 bill for service to the customer for the net electricity
4 supplied to the electricity provider. The electricity
5 provider shall continue to carry over any excess
6 kilowatt-hour credits earned and apply those credits to
7 subsequent billing periods to offset any
8 customer-generator consumption in those billing periods
9 until all credits are used or until the end of the
10 annualized period.

11 (3) At the end of the year or annualized over the
12 period that service is supplied by means of net metering,
13 or in the event that the retail customer terminates
14 service with the electricity provider prior to the end of
15 the year or the annualized period, any remaining credits
16 in the customer's account shall expire.

17 (d-5) An electricity provider shall measure and charge or
18 credit for the net electricity supplied to eligible customers
19 or provided by eligible customers whose electric service has
20 not been declared competitive pursuant to Section 16-113 of
21 this Act as of July 1, 2011 and whose electric delivery service
22 is provided and measured on a kilowatt-hour basis and electric
23 supply service is provided based on hourly pricing or
24 time-of-use rates in the following manner:

25 (1) If the amount of electricity used by the customer
26 during any hourly period or time-of-use period exceeds the

1 amount of electricity produced by the customer, the
2 electricity provider shall charge the customer for the net
3 electricity supplied to and used by the customer according
4 to the terms of the contract or tariff to which the same
5 customer would be assigned to or be eligible for if the
6 customer was not a net metering customer.

7 (2) If the amount of electricity produced by a
8 customer during any hourly period or time-of-use period
9 exceeds the amount of electricity used by the customer
10 during that hourly period or time-of-use period, the
11 energy provider shall apply a credit for the net
12 kilowatt-hours produced in such period. The credit shall
13 consist of an energy credit and a delivery service credit.
14 The energy credit shall be valued at the same price per
15 kilowatt-hour as the electric service provider would
16 charge for kilowatt-hour energy sales during that same
17 hourly period or time-of-use period. The delivery credit
18 shall be equal to the net kilowatt-hours produced in such
19 hourly period or time-of-use period times a credit that
20 reflects all kilowatt-hour based charges in the customer's
21 electric service rate, excluding energy charges.

22 (e) An electricity provider shall measure and charge or
23 credit for the net electricity supplied to eligible customers
24 whose electric service has not been declared competitive
25 pursuant to Section 16-113 of this Act as of July 1, 2011 and
26 whose electric delivery service is provided and measured on a

1 kilowatt demand basis and electric supply service is not
2 provided based on hourly pricing in the following manner:

3 (1) If the amount of electricity used by the customer
4 during the billing period exceeds the amount of
5 electricity produced by the customer, then the electricity
6 provider shall charge the customer for the net electricity
7 supplied to and used by the customer as provided in
8 subsection (e-5) of this Section. The customer shall
9 remain responsible for all taxes, fees, and utility
10 delivery charges that would otherwise be applicable to the
11 net amount of electricity used by the customer.

12 (2) If the amount of electricity produced by a
13 customer during the billing period exceeds the amount of
14 electricity used by the customer during that billing
15 period, then the electricity provider supplying that
16 customer shall apply a 1:1 kilowatt-hour credit that
17 reflects the kilowatt-hour based charges in the customer's
18 electric service rate to a subsequent bill for service to
19 the customer for the net electricity supplied to the
20 electricity provider. The electricity provider shall
21 continue to carry over any excess kilowatt-hour credits
22 earned and apply those credits to subsequent billing
23 periods to offset any customer-generator consumption in
24 those billing periods until all credits are used or until
25 the end of the annualized period.

26 (3) At the end of the year or annualized over the

1 period that service is supplied by means of net metering,
2 or in the event that the retail customer terminates
3 service with the electricity provider prior to the end of
4 the year or the annualized period, any remaining credits
5 in the customer's account shall expire.

6 (e-5) An electricity provider shall provide electric
7 service to eligible customers who utilize net metering at
8 non-discriminatory rates that are identical, with respect to
9 rate structure, retail rate components, and any monthly
10 charges, to the rates that the customer would be charged if not
11 a net metering customer. An electricity provider shall not
12 charge net metering customers any fee or charge or require
13 additional equipment, insurance, or any other requirements not
14 specifically authorized by interconnection standards
15 authorized by the Commission, unless the fee, charge, or other
16 requirement would apply to other similarly situated customers
17 who are not net metering customers. The customer will remain
18 responsible for all taxes, fees, and utility delivery charges
19 that would otherwise be applicable to the net amount of
20 electricity used by the customer. Subsections (c) through (e)
21 of this Section shall not be construed to prevent an
22 arms-length agreement between an electricity provider and an
23 eligible customer that sets forth different prices, terms, and
24 conditions for the provision of net metering service,
25 including, but not limited to, the provision of the
26 appropriate metering equipment for non-residential customers.

1 (f) Notwithstanding the requirements of subsections (c)
2 through (e-5) of this Section, an electricity provider must
3 require dual-channel metering for customers operating eligible
4 renewable electrical generating facilities to whom the
5 provisions of neither subsection (d), (d-5), nor (e) of this
6 Section apply. In such cases, electricity charges and credits
7 shall be determined as follows:

8 (1) The electricity provider shall assess and the
9 customer remains responsible for all taxes, fees, and
10 utility delivery charges that would otherwise be
11 applicable to the gross amount of kilowatt-hours supplied
12 to the eligible customer by the electricity provider.

13 (2) Each month that service is supplied by means of
14 dual-channel metering, the electricity provider shall
15 compensate the eligible customer for any excess
16 kilowatt-hour credits at the electricity provider's
17 avoided cost of electricity supply over the monthly period
18 or as otherwise specified by the terms of a power-purchase
19 agreement negotiated between the customer and electricity
20 provider.

21 (3) For all eligible net metering customers taking
22 service from an electricity provider under contracts or
23 tariffs employing hourly or time-of-use rates, any monthly
24 consumption of electricity shall be calculated according
25 to the terms of the contract or tariff to which the same
26 customer would be assigned to or be eligible for if the

1 customer was not a net metering customer. When those same
2 customer-generators are net generators during any discrete
3 hourly or time-of-use period, the net kilowatt-hours
4 produced shall be valued at the same price per
5 kilowatt-hour as the electric service provider would
6 charge for retail kilowatt-hour sales during that same
7 time-of-use period.

8 (g) For purposes of federal and State laws providing
9 renewable energy credits or greenhouse gas credits, the
10 eligible customer shall be treated as owning and having title
11 to the renewable energy attributes, renewable energy credits,
12 and greenhouse gas emission credits related to any electricity
13 produced by the qualified generating unit. The electricity
14 provider may not condition participation in a net metering
15 program on the signing over of a customer's renewable energy
16 credits; provided, however, this subsection (g) shall not be
17 construed to prevent an arms-length agreement between an
18 electricity provider and an eligible customer that sets forth
19 the ownership or title of the credits.

20 (h) Within 120 days after the effective date of this
21 amendatory Act of the 95th General Assembly, the Commission
22 shall establish standards for net metering and, if the
23 Commission has not already acted on its own initiative,
24 standards for the interconnection of eligible renewable
25 generating equipment to the utility system. The
26 interconnection standards shall address any procedural

1 barriers, delays, and administrative costs associated with the
2 interconnection of customer-generation while ensuring the
3 safety and reliability of the units and the electric utility
4 system. The Commission shall consider the Institute of
5 Electrical and Electronics Engineers (IEEE) Standard 1547 and
6 the issues of (i) reasonable and fair fees and costs, (ii)
7 clear timelines for major milestones in the interconnection
8 process, (iii) nondiscriminatory terms of agreement, and (iv)
9 any best practices for interconnection of distributed
10 generation.

11 (h-5) Within 90 days after the effective date of this
12 amendatory Act of the 102nd General Assembly, the Commission
13 shall:

14 (1) establish an Interconnection Working Group. The
15 working group shall include representatives from electric
16 utilities, developers of renewable electric generating
17 facilities, other industries that regularly apply for
18 interconnection with the electric utilities,
19 representatives of distributed generation customers, the
20 Commission Staff, and such other stakeholders with a
21 substantial interest in the topics addressed by the
22 Interconnection Working Group. The Interconnection Working
23 Group shall address at least the following issues:

24 (A) cost and best available technology for
25 interconnection and metering, including the
26 standardization and publication of standard costs;

1 (B) transparency, accuracy and use of the
2 distribution interconnection queue and hosting
3 capacity maps;

4 (C) distribution system upgrade cost avoidance
5 through use of advanced inverter functions;

6 (D) predictability of the queue management process
7 and enforcement of timelines;

8 (E) benefits and challenges associated with group
9 studies and cost sharing;

10 (F) minimum requirements for application to the
11 interconnection process and throughout the
12 interconnection process to avoid queue clogging
13 behavior;

14 (G) process and customer service for
15 interconnecting customers adopting distributed energy
16 resources, including energy storage;

17 (H) options for metering distributed energy
18 resources, including energy storage;

19 (I) interconnection of new technologies, including
20 smart inverters and energy storage;

21 (J) collect, share, and examine data on Level 1
22 interconnection costs, including cost and type of
23 upgrades required for interconnection, and use this
24 data to inform the final standardized cost of Level 1
25 interconnection; and

26 (K) such other technical, policy, and tariff

1 issues related to and affecting interconnection
2 performance and customer service as determined by the
3 Interconnection Working Group.

4 The Commission may create subcommittees of the
5 Interconnection Working Group to focus on specific issues
6 of importance, as appropriate. The Interconnection Working
7 Group shall report to the Commission on recommended
8 improvements to interconnection rules and tariffs and
9 policies as determined by the Interconnection Working
10 Group at least every 6 months. Such reports shall include
11 consensus recommendations of the Interconnection Working
12 Group and, if applicable, additional recommendations for
13 which consensus was not reached. The Commission shall use
14 the report from the Interconnection Working Group to
15 determine whether processes should be commenced to
16 formally codify or implement the recommendations;

17 (2) create or contract for an Ombudsman to resolve
18 interconnection disputes through non-binding arbitration.
19 The Ombudsman may be paid in full or in part through fees
20 levied on the initiators of the dispute; and

21 (3) determine a single standardized cost for Level 1
22 interconnections, which shall not exceed \$200.

23 (i) All electricity providers shall begin to offer net
24 metering no later than April 1, 2008.

25 (j) An electricity provider shall provide net metering to
26 eligible customers according to subsections (d), (d-5), and

1 (e). Eligible renewable electrical generating facilities for
2 which eligible customers registered for net metering before
3 January 1, 2025 shall continue to receive net metering
4 services according to subsections (d), (d-5), and (e) of this
5 Section for the lifetime of the system, regardless of whether
6 those retail customers change electricity providers or whether
7 the retail customer benefiting from the system changes. On and
8 after January 1, 2025, any eligible customer that applies for
9 net metering and previously would have qualified under
10 subsections (d), (d-5), or (e) shall only be eligible for net
11 metering as described in subsection (n).

12 (k) Each electricity provider shall maintain records and
13 report annually to the Commission the total number of net
14 metering customers served by the provider, as well as the
15 type, capacity, and energy sources of the generating systems
16 used by the net metering customers. Nothing in this Section
17 shall limit the ability of an electricity provider to request
18 the redaction of information deemed by the Commission to be
19 confidential business information.

20 (l)(1) Notwithstanding the definition of "eligible
21 customer" in item (ii) of subsection (b) of this Section, each
22 electricity provider shall allow net metering as set forth in
23 this subsection (l) and for the following projects, provided
24 that only electric utilities serving more than 200,000
25 customers as of January 1, 2021 shall provide net metering for
26 projects that are eligible for subparagraph (C) of this

1 paragraph (1) and have energized after the effective date of
2 this amendatory Act of the 102nd General Assembly:

3 (A) properties owned or leased by multiple customers
4 that contribute to the operation of an eligible renewable
5 electrical generating facility through an ownership or
6 leasehold interest of at least 200 watts in such facility,
7 such as a community-owned wind project, a community-owned
8 biomass project, a community-owned solar project, or a
9 community methane digester processing livestock waste from
10 multiple sources, provided that the facility is also
11 located within the utility's service territory;

12 (B) individual units, apartments, or properties
13 located in a single building that are owned or leased by
14 multiple customers and collectively served by a common
15 eligible renewable electrical generating facility, such as
16 an office or apartment building, a shopping center or
17 strip mall served by photovoltaic panels on the roof; and

18 (C) subscriptions to community renewable generation
19 projects, including community renewable generation
20 projects on the customer's side of the billing meter of a
21 host facility and partially used for the customer's own
22 load.

23 In addition, the nameplate capacity of the eligible
24 renewable electric generating facility that serves the demand
25 of the properties, units, or apartments identified in
26 paragraphs (1) and (2) of this subsection (1) shall not exceed

1 5,000 kilowatts in nameplate capacity in total. Any eligible
2 renewable electrical generating facility or community
3 renewable generation project that is powered by photovoltaic
4 electric energy and installed after the effective date of this
5 amendatory Act of the 99th General Assembly must be installed
6 by a qualified person in compliance with the requirements of
7 Section 16-128A of the Public Utilities Act and any rules or
8 regulations adopted thereunder.

9 (2) Notwithstanding anything to the contrary, an
10 electricity provider shall provide credits for the electricity
11 produced by the projects described in paragraph (1) of this
12 subsection (1). The electricity provider shall provide credits
13 that include at least energy supply, capacity, transmission,
14 and, if applicable, the purchased energy adjustment on the
15 subscriber's monthly bill equal to the subscriber's share of
16 the production of electricity from the project, as determined
17 by paragraph (3) of this subsection (1). For customers with
18 transmission or capacity charges not charged on a
19 kilowatt-hour basis, the electricity provider shall prepare a
20 reasonable approximation of the kilowatt-hour equivalent value
21 and provide that value as a monetary credit. The electricity
22 provider shall submit these approximation methodologies to the
23 Commission for review, modification, and approval.
24 Notwithstanding anything to the contrary, customers on payment
25 plans or participating in budget billing programs shall have
26 credits applied on a monthly basis.

1 (3) Notwithstanding anything to the contrary and
2 regardless of whether a subscriber to an eligible community
3 renewable generation project receives power and energy service
4 from the electric utility or an alternative retail electric
5 supplier, for projects eligible under paragraph (C) of
6 subparagraph (1) of this subsection (1), electric utilities
7 serving more than 200,000 customers as of January 1, 2021
8 shall provide the monetary credits to a subscriber's
9 subsequent bill for the electricity produced by community
10 renewable generation projects. The electric utility shall
11 provide monetary credits to a subscriber's subsequent bill at
12 the utility's total price to compare equal to the subscriber's
13 share of the production of electricity from the project, as
14 determined by paragraph (5) of this subsection (1). For the
15 purposes of this subsection, "total price to compare" means
16 the rate or rates published by the Illinois Commerce
17 Commission for energy supply for eligible customers receiving
18 supply service from the electric utility, and shall include
19 energy, capacity, transmission, and the purchased energy
20 adjustment. Notwithstanding anything to the contrary,
21 customers on payment plans or participating in budget billing
22 programs shall have credits applied on a monthly basis. Any
23 applicable credit or reduction in load obligation from the
24 production of the community renewable generating projects
25 receiving a credit under this subsection shall be credited to
26 the electric utility to offset the cost of providing the

1 credit. To the extent that the credit or load obligation
2 reduction does not completely offset the cost of providing the
3 credit to subscribers of community renewable generation
4 projects as described in this subsection, the electric utility
5 may recover the remaining costs through its Multi-Year Rate
6 Plan. All electric utilities serving 200,000 or fewer
7 customers as of January 1, 2021 shall only provide the
8 monetary credits to a subscriber's subsequent bill for the
9 electricity produced by community renewable generation
10 projects if the subscriber receives power and energy service
11 from the electric utility. Alternative retail electric
12 suppliers providing power and energy service to a subscriber
13 located within the service territory of an electric utility
14 not subject to Sections 16-108.18 and 16-118 shall provide the
15 monetary credits to the subscriber's subsequent bill for the
16 electricity produced by community renewable generation
17 projects.

18 (4) If requested by the owner or operator of a community
19 renewable generating project, an electric utility serving more
20 than 200,000 customers as of January 1, 2021 shall enter into a
21 net crediting agreement with the owner or operator to include
22 a subscriber's subscription fee on the subscriber's monthly
23 electric bill and provide the subscriber with a net credit
24 equivalent to the total bill credit value for that generation
25 period minus the subscription fee, provided the subscription
26 fee is structured as a fixed percentage of bill credit value.

1 The net crediting agreement shall set forth payment terms from
2 the electric utility to the owner or operator of the community
3 renewable generating project, and the electric utility may
4 charge a net crediting fee to the owner or operator of a
5 community renewable generating project that may not exceed 2%
6 of the bill credit value. Notwithstanding anything to the
7 contrary, an electric utility serving 200,000 customers or
8 fewer as of January 1, 2021 shall not be obligated to enter
9 into a net crediting agreement with the owner or operator of a
10 community renewable generating project.

11 (5) For the purposes of facilitating net metering, the
12 owner or operator of the eligible renewable electrical
13 generating facility or community renewable generation project
14 shall be responsible for determining the amount of the credit
15 that each customer or subscriber participating in a project
16 under this subsection (1) is to receive in the following
17 manner:

18 (A) The owner or operator shall, on a monthly basis,
19 provide to the electric utility the kilowatthours of
20 generation attributable to each of the utility's retail
21 customers and subscribers participating in projects under
22 this subsection (1) in accordance with the customer's or
23 subscriber's share of the eligible renewable electric
24 generating facility's or community renewable generation
25 project's output of power and energy for such month. The
26 owner or operator shall electronically transmit such

1 calculations and associated documentation to the electric
2 utility, in a format or method set forth in the applicable
3 tariff, on a monthly basis so that the electric utility
4 can reflect the monetary credits on customers' and
5 subscribers' electric utility bills. The electric utility
6 shall be permitted to revise its tariffs to implement the
7 provisions of this amendatory Act of the 102nd General
8 Assembly. The owner or operator shall separately provide
9 the electric utility with the documentation detailing the
10 calculations supporting the credit in the manner set forth
11 in the applicable tariff.

12 (B) For those participating customers and subscribers
13 who receive their energy supply from an alternative retail
14 electric supplier, the electric utility shall remit to the
15 applicable alternative retail electric supplier the
16 information provided under subparagraph (A) of this
17 paragraph (3) for such customers and subscribers in a
18 manner set forth in such alternative retail electric
19 supplier's net metering program, or as otherwise agreed
20 between the utility and the alternative retail electric
21 supplier. The alternative retail electric supplier shall
22 then submit to the utility the amount of the charges for
23 power and energy to be applied to such customers and
24 subscribers, including the amount of the credit associated
25 with net metering.

26 (C) A participating customer or subscriber may provide

1 authorization as required by applicable law that directs
2 the electric utility to submit information to the owner or
3 operator of the eligible renewable electrical generating
4 facility or community renewable generation project to
5 which the customer or subscriber has an ownership or
6 leasehold interest or a subscription. Such information
7 shall be limited to the components of the net metering
8 credit calculated under this subsection (l), including the
9 bill credit rate, total kilowatthours, and total monetary
10 credit value applied to the customer's or subscriber's
11 bill for the monthly billing period.

12 (l-5) Within 90 days after the effective date of this
13 amendatory Act of the 102nd General Assembly, each electric
14 utility subject to this Section shall file a tariff or tariffs
15 to implement the provisions of subsection (l) of this Section,
16 which shall, consistent with the provisions of subsection (l),
17 describe the terms and conditions under which owners or
18 operators of qualifying properties, units, or apartments may
19 participate in net metering. The Commission shall approve, or
20 approve with modification, the tariff within 120 days after
21 the effective date of this amendatory Act of the 102nd General
22 Assembly.

23 (m) Nothing in this Section shall affect the right of an
24 electricity provider to continue to provide, or the right of a
25 retail customer to continue to receive service pursuant to a
26 contract for electric service between the electricity provider

1 and the retail customer in accordance with the prices, terms,
2 and conditions provided for in that contract. Either the
3 electricity provider or the customer may require compliance
4 with the prices, terms, and conditions of the contract.

5 (n) On and after January 1, 2025, the net metering
6 services described in subsections (d), (d-5), and (e) of this
7 Section shall no longer be offered, except as to those
8 eligible renewable electrical generating facilities for which
9 retail customers are receiving net metering service under
10 these subsections at the time the net metering services under
11 those subsections are no longer offered; those systems shall
12 continue to receive net metering services described in
13 subsections (d), (d-5), and (e) of this Section for the
14 lifetime of the system, regardless of if those retail
15 customers change electricity providers or whether the retail
16 customer benefiting from the system changes. The electric
17 utility serving more than 200,000 customers as of January 1,
18 2021 is responsible for ensuring the billing credits continue
19 without lapse for the lifetime of systems, as required in
20 subsection (o). Those retail customers that begin taking net
21 metering service after the date that net metering services are
22 no longer offered under such subsections shall be subject to
23 the provisions set forth in the following paragraphs (1)
24 through (3) of this subsection (n):

25 (1) An electricity provider shall charge or credit for
26 the net electricity supplied to eligible customers or

1 provided by eligible customers whose electric supply
2 service is not provided based on hourly pricing in the
3 following manner:

4 (A) If the amount of electricity used by the
5 customer during the monthly billing period exceeds the
6 amount of electricity produced by the customer, then
7 the electricity provider shall charge the customer for
8 the net kilowatt-hour based electricity charges
9 reflected in the customer's electric service rate
10 supplied to and used by the customer as provided in
11 paragraph (3) of this subsection (n).

12 (B) If the amount of electricity produced by a
13 customer during the monthly billing period exceeds the
14 amount of electricity used by the customer during that
15 billing period, then the electricity provider
16 supplying that customer shall apply a 1:1
17 kilowatt-hour energy or monetary credit kilowatt-hour
18 supply charges to the customer's subsequent bill. The
19 customer shall choose between 1:1 kilowatt-hour or
20 monetary credit at the time of application. For the
21 purposes of this subsection, "kilowatt-hour supply
22 charges" means the kilowatt-hour equivalent values for
23 energy, capacity, transmission, and the purchased
24 energy adjustment, if applicable. Notwithstanding
25 anything to the contrary, customers on payment plans
26 or participating in budget billing programs shall have

1 credits applied on a monthly basis. The electricity
2 provider shall continue to carry over any excess
3 kilowatt-hour or monetary energy credits earned and
4 apply those credits to subsequent billing periods. For
5 customers with transmission or capacity charges not
6 charged on a kilowatt-hour basis, the electricity
7 provider shall prepare a reasonable approximation of
8 the kilowatt-hour equivalent value and provide that
9 value as a monetary credit. The electricity provider
10 shall submit these approximation methodologies to the
11 Commission for review, modification, and approval.

12 (C) (Blank).

13 (2) An electricity provider shall charge or credit for
14 the net electricity supplied to eligible customers or
15 provided by eligible customers whose electric supply
16 service is provided based on hourly pricing in the
17 following manner:

18 (A) If the amount of electricity used by the
19 customer during any hourly period exceeds the amount
20 of electricity produced by the customer, then the
21 electricity provider shall charge the customer for the
22 net electricity supplied to and used by the customer
23 as provided in paragraph (3) of this subsection (n).

24 (B) If the amount of electricity produced by a
25 customer during any hourly period exceeds the amount
26 of electricity used by the customer during that hourly

1 period, the energy provider shall calculate an energy
2 credit for the net kilowatt-hours produced in such
3 period, and shall apply that credit as a monetary
4 credit to the customer's subsequent bill. The value of
5 the energy credit shall be calculated using the same
6 price per kilowatt-hour as the electric service
7 provider would charge for kilowatt-hour energy sales
8 during that same hourly period and shall also include
9 values for capacity and transmission. For customers
10 with transmission or capacity charges not charged on a
11 kilowatt-hour basis, the electricity provider shall
12 prepare a reasonable approximation of the
13 kilowatt-hour equivalent value and provide that value
14 as a monetary credit. The electricity provider shall
15 submit these approximation methodologies to the
16 Commission for review, modification, and approval.
17 Notwithstanding anything to the contrary, customers on
18 payment plans or participating in budget billing
19 programs shall have credits applied on a monthly
20 basis.

21 (3) An electricity provider shall provide electric
22 service to eligible customers who utilize net metering at
23 non-discriminatory rates that are identical, with respect
24 to rate structure, retail rate components, and any monthly
25 charges, to the rates that the customer would be charged
26 if not a net metering customer. An electricity provider

1 shall charge the customer for the net electricity supplied
2 to and used by the customer according to the terms of the
3 contract or tariff to which the same customer would be
4 assigned or be eligible for if the customer was not a net
5 metering customer. An electricity provider shall not
6 charge net metering customers any fee or charge or require
7 additional equipment, insurance, or any other requirements
8 not specifically authorized by interconnection standards
9 authorized by the Commission, unless the fee, charge, or
10 other requirement would apply to other similarly situated
11 customers who are not net metering customers. The customer
12 remains responsible for the gross amount of delivery
13 services charges, supply-related charges that are kilowatt
14 based, and all taxes and fees related to such charges. The
15 customer also remains responsible for all taxes and fees
16 that would otherwise be applicable to the net amount of
17 electricity used by the customer. Paragraphs (1) and (2)
18 of this subsection (n) shall not be construed to prevent
19 an arms-length agreement between an electricity provider
20 and an eligible customer that sets forth different prices,
21 terms, and conditions for the provision of net metering
22 service, including, but not limited to, the provision of
23 the appropriate metering equipment for non-residential
24 customers. Nothing in this paragraph (3) shall be
25 interpreted to mandate that a utility that is only
26 required to provide delivery services to a given customer

1 must also sell electricity to such customer.

2 (o) Within 90 days after the effective date of this
3 amendatory Act of the 102nd General Assembly, each electric
4 utility subject to this Section shall file a tariff, which
5 shall, consistent with the provisions of this Section, propose
6 the terms and conditions under which a customer may
7 participate in net metering. The tariff for electric utilities
8 serving more than 200,000 customers as of January 1, 2021
9 shall also provide a streamlined and transparent bill
10 crediting system for net metering to be managed by the
11 electric utilities. The terms and conditions shall include,
12 but are not limited to, that an electric utility shall manage
13 and maintain billing of net metering credits and charges
14 regardless of if the eligible customer takes net metering
15 under an electric utility or alternative retail electric
16 supplier. The electric utility serving more than 200,000
17 customers as of January 1, 2021 shall process and approve all
18 net metering applications, even if an eligible customer is
19 served by an alternative retail electric supplier; and the
20 utility shall forward application approval to the appropriate
21 alternative retail electric supplier. Eligibility for net
22 metering shall remain with the owner of the utility billing
23 address such that, if an eligible renewable electrical
24 generating facility changes ownership, the net metering
25 eligibility transfers to the new owner. The electric utility
26 serving more than 200,000 customers as of January 1, 2021

1 shall manage net metering billing for eligible customers to
2 ensure full crediting occurs on electricity bills, including,
3 but not limited to, ensuring net metering crediting begins
4 upon commercial operation date, net metering billing transfers
5 immediately if an eligible customer switches from an electric
6 utility to alternative retail electric supplier or vice versa,
7 and net metering billing transfers between ownership of a
8 valid billing address. All transfers referenced in the
9 preceding sentence shall include transfer of all banked
10 credits. All electric utilities serving 200,000 or fewer
11 customers as of January 1, 2021 shall manage net metering
12 billing for eligible customers receiving power and energy
13 service from the electric utility to ensure full crediting
14 occurs on electricity bills, ensuring net metering crediting
15 begins upon commercial operation date, net metering billing
16 transfers immediately if an eligible customer switches from an
17 electric utility to alternative retail electric supplier or
18 vice versa, and net metering billing transfers between
19 ownership of a valid billing address. Alternative retail
20 electric suppliers providing power and energy service to
21 eligible customers located within the service territory of an
22 electric utility serving 200,000 or fewer customers as of
23 January 1, 2021 shall manage net metering billing for eligible
24 customers to ensure full crediting occurs on electricity
25 bills, including, but not limited to, ensuring net metering
26 crediting begins upon commercial operation date, net metering

1 billing transfers immediately if an eligible customer switches
2 from an electric utility to alternative retail electric
3 supplier or vice versa, and net metering billing transfers
4 between ownership of a valid billing address.

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

6 Section 25. The Environmental Protection Act is amended by
7 changing Sections 3.131 and 9.15 as follows:

8 (415 ILCS 5/3.131)

9 Sec. 3.131. Clean energy. "Clean energy" means energy
10 generation that is substantially free (90% or greater) of
11 carbon dioxide emissions or is generated by a renewable energy
12 resource as defined in Section 1-10 of the Illinois Power
13 Agency Act.

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

15 (415 ILCS 5/9.15)

16 Sec. 9.15. Greenhouse gases.

17 (a) An air pollution construction permit shall not be
18 required due to emissions of greenhouse gases if the
19 equipment, site, or source is not subject to regulation, as
20 defined by 40 CFR 52.21, as now or hereafter amended, for
21 greenhouse gases or is otherwise not addressed in this Section
22 or by the Board in regulations for greenhouse gases. These
23 exemptions do not relieve an owner or operator from the

1 obligation to comply with other applicable rules or
2 regulations.

3 (b) An air pollution operating permit shall not be
4 required due to emissions of greenhouse gases if the
5 equipment, site, or source is not subject to regulation, as
6 defined by Section 39.5 of this Act, for greenhouse gases or is
7 otherwise not addressed in this Section or by the Board in
8 regulations for greenhouse gases. These exemptions do not
9 relieve an owner or operator from the obligation to comply
10 with other applicable rules or regulations.

11 (c) (Blank).

12 (d) (Blank).

13 (e) (Blank).

14 (f) As used in this Section:

15 "Carbon dioxide emission" means the plant annual CO₂ total
16 output emission as measured by the United States Environmental
17 Protection Agency in its Emissions & Generation Resource
18 Integrated Database (eGrid), or its successor.

19 "Carbon dioxide equivalent emissions" or "CO₂e" means the
20 sum total of the mass amount of emissions in tons per year,
21 calculated by multiplying the mass amount of each of the 6
22 greenhouse gases specified in Section 3.207, in tons per year,
23 by its associated global warming potential as set forth in 40
24 CFR 98, subpart A, table A-1 or its successor, and then adding
25 them all together.

26 "Cogeneration" or "combined heat and power" refers to any

1 system that, either simultaneously or sequentially, produces
2 electricity and useful thermal energy from a single fuel
3 source.

4 "Copollutants" refers to the 6 criteria pollutants that
5 have been identified by the United States Environmental
6 Protection Agency pursuant to the Clean Air Act.

7 "Electric generating unit" or "EGU" means a fossil
8 fuel-fired stationary boiler, combustion turbine, or combined
9 cycle system that serves a generator that has a nameplate
10 capacity greater than 25 MWe and produces electricity for
11 sale.

12 "Environmental justice community" means the definition of
13 that term based on existing methodologies and findings, used
14 and as may be updated by the Illinois Power Agency and its
15 program administrator in the Illinois Solar for All Program.

16 "Equity investment eligible community" or "eligible
17 community" means the geographic areas throughout Illinois that
18 would most benefit from equitable investments by the State
19 designed to combat discrimination and foster sustainable
20 economic growth. Specifically, eligible community means the
21 following areas:

22 (1) areas where residents have been historically
23 excluded from economic opportunities, including
24 opportunities in the energy sector, as defined as R3 areas
25 pursuant to Section 10-40 of the Cannabis Regulation and
26 Tax Act; and

1 (2) areas where residents have been historically
2 subject to disproportionate burdens of pollution,
3 including pollution from the energy sector, as established
4 by environmental justice communities as defined by the
5 Illinois Power Agency pursuant to the Illinois Power
6 Agency Act, excluding any racial or ethnic indicators.

7 "Equity investment eligible person" or "eligible person"
8 means the persons who would most benefit from equitable
9 investments by the State designed to combat discrimination and
10 foster sustainable economic growth. Specifically, eligible
11 person means the following people:

12 (1) persons whose primary residence is in an equity
13 investment eligible community;

14 (2) persons whose primary residence is in a
15 municipality, or a county with a population under 100,000,
16 where the closure of an electric generating unit or mine
17 has been publicly announced or the electric generating
18 unit or mine is in the process of closing or closed within
19 the last 5 years;

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

22 (4) persons who were formerly incarcerated.

23 "Existing emissions" means:

24 (1) for CO₂e, the total average tons-per-year of CO₂e
25 emitted by the EGU or large GHG-emitting unit either in
26 the years 2018 through 2020 or, if the unit was not yet in

1 operation by January 1, 2018, in the first 3 full years of
2 that unit's operation; and

3 (2) for any copollutant, the total average
4 tons-per-year of that copollutant emitted by the EGU or
5 large GHG-emitting unit either in the years 2018 through
6 2020 or, if the unit was not yet in operation by January 1,
7 2018, in the first 3 full years of that unit's operation.

8 "Green hydrogen" means a power plant technology in which
9 an EGU creates electric power exclusively from electrolytic
10 hydrogen, in a manner that produces zero carbon and
11 copollutant emissions, using hydrogen fuel that is
12 electrolyzed using a 100% renewable zero carbon emission
13 energy source.

14 "Large greenhouse gas-emitting unit" or "large
15 GHG-emitting unit" means a unit that is an electric generating
16 unit or other fossil fuel-fired unit that itself has a
17 nameplate capacity or serves a generator that has a nameplate
18 capacity greater than 25 MWe and that produces electricity for
19 sale, including, but not limited to, coal-fired, coal-derived,
20 oil-fired, and natural gas-fired, ~~and cogeneration~~ units,
21 except cogeneration systems that are designed and operated to
22 primarily serve on-site requirements.

23 "NO_x emission rate" means the plant annual NO_x total output
24 emission rate as measured by the United States Environmental
25 Protection Agency in its Emissions & Generation Resource
26 Integrated Database (eGrid), or its successor, in the most

1 recent year for which data is available.

2 "Public greenhouse gas-emitting units" or "public
3 GHG-emitting unit" means large greenhouse gas-emitting units,
4 including EGUs, that are wholly owned, directly or indirectly,
5 by one or more municipalities, municipal corporations, joint
6 municipal electric power agencies, electric cooperatives, or
7 other governmental or nonprofit entities, whether organized
8 and created under the laws of Illinois or another state.

9 "SO₂ emission rate" means the "plant annual SO₂ total
10 output emission rate" as measured by the United States
11 Environmental Protection Agency in its Emissions & Generation
12 Resource Integrated Database (eGrid), or its successor, in the
13 most recent year for which data is available.

14 (g) All EGUs and large greenhouse gas-emitting units that
15 use coal or oil as a fuel and are not public GHG-emitting units
16 shall permanently reduce all CO₂e and copollutant emissions to
17 zero no later than January 1, 2030.

18 (h) All EGUs and large greenhouse gas-emitting units that
19 use coal as a fuel and are public GHG-emitting units shall
20 permanently reduce CO₂e emissions to zero no later than
21 December 31, 2045. Any source or plant with such units must
22 also reduce their CO₂e emissions by 45% from existing
23 emissions by no later than January 1, 2035. If the emissions
24 reduction requirement is not achieved by December 31, 2035,
25 the plant shall retire one or more units or otherwise reduce
26 its CO₂e emissions by 45% from existing emissions by June 30,

1 2038.

2 (i) All EGUs and large greenhouse gas-emitting units that
3 use gas as a fuel and are not public GHG-emitting units shall
4 permanently reduce all CO₂e and copollutant emissions to zero,
5 including through unit retirement or the use of 100% green
6 hydrogen or other similar technology that is commercially
7 proven to achieve zero carbon emissions, according to the
8 following:

9 (1) No later than January 1, 2030: all EGUs and large
10 greenhouse gas-emitting units that have a NO_x emissions
11 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate of
12 greater than 0.006 lb/MWh, and are located in or within 3
13 miles of an environmental justice community designated as
14 of January 1, 2021 or an equity investment eligible
15 community.

16 (2) No later than January 1, 2040: all EGUs and large
17 greenhouse gas-emitting units that have a NO_x emission
18 rate of greater than 0.12 lbs/MWh or a SO₂ emission rate
19 greater than 0.006 lb/MWh, and are not located in or
20 within 3 miles of an environmental justice community
21 designated as of January 1, 2021 or an equity investment
22 eligible community. After January 1, 2035, each such EGU
23 and large greenhouse gas-emitting unit shall reduce its
24 CO₂e emissions by at least 50% from its existing emissions
25 for CO₂e, and shall be limited in operation to, on average,
26 6 hours or less per day, measured over a calendar year, and

1 shall not run for more than 24 consecutive hours except in
2 emergency conditions, as designated by a Regional
3 Transmission Organization or Independent System Operator.

4 (3) No later than January 1, 2035: all EGUs and large
5 greenhouse gas-emitting units that began operation prior
6 to the effective date of this amendatory Act of the 102nd
7 General Assembly and have a NO_x emission rate of less than
8 or equal to 0.12 lb/MWh and a SO₂ emission rate less than
9 or equal to 0.006 lb/MWh, and are located in or within 3
10 miles of an environmental justice community designated as
11 of January 1, 2021 or an equity investment eligible
12 community. Each such EGU and large greenhouse gas-emitting
13 unit shall reduce its CO₂e emissions by at least 50% from
14 its existing emissions for CO₂e no later than January 1,
15 2030.

16 (4) No later than January 1, 2040: All remaining EGUs
17 and large greenhouse gas-emitting units that have a heat
18 rate greater than or equal to 7000 BTU/kWh. Each such EGU
19 and Large greenhouse gas-emitting unit shall reduce its
20 CO₂e emissions by at least 50% from its existing emissions
21 for CO₂e no later than January 1, 2035.

22 (5) No later than January 1, 2045: all remaining EGUs
23 and large greenhouse gas-emitting units.

24 (j) All EGUs and large greenhouse gas-emitting units that
25 use gas as a fuel and are public GHG-emitting units shall
26 permanently reduce all CO₂e and copollutant emissions to zero,

1 including through unit retirement or the use of 100% green
2 hydrogen or other similar technology that is commercially
3 proven to achieve zero carbon emissions by January 1, 2045.

4 (k) All EGUs and large greenhouse gas-emitting units that
5 utilize combined heat and power or cogeneration technology
6 shall permanently reduce all CO₂e and copollutant emissions to
7 zero, including through unit retirement or the use of 100%
8 green hydrogen or other similar technology that is
9 commercially proven to achieve zero carbon emissions by
10 January 1, 2045.

11 (k-5) No EGU or large greenhouse gas-emitting unit that
12 uses gas as a fuel and is not a public GHG-emitting unit may
13 emit, in any 12-month period, CO₂e or copollutants in excess of
14 that unit's existing emissions for those pollutants.

15 (l) Notwithstanding subsections (g) through (k-5), large
16 GHG-emitting units including EGUs may temporarily continue
17 emitting CO₂e and copollutants after any applicable deadline
18 specified in any of subsections (g) through (k-5) if it has
19 been determined, as described in paragraphs (1) and (2) of
20 this subsection, that ongoing operation of the EGU is
21 necessary to maintain power grid supply and reliability or
22 ongoing operation of large GHG-emitting unit that is not an
23 EGU is necessary to serve as an emergency backup to
24 operations. Up to and including the occurrence of an emission
25 reduction deadline under subsection (i), all EGUs and large
26 GHG-emitting units must comply with the following terms:

1 (1) if an EGU or large GHG-emitting unit that is a
2 participant in a regional transmission organization
3 intends to retire, it must submit documentation to the
4 appropriate regional transmission organization by the
5 appropriate deadline that meets all applicable regulatory
6 requirements necessary to obtain approval to permanently
7 cease operating the large GHG-emitting unit;

8 (2) if any EGU or large GHG-emitting unit that is a
9 participant in a regional transmission organization
10 receives notice that the regional transmission
11 organization has determined that continued operation of
12 the unit is required, the unit may continue operating
13 until the issue identified by the regional transmission
14 organization is resolved. The owner or operator of the
15 unit must cooperate with the regional transmission
16 organization in resolving the issue and must reduce its
17 emissions to zero, consistent with the requirements under
18 subsection (g), (h), (i), (j), (k), or (k-5), as
19 applicable, as soon as practicable when the issue
20 identified by the regional transmission organization is
21 resolved; and

22 (3) any large GHG-emitting unit that is not a
23 participant in a regional transmission organization shall
24 be allowed to continue emitting CO₂e and copollutants
25 after the zero-emission date specified in subsection (g),
26 (h), (i), (j), (k), or (k-5), as applicable, in the

1 capacity of an emergency backup unit if approved by the
2 Illinois Commerce Commission.

3 (m) No variance, adjusted standard, or other regulatory
4 relief otherwise available in this Act may be granted to the
5 emissions reduction and elimination obligations in this
6 Section.

7 (n) By June 30 of each year, beginning in 2025, the Agency
8 shall prepare and publish on its website a report setting
9 forth the actual greenhouse gas emissions from individual
10 units and the aggregate statewide emissions from all units for
11 the prior year.

12 (o) Every 5 years beginning in 2025, the Environmental
13 Protection Agency, Illinois Power Agency, and Illinois
14 Commerce Commission shall jointly prepare, and release
15 publicly, a report to the General Assembly that examines the
16 State's current progress toward its renewable energy resource
17 development goals, the status of CO₂e and copollutant
18 emissions reductions, the current status and progress toward
19 developing and implementing green hydrogen technologies, the
20 current and projected status of electric resource adequacy and
21 reliability throughout the State for the period beginning 5
22 years ahead, and proposed solutions for any findings. The
23 Environmental Protection Agency, Illinois Power Agency, and
24 Illinois Commerce Commission shall consult PJM
25 Interconnection, LLC and Midcontinent Independent System
26 Operator, Inc., or their respective successor organizations

1 regarding forecasted resource adequacy and reliability needs,
2 anticipated new generation interconnection, new transmission
3 development or upgrades, and any announced large GHG-emitting
4 unit closure dates and include this information in the report.
5 The report shall be released publicly by no later than
6 December 15 of the year it is prepared. If the Environmental
7 Protection Agency, Illinois Power Agency, and Illinois
8 Commerce Commission jointly conclude in the report that the
9 data from the regional grid operators, the pace of renewable
10 energy development, the pace of development of energy storage
11 and demand response utilization, transmission capacity, and
12 the CO₂e and copollutant emissions reductions required by
13 subsection (i) or (k-5) reasonably demonstrate that a resource
14 adequacy shortfall will occur, including whether there will be
15 sufficient in-state capacity to meet the zonal requirements of
16 MISO Zone 4 or the PJM ComEd Zone, per the requirements of the
17 regional transmission organizations, or that the regional
18 transmission operators determine that a reliability violation
19 will occur during the time frame the study is evaluating, then
20 the Illinois Power Agency, in conjunction with the
21 Environmental Protection Agency shall develop a plan to reduce
22 or delay CO₂e and copollutant emissions reductions
23 requirements only to the extent and for the duration necessary
24 to meet the resource adequacy and reliability needs of the
25 State, including allowing any plants whose emission reduction
26 deadline has been identified in the plan as creating a

1 reliability concern to continue operating, including operating
2 with reduced emissions or as emergency backup where
3 appropriate. The plan shall also consider the use of renewable
4 energy, energy storage, demand response, transmission
5 development, or other strategies to resolve the identified
6 resource adequacy shortfall or reliability violation.

7 (1) In developing the plan, the Environmental
8 Protection Agency and the Illinois Power Agency shall hold
9 at least one workshop open to, and accessible at a time and
10 place convenient to, the public and shall consider any
11 comments made by stakeholders or the public. Upon
12 development of the plan, copies of the plan shall be
13 posted and made publicly available on the Environmental
14 Protection Agency's, the Illinois Power Agency's, and the
15 Illinois Commerce Commission's websites. All interested
16 parties shall have 60 days following the date of posting
17 to provide comment to the Environmental Protection Agency
18 and the Illinois Power Agency on the plan. All comments
19 submitted to the Environmental Protection Agency and the
20 Illinois Power Agency shall be encouraged to be specific,
21 supported by data or other detailed analyses, and, if
22 objecting to all or a portion of the plan, accompanied by
23 specific alternative wording or proposals. All comments
24 shall be posted on the Environmental Protection Agency's,
25 the Illinois Power Agency's, and the Illinois Commerce
26 Commission's websites. Within 30 days following the end of

1 the 60-day review period, the Environmental Protection
2 Agency and the Illinois Power Agency shall revise the plan
3 as necessary based on the comments received and file its
4 revised plan with the Illinois Commerce Commission for
5 approval.

6 (2) Within 60 days after the filing of the revised
7 plan at the Illinois Commerce Commission, any person
8 objecting to the plan shall file an objection with the
9 Illinois Commerce Commission. Within 30 days after the
10 expiration of the comment period, the Illinois Commerce
11 Commission shall determine whether an evidentiary hearing
12 is necessary. The Illinois Commerce Commission shall also
13 host 3 public hearings within 90 days after the plan is
14 filed. Following the evidentiary and public hearings, the
15 Illinois Commerce Commission shall enter its order
16 approving or approving with modifications the reliability
17 mitigation plan within 180 days.

18 (3) The Illinois Commerce Commission shall only
19 approve the plan if the Illinois Commerce Commission
20 determines that it will resolve the resource adequacy or
21 reliability deficiency identified in the reliability
22 mitigation plan at the least amount of CO₂e and copollutant
23 emissions, taking into consideration the emissions impacts
24 on environmental justice communities, and that it will
25 ensure adequate, reliable, affordable, efficient, and
26 environmentally sustainable electric service at the lowest

1 total cost over time, taking into account the impact of
2 increases in emissions.

3 (4) If the resource adequacy or reliability deficiency
4 identified in the reliability mitigation plan is resolved
5 or reduced, the Environmental Protection Agency and the
6 Illinois Power Agency may file an amended plan adjusting
7 the reduction or delay in CO₂e and copollutant emission
8 reduction requirements identified in the plan.

9 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 3501/801-10

4 20 ILCS 3855/1-10

5 20 ILCS 3855/1-75

6 50 ILCS 65/15-10

7 220 ILCS 5/16-107.5

8 415 ILCS 5/3.131

9 415 ILCS 5/9.15