



OFFICE OF THE GOVERNOR

207 STATE HOUSE
SPRINGFIELD, ILLINOIS 62706

JB PRITZKER
GOVERNOR

August 16, 2023

To the Honorable Members of
The Illinois House,
103rd General Assembly:

Today, I return House Bill 3445, an energy omnibus bill, with specific recommendations for change.

House Bill 3445 is an omnibus energy bill that makes changes to the Adjustable Block Grant program to make it more available to public schools, requires IPA to conduct a study evaluating several policy proposals, amends existing law regarding siting for renewable energy projects, requires the Illinois Commerce Commission to conduct a thermal energy network workshop, and gives incumbent utility providers the right of first refusal over new transmission projects in the MISO region.

My administration appreciates the hard work of the sponsors of this legislation in the House and Senate. House Bill 3445 contains many valuable provisions to advance energy policy in Illinois. However, the right of first refusal language inserted by Senate Amendment 4 will eliminate competition and raise costs for rate payers by giving incumbent utility providers in the MISO region a monopoly over new transmission lines. Raising costs for rate payers is particularly concerning in the MISO region, where there is currently over \$3.6 billion in planned transmission construction in the Ameren service territory. Without competition, Ameren ratepayers in downstate Illinois will see higher electricity bills to pay for the higher cost of these transmission projects. Competitively bidding transmission construction, instead of giving the utility a monopoly, has been proven to lower project costs significantly. Just last year, the federal Department of Justice and Federal Trade Commission criticized a similar right-of-first-refusal proposal at the federal level, citing the benefits of competition to consumers through lower rates, improved service, and increased innovation. (Comment of U.S. Department of Justice and Federal Trade Commission to *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, FERC Docket No. RM21-17-000 (Aug. 17, 2022)). My administration has always been committed to working with stakeholders and our partners in the General Assembly to enact meaningful energy policy. However, I cannot support the ROFR provision of this legislation that will unnecessarily put a higher cost burden on consumers.

Therefore, pursuant to Article IV, Section 9(e) of the Illinois Constitution of 1970, I hereby return House Bill 3445, entitled, "An Act Concerning State Government," with the following specific recommendations for change: On Page 217, line 7, delete "and Article XXIII" and delete the entirety of the language added beginning on page 220, line 18 and continuing through page 224, line 17.

With the above changes, House Bill 3445 will have my approval. I respectfully request your concurrence.

Sincerely,

Governor JB Pritzker