



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5855

Introduced 5/24/2024, by Rep. Lawrence "Larry" Walsh, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Power Agency Act. Provides that the Illinois Power Agency shall develop a storage procurement plan that results in the electric utilities contracting for energy storage credits from contracted energy storage systems in specified amounts. Provides that the Agency is authorized to conduct competitive solicitations to procure contracted energy storage credits sufficient to achieve, at minimum, certain energy storage standards. Provides that the Agency has the power to request, review, and accept proposals, execute contracts, and procure energy storage credits. Provides that for all procurements of energy storage credits, the Agency shall direct respondents to offer a strike price. Provides that all procurements under these provisions shall comply with the geographic requirements of the Act and shall follow the procurement processes and procedures described in the Act and the Public Utilities Act. Authorizes the Agency to develop and implement a firm energy resource procurement plan. Provides that no later than December 31, 2026 and every 2 years thereafter, the Agency shall conduct an analysis to determine whether the contracted quantity of energy storage in energy storage capacity and energy storage duration is sufficient to support the State's renewable energy standards and carbon emission standards. Provides that, within 60 days of the effective date of the amendatory Act, specified electric utilities shall propose an initial tariff that meets certain requirements. Defines terms. Amends the Public Utilities Act. Creates the virtual power plant program, peak remediation program, and stand-alone energy storage distribution deployment program. Provides that the Illinois Commerce Commission shall establish an Office of Interconnection and Renewable Development. Sets forth the duties and responsibilities of the Office. Defines terms. Makes other changes.

LRB103 40988 SPS 74080 b

1 AN ACT concerning regulation.

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

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-5, 1-10, 1-20, and 1-75 and by adding
6 Sections 1-93 and 1-94 as follows:

7 (20 ILCS 3855/1-5)

8 Sec. 1-5. Legislative declarations and findings. The
9 General Assembly finds and declares:

10 (1) The health, welfare, and prosperity of all
11 Illinois residents require the provision of adequate,
12 reliable, affordable, efficient, and environmentally
13 sustainable electric service at the lowest total cost over
14 time, taking into account any benefits of price stability.

15 (1.5) To provide the highest quality of life for the
16 residents of Illinois and to provide for a clean and
17 healthy environment, it is the policy of this State to
18 rapidly transition to 100% clean energy by 2050.

19 (2) (Blank).

20 (3) (Blank).

21 (4) It is necessary to improve the process of
22 procuring electricity to serve Illinois residents, to
23 promote investment in energy efficiency and

1 demand-response measures, and to maintain and support
2 development of clean coal technologies, generation
3 resources that operate at all hours of the day and under
4 all weather conditions, zero emission facilities, and
5 renewable resources.

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

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

21 (7) Developing community solar projects in Illinois
22 will help to expand access to renewable energy resources
23 to more Illinois residents.

24 (8) Developing brownfield solar projects in Illinois
25 will help return blighted or contaminated land to
26 productive use while enhancing public health and the

1 well-being of Illinois residents, including those in
2 environmental justice communities.

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

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

14 (10.5) The State should encourage the development of
15 interregional high voltage direct current (HVDC)
16 transmission lines that benefit Illinois. All ratepayers
17 in the State served by the regional transmission
18 organization where the HVDC converter station is
19 interconnected benefit from the long-term price stability
20 and market access provided by interregional HVDC
21 transmission facilities. The benefits to Illinois include:
22 reduction in wholesale power prices; access to lower-cost
23 markets; enabling the integration of additional renewable
24 generating units within the State through near
25 instantaneous dispatchability and the provision of
26 ancillary services; creating good-paying union jobs in

1 Illinois; and, enhancing grid reliability and climate
2 resilience via HVDC facilities that are installed
3 underground.

4 (10.6) The health, welfare, and safety of the people
5 of the State are advanced by developing new HVDC
6 transmission lines predominantly along transportation
7 rights-of-way, with an HVDC converter station that is
8 located in the service territory of a public utility as
9 defined in Section 3-105 of the Public Utilities Act
10 serving more than 3,000,000 retail customers, and with a
11 project labor agreement as defined in Section 1-10 of this
12 Act.

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

19 (12) The principles that underlie the procurement
20 reform legislation apply also in the context of power
21 purchasing.

22 (13) To ensure that the benefits of installing
23 renewable resources are available to all Illinois
24 residents and located across the State, subject to
25 appropriation, it is necessary for the Agency to provide
26 public information and educational resources on how

1 residents can benefit from the expansion of renewable
2 energy in Illinois and participate in the Illinois Solar
3 for All Program established in Section 1-56, the
4 Adjustable Block program established in Section 1-75, the
5 job training programs established by paragraph (1) of
6 subsection (a) of Section 16-108.12 of the Public
7 Utilities Act, and the programs and resources established
8 by the Energy Transition Act.

9 (14) The deployment of energy storage systems is
10 necessary to achieve high levels of renewable energy, to
11 avoid the use of peaking fossil fuel plants, and to
12 maintain an efficient, reliable, and resilient electric
13 grid.

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

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

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

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

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

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

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

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

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

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

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

9 (I) Implement procurements to cost-effectively deploy
10 contracted energy storage systems.

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

12 (20 ILCS 3855/1-10)

13 Sec. 1-10. Definitions.

14 "Agency" means the Illinois Power Agency.

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

23 "Authority" means the Illinois Finance Authority.

24 "Brownfield site photovoltaic project" means photovoltaics
25 that are either:

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

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

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

16 (C) the Illinois Environmental Protection Agency
17 under the Illinois Site Remediation Program; or

18 (D) the Illinois Environmental Protection Agency
19 under the Illinois Solid Waste Program; or

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

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

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

1 the clean coal facility obtains an approved air permit. All
2 coal used by a clean coal facility shall have high volatile
3 bituminous rank and greater than 1.7 pounds of sulfur per
4 million Btu content, unless the clean coal facility does not
5 use gasification technology and was operating as a
6 conventional coal-fired electric generating facility on June
7 1, 2009 (the effective date of Public Act 95-1027).

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

24 "Clean coal SNG facility" means a facility that uses a
25 gasification process to produce substitute natural gas, that
26 sequesters at least 90% of the total carbon dioxide emissions

1 that the facility would otherwise emit, that uses at least 90%
2 coal as a feedstock, with all such coal having a high
3 bituminous rank and greater than 1.7 pounds of sulfur per
4 million Btu content, and that has a valid and effective permit
5 to construct emission sources and air pollution control
6 equipment and approval with respect to the federal regulations
7 for Prevention of Significant Deterioration of Air Quality
8 (PSD) for the plant pursuant to the federal Clean Air Act;
9 provided, however, a clean coal SNG brownfield facility shall
10 not be a clean coal SNG facility.

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

13 "Commission" means the Illinois Commerce Commission.

14 "Community renewable generation project" means an electric
15 generating facility that:

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

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

1 (3) credits the value of electricity generated by the
2 facility to the subscribers of the facility; and

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

5 "Costs incurred in connection with the development and
6 construction of a facility" means:

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

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

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

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

23 (5) the costs of plans, specifications, site study and
24 investigation, installation, surveys, other Agency costs
25 and estimates of costs, and other expenses necessary or
26 incidental to determining the feasibility of any project,

1 together with such other expenses as may be necessary or
2 incidental to the financing, insuring, acquisition, and
3 construction of a specific project and starting up,
4 commissioning, and placing that project in operation.

5 "Daily energy volatility index" means a calculation, for a
6 contracted energy storage system, of the difference in average
7 price per megawatt hour between the average of the "X" highest
8 priced hours and the "X" lowest priced hours for each day,
9 adjusted for energy storage round trip efficiency, in the
10 day-ahead energy market of the energy storage duration of the
11 contracted energy storage system for each day in the day-ahead
12 energy market of the applicable pricing node of the
13 independent system operator or regional transmission
14 organization, where "X" equals the energy storage duration of
15 the contracted energy storage system.

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

18 "Delivery year" means the consecutive 12-month period
19 beginning June 1 of a given year and ending May 31 of the
20 following year.

21 "Department" means the Department of Commerce and Economic
22 Opportunity.

23 "Director" means the Director of the Illinois Power
24 Agency.

25 "Demand-response" means measures that decrease peak
26 electricity demand or shift demand from peak to off-peak

1 periods.

2 "Distributed renewable energy generation device" means a
3 device that is:

4 (1) powered by wind, solar thermal energy,
5 photovoltaic cells or panels, biodiesel, crops and
6 untreated and unadulterated organic waste biomass, tree
7 waste, and hydropower that does not involve new
8 construction of dams, waste heat to power systems, or
9 qualified combined heat and power systems;

10 (2) interconnected at the distribution system level of
11 either an electric utility as defined in this Section, a
12 municipal utility as defined in this Section that owns or
13 operates electric distribution facilities, or a rural
14 electric cooperative as defined in Section 3-119 of the
15 Public Utilities Act;

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

19 (4) (blank).

20 "Energy efficiency" means measures that reduce the amount
21 of electricity or natural gas consumed in order to achieve a
22 given end use. "Energy efficiency" includes voltage
23 optimization measures that optimize the voltage at points on
24 the electric distribution voltage system and thereby reduce
25 electricity consumption by electric customers' end use
26 devices. "Energy efficiency" also includes measures that

1 reduce the total Btus of electricity, natural gas, and other
2 fuels needed to meet the end use or uses.

3 "Energy storage capacity" means the nameplate capacity of
4 a contracted energy storage system, measured in megawatts AC.

5 "Energy storage credit" means a fungible credit that
6 represents the flexibility value of a contracted energy
7 storage system. An energy storage credit is produced for each
8 one megawatt of energy storage capacity multiplied by the
9 energy storage duration each day that the contracted energy
10 storage system is interconnected with wholesale electricity
11 markets.

12 "Energy storage credit counterparty" has the same meaning
13 as "public utility" as defined in Section 3-105 of the Public
14 Utilities Act.

15 "Energy storage credit value" means a price, measured in
16 dollars per credit, calculated for each day for a contracted
17 energy storage system by subtracting the daily energy
18 volatility index and the reference capacity price from the
19 energy storage strike price.

20 "Energy storage duration" means the number of hours over
21 which an energy storage system is capable of continuously
22 discharging energy at its full energy storage capacity.

23 "Energy storage round-trip efficiency" means the ratio of
24 energy discharged from an energy storage system at its energy
25 capacity divided by the energy used to charge the energy
26 storage system at its energy capacity.

1 "Energy storage strike price" means a contract price for
2 energy storage credits from a contracted energy storage
3 system.

4 "Energy storage system" means commercially available
5 technology that is capable of absorbing energy and storing it
6 for use at a later time, including, but not limited to,
7 electrochemical and electromechanical technologies. "Energy
8 storage system" does not include technologies that require
9 combustion.

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

12 "Equity investment eligible community" or "eligible
13 community" are synonymous and mean the geographic areas
14 throughout Illinois which would most benefit from equitable
15 investments by the State designed to combat discrimination.
16 Specifically, the eligible communities shall be defined as the
17 following areas:

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

23 (2) environmental justice communities, as defined by
24 the Illinois Power Agency pursuant to the Illinois Power
25 Agency Act, where residents have historically been subject
26 to disproportionate burdens of pollution, including

1 pollution from the energy sector.

2 "Equity eligible persons" or "eligible persons" means
3 persons who would most benefit from equitable investments by
4 the State designed to combat discrimination, specifically:

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

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

16 (3) persons who were formerly incarcerated;

17 (4) persons whose primary residence is in an equity
18 investment eligible community.

19 "Equity eligible contractor" means a business that is
20 majority-owned by eligible persons, ~~or~~ a nonprofit or
21 cooperative that is majority-governed by eligible persons, or
22 is a natural person that is an eligible person offering
23 personal services as an independent contractor.

24 "Facility" means an electric generating unit or a
25 co-generating unit that produces electricity along with
26 related equipment necessary to connect the facility to an

1 electric transmission or distribution system.

2 "General contractor" means the entity or organization with
3 main responsibility for the building of a construction project
4 and who is the party signing the prime construction contract
5 for the project.

6 "Governmental aggregator" means one or more units of local
7 government that individually or collectively procure
8 electricity to serve residential retail electrical loads
9 located within its or their jurisdiction.

10 "High voltage direct current converter station" means the
11 collection of equipment that converts direct current energy
12 from a high voltage direct current transmission line into
13 alternating current using Voltage Source Conversion technology
14 and that is interconnected with transmission or distribution
15 assets located in Illinois.

16 "High voltage direct current renewable energy credit"
17 means a renewable energy credit associated with a renewable
18 energy resource where the renewable energy resource has
19 entered into a contract to transmit the energy associated with
20 such renewable energy credit over high voltage direct current
21 transmission facilities.

22 "High voltage direct current transmission facilities"
23 means the collection of installed equipment that converts
24 alternating current energy in one location to direct current
25 and transmits that direct current energy to a high voltage
26 direct current converter station using Voltage Source

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

15 "Hydropower" means any method of electricity generation or
16 storage that results from the flow of water, including
17 impoundment facilities, diversion facilities, and pumped
18 storage facilities.

19 "Index price" means the real-time energy settlement price
20 at the applicable Illinois trading hub, such as PJM-NIHUB or
21 MISO-IL, for a given settlement period. "Index price" may
22 mean, if a utility-scale wind facility or a utility-scale
23 solar facility interconnected with an electric utility elects
24 to use an alternative definition, the monthly settlement of
25 the applicable seasonal qualifying facilities rate offered by
26 the interconnecting electric utility.

1 "Indexed credit" means a credit subject to a contract
2 described in Section 1-93.

3 "Indexed renewable energy credit" means a tradable credit
4 that represents the environmental attributes of one megawatt
5 hour of energy produced from a renewable energy resource, the
6 price of which shall be calculated by subtracting the strike
7 price offered by a new utility-scale wind project or a new
8 utility-scale photovoltaic project from the index price in a
9 given settlement period.

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

13 "Local government" means a unit of local government as
14 defined in Section 1 of Article VII of the Illinois
15 Constitution.

16 "Long-duration energy storage" means an energy storage
17 system capable of dispatching energy at its full rated
18 capacity for 10 or more hours.

19 "Long-term energy storage contract" means a contract for
20 the purchase of energy storage credits generated by an energy
21 storage system for a period of at least 15 years.

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

25 "Multi-day energy storage" means an energy storage system
26 capable of dispatching energy at its full rated capacity for

1 greater than 24 hours.

2 "Municipality" means a city, village, or incorporated
3 town.

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

7 "Nameplate capacity" means the aggregate inverter
8 nameplate capacity in kilowatts AC. "Nameplate capacity" does
9 not include the capacity of an energy storage system
10 associated with a renewable energy resource.

11 "Person" means any natural person, firm, partnership,
12 corporation, either domestic or foreign, company, association,
13 limited liability company, joint stock company, or association
14 and includes any trustee, receiver, assignee, or personal
15 representative thereof.

16 "Project" means the planning, bidding, and construction of
17 a facility.

18 "Project labor agreement" means a pre-hire collective
19 bargaining agreement that covers all terms and conditions of
20 employment on a specific construction project and must include
21 the following:

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

24 (2) provisions establishing the benefits and other
25 compensation for each class of labor organization
26 employee;

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

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

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

12 A labor organization and the general contractor building
13 the project shall have the authority to include other terms
14 and conditions as they deem necessary.

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

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

25 "Real property" means any interest in land together with
26 all structures, fixtures, and improvements thereon, including

1 lands under water and riparian rights, any easements,
2 covenants, licenses, leases, rights-of-way, uses, and other
3 interests, together with any liens, judgments, mortgages, or
4 other claims or security interests related to real property.

5 "Reference capacity price" means a price, measured in
6 dollars per megawatt hours, representing the revenue available
7 for a contracted energy storage system through participation
8 in the MISO Planning Resource Auction or the PJM Base Residual
9 Auction, or their successor resource adequacy constructs. The
10 reference capacity price shall be calculated by adjusting the
11 currently prevailing clearing price in the MISO Planning
12 Resource Auction or the PJM Base Residual Action, or their
13 successor resource adequacy constructs, by the accredited
14 capacity of the contracted energy storage system and
15 converting the units to megawatt hours.

16 "Renewable energy credit" means a tradable credit that
17 represents the environmental attributes of one megawatt hour
18 of energy produced from a renewable energy resource.

19 "Renewable energy resources" includes energy and its
20 associated renewable energy credit or renewable energy credits
21 from wind, solar thermal energy, photovoltaic cells and
22 panels, biodiesel, anaerobic digestion, crops and untreated
23 and unadulterated organic waste biomass, and hydropower that
24 does not involve new construction of dams, waste heat to power
25 systems, or qualified combined heat and power systems. For
26 purposes of this Act, landfill gas produced in the State is

1 considered a renewable energy resource. "Renewable energy
2 resources" does not include the incineration or burning of
3 tires, garbage, general household, institutional, and
4 commercial waste, industrial lunchroom or office waste,
5 landscape waste, railroad crossties, utility poles, or
6 construction or demolition debris, other than untreated and
7 unadulterated waste wood. "Renewable energy resources" also
8 includes high voltage direct current renewable energy credits
9 and the associated energy converted to alternating current by
10 a high voltage direct current converter station to the extent
11 that: (1) the generator of such renewable energy resource
12 contracted with a third party to transmit the energy over the
13 high voltage direct current transmission facilities, and (2)
14 the third-party contracting for delivery of renewable energy
15 resources over the high voltage direct current transmission
16 facilities have ownership rights over the unretired associated
17 high voltage direct current renewable energy credit.

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

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

24 "Sequester" means permanent storage of carbon dioxide by
25 injecting it into a saline aquifer, a depleted gas reservoir,
26 or an oil reservoir, directly or through an enhanced oil

1 recovery process that may involve intermediate storage,
2 regardless of whether these activities are conducted by a
3 clean coal facility, a clean coal SNG facility, a clean coal
4 SNG brownfield facility, or a party with which a clean coal
5 facility, clean coal SNG facility, or clean coal SNG
6 brownfield facility has contracted for such purposes.

7 "Service area" has the same definition as found in Section
8 16-102 of the Public Utilities Act.

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

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

26 "Strike price" means a contract price for energy and

1 renewable energy credits from a new utility-scale wind project
2 or a new utility-scale photovoltaic project.

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

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

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

21 "Tolling agreement" means a contract of not less than 15
22 years between the owner or operator of an energy storage
23 system and an electric utility where the electric utility
24 contracts for supply and other services from the energy
25 storage system.

26 "Total resource cost test" or "TRC test" means a standard

1 that is met if, for an investment in energy efficiency or
2 demand-response measures, the benefit-cost ratio is greater
3 than one. The benefit-cost ratio is the ratio of the net
4 present value of the total benefits of the program to the net
5 present value of the total costs as calculated over the
6 lifetime of the measures. A total resource cost test compares
7 the sum of avoided electric utility costs, representing the
8 benefits that accrue to the system and the participant in the
9 delivery of those efficiency measures and including avoided
10 costs associated with reduced use of natural gas or other
11 fuels, avoided costs associated with reduced water
12 consumption, and avoided costs associated with reduced
13 operation and maintenance costs, as well as other quantifiable
14 societal benefits, to the sum of all incremental costs of
15 end-use measures that are implemented due to the program
16 (including both utility and participant contributions), plus
17 costs to administer, deliver, and evaluate each demand-side
18 program, to quantify the net savings obtained by substituting
19 the demand-side program for supply resources. In calculating
20 avoided costs of power and energy that an electric utility
21 would otherwise have had to acquire, reasonable estimates
22 shall be included of financial costs likely to be imposed by
23 future regulations and legislation on emissions of greenhouse
24 gases. In discounting future societal costs and benefits for
25 the purpose of calculating net present values, a societal
26 discount rate based on actual, long-term Treasury bond yields

1 should be used. Notwithstanding anything to the contrary, the
2 TRC test shall not include or take into account a calculation
3 of market price suppression effects or demand reduction
4 induced price effects.

5 "Utility-scale solar project" means an electric generating
6 facility that:

7 (1) generates electricity using photovoltaic cells;

8 and

9 (2) has a nameplate capacity that is greater than
10 5,000 kilowatts.

11 "Utility-scale wind project" means an electric generating
12 facility that:

13 (1) generates electricity using wind; and

14 (2) has a nameplate capacity that is greater than
15 5,000 kilowatts.

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

19 "Zero emission credit" means a tradable credit that
20 represents the environmental attributes of one megawatt hour
21 of energy produced from a zero emission facility.

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

26 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;

1 103-380, eff. 1-1-24.)

2 (20 ILCS 3855/1-20)

3 Sec. 1-20. General powers and duties of the Agency.

4 (a) The Agency is authorized to do each of the following:

5 (1) Develop electricity procurement plans to ensure
6 adequate, reliable, affordable, efficient, and
7 environmentally sustainable electric service at the lowest
8 total cost over time, taking into account any benefits of
9 price stability, for electric utilities that on December
10 31, 2005 provided electric service to at least 100,000
11 customers in Illinois and for small multi-jurisdictional
12 electric utilities that (A) on December 31, 2005 served
13 less than 100,000 customers in Illinois and (B) request a
14 procurement plan for their Illinois jurisdictional load.
15 Except as provided in paragraph (1.5) of this subsection
16 (a), the electricity procurement plans shall be updated on
17 an annual basis and shall include electricity generated
18 from renewable resources sufficient to achieve the
19 standards specified in this Act. Beginning with the
20 delivery year commencing June 1, 2017, develop procurement
21 plans to include zero emission credits generated from zero
22 emission facilities sufficient to achieve the standards
23 specified in this Act. Beginning with the delivery year
24 commencing on June 1, 2022, the Agency is authorized to
25 develop carbon mitigation credit procurement plans to

1 include carbon mitigation credits generated from
2 carbon-free energy resources sufficient to achieve the
3 standards specified in this Act.

4 (1.5) Develop a long-term renewable resources
5 procurement plan in accordance with subsection (c) of
6 Section 1-75 of this Act for renewable energy credits in
7 amounts sufficient to achieve the standards specified in
8 this Act for delivery years commencing June 1, 2017 and
9 for the programs and renewable energy credits specified in
10 Section 1-56 of this Act. Electricity procurement plans
11 for delivery years commencing after May 31, 2017, shall
12 not include procurement of renewable energy resources.

13 (2) Conduct competitive procurement processes to
14 procure the supply resources identified in the electricity
15 procurement plan, pursuant to Section 16-111.5 of the
16 Public Utilities Act, and, for the delivery year
17 commencing June 1, 2017, conduct procurement processes to
18 procure zero emission credits from zero emission
19 facilities, under subsection (d-5) of Section 1-75 of this
20 Act. For the delivery year commencing June 1, 2022, the
21 Agency is authorized to conduct procurement processes to
22 procure carbon mitigation credits from carbon-free energy
23 resources, under subsection (d-10) of Section 1-75 of this
24 Act.

25 (2.5) Beginning with the procurement for the 2017
26 delivery year, conduct competitive procurement processes

1 and implement programs to procure renewable energy credits
2 identified in the long-term renewable resources
3 procurement plan developed and approved under subsection
4 (c) of Section 1-75 of this Act and Section 16-111.5 of the
5 Public Utilities Act.

6 (2.10) Oversee the procurement by electric utilities
7 that served more than 300,000 customers in this State as
8 of January 1, 2019 of renewable energy credits from new
9 renewable energy facilities to be installed, along with
10 energy storage facilities, at or adjacent to the sites of
11 electric generating facilities that burned coal as their
12 primary fuel source as of January 1, 2016 in accordance
13 with subsection (c-5) of Section 1-75 of this Act.

14 (2.15) Oversee the procurement by electric utilities
15 of renewable energy credits from newly modernized or
16 retooled hydropower dams or dams that have been converted
17 to support hydropower generation.

18 (3) Develop electric generation and co-generation
19 facilities that use indigenous coal or renewable
20 resources, or both, financed with bonds issued by the
21 Illinois Finance Authority.

22 (4) Supply electricity from the Agency's facilities at
23 cost to one or more of the following: municipal electric
24 systems, governmental aggregators, or rural electric
25 cooperatives in Illinois.

26 (5) Conduct competitive solicitations to procure

1 energy storage credits sufficient to achieve, at minimum,
2 the energy storage standard under Section 1-93.

3 (b) Except as otherwise limited by this Act, the Agency
4 has all of the powers necessary or convenient to carry out the
5 purposes and provisions of this Act, including without
6 limitation, each of the following:

7 (1) To have a corporate seal, and to alter that seal at
8 pleasure, and to use it by causing it or a facsimile to be
9 affixed or impressed or reproduced in any other manner.

10 (2) To use the services of the Illinois Finance
11 Authority necessary to carry out the Agency's purposes.

12 (3) To negotiate and enter into loan agreements and
13 other agreements with the Illinois Finance Authority.

14 (4) To obtain and employ personnel and hire
15 consultants that are necessary to fulfill the Agency's
16 purposes, and to make expenditures for that purpose within
17 the appropriations for that purpose.

18 (5) To purchase, receive, take by grant, gift, devise,
19 bequest, or otherwise, lease, or otherwise acquire, own,
20 hold, improve, employ, use, and otherwise deal in and
21 with, real or personal property whether tangible or
22 intangible, or any interest therein, within the State.

23 (6) To acquire real or personal property, whether
24 tangible or intangible, including without limitation
25 property rights, interests in property, franchises,
26 obligations, contracts, and debt and equity securities,

1 and to do so by the exercise of the power of eminent domain
2 in accordance with Section 1-21; except that any real
3 property acquired by the exercise of the power of eminent
4 domain must be located within the State.

5 (7) To sell, convey, lease, exchange, transfer,
6 abandon, or otherwise dispose of, or mortgage, pledge, or
7 create a security interest in, any of its assets,
8 properties, or any interest therein, wherever situated.

9 (8) To purchase, take, receive, subscribe for, or
10 otherwise acquire, hold, make a tender offer for, vote,
11 employ, sell, lend, lease, exchange, transfer, or
12 otherwise dispose of, mortgage, pledge, or grant a
13 security interest in, use, and otherwise deal in and with,
14 bonds and other obligations, shares, or other securities
15 (or interests therein) issued by others, whether engaged
16 in a similar or different business or activity.

17 (9) To make and execute agreements, contracts, and
18 other instruments necessary or convenient in the exercise
19 of the powers and functions of the Agency under this Act,
20 including contracts with any person, including personal
21 service contracts, or with any local government, State
22 agency, or other entity; and all State agencies and all
23 local governments are authorized to enter into and do all
24 things necessary to perform any such agreement, contract,
25 or other instrument with the Agency. No such agreement,
26 contract, or other instrument shall exceed 40 years.

1 (10) To lend money, invest and reinvest its funds in
2 accordance with the Public Funds Investment Act, and take
3 and hold real and personal property as security for the
4 payment of funds loaned or invested.

5 (11) To borrow money at such rate or rates of interest
6 as the Agency may determine, issue its notes, bonds, or
7 other obligations to evidence that indebtedness, and
8 secure any of its obligations by mortgage or pledge of its
9 real or personal property, machinery, equipment,
10 structures, fixtures, inventories, revenues, grants, and
11 other funds as provided or any interest therein, wherever
12 situated.

13 (12) To enter into agreements with the Illinois
14 Finance Authority to issue bonds whether or not the income
15 therefrom is exempt from federal taxation.

16 (13) To procure insurance against any loss in
17 connection with its properties or operations in such
18 amount or amounts and from such insurers, including the
19 federal government, as it may deem necessary or desirable,
20 and to pay any premiums therefor.

21 (14) To negotiate and enter into agreements with
22 trustees or receivers appointed by United States
23 bankruptcy courts or federal district courts or in other
24 proceedings involving adjustment of debts and authorize
25 proceedings involving adjustment of debts and authorize
26 legal counsel for the Agency to appear in any such

1 proceedings.

2 (15) To file a petition under Chapter 9 of Title 11 of
3 the United States Bankruptcy Code or take other similar
4 action for the adjustment of its debts.

5 (16) To enter into management agreements for the
6 operation of any of the property or facilities owned by
7 the Agency.

8 (17) To enter into an agreement to transfer and to
9 transfer any land, facilities, fixtures, or equipment of
10 the Agency to one or more municipal electric systems,
11 governmental aggregators, or rural electric agencies or
12 cooperatives, for such consideration and upon such terms
13 as the Agency may determine to be in the best interest of
14 the residents of Illinois.

15 (18) To enter upon any lands and within any building
16 whenever in its judgment it may be necessary for the
17 purpose of making surveys and examinations to accomplish
18 any purpose authorized by this Act.

19 (19) To maintain an office or offices at such place or
20 places in the State as it may determine.

21 (20) To request information, and to make any inquiry,
22 investigation, survey, or study that the Agency may deem
23 necessary to enable it effectively to carry out the
24 provisions of this Act.

25 (21) To accept and expend appropriations.

26 (22) To engage in any activity or operation that is

1 incidental to and in furtherance of efficient operation to
2 accomplish the Agency's purposes, including hiring
3 employees that the Director deems essential for the
4 operations of the Agency.

5 (23) To adopt, revise, amend, and repeal rules with
6 respect to its operations, properties, and facilities as
7 may be necessary or convenient to carry out the purposes
8 of this Act, subject to the provisions of the Illinois
9 Administrative Procedure Act and Sections 1-22 and 1-35 of
10 this Act.

11 (24) To establish and collect charges and fees as
12 described in this Act.

13 (25) To conduct competitive gasification feedstock
14 procurement processes to procure the feedstocks for the
15 clean coal SNG brownfield facility in accordance with the
16 requirements of Section 1-78 of this Act.

17 (26) To review, revise, and approve sourcing
18 agreements and mediate and resolve disputes between gas
19 utilities and the clean coal SNG brownfield facility
20 pursuant to subsection (h-1) of Section 9-220 of the
21 Public Utilities Act.

22 (27) To request, review and accept proposals, execute
23 contracts, purchase renewable energy credits and otherwise
24 dedicate funds from the Illinois Power Agency Renewable
25 Energy Resources Fund to create and carry out the
26 objectives of the Illinois Solar for All Program in

1 accordance with Section 1-56 of this Act.

2 (28) To ensure Illinois residents and business benefit
3 from programs administered by the Agency and are properly
4 protected from any deceptive or misleading marketing
5 practices by participants in the Agency's programs and
6 procurements.

7 (29) To request, review, and accept proposals, execute
8 contracts, and procure energy storage credits.

9 (c) In conducting the procurement of electricity or other
10 products, beginning January 1, 2022, the Agency shall not
11 procure any products or services from persons or organizations
12 that are in violation of the Displaced Energy Workers Bill of
13 Rights, as provided under the Energy Community Reinvestment
14 Act at the time of the procurement event or fail to comply the
15 labor standards established in subparagraph (Q) of paragraph
16 (1) of subsection (c) of Section 1-75.

17 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24.)

18 (20 ILCS 3855/1-75)

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

22 (a) The Planning and Procurement Bureau shall each year,
23 beginning in 2008, develop procurement plans and conduct
24 competitive procurement processes in accordance with the
25 requirements of Section 16-111.5 of the Public Utilities Act

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

1 16-111.5(a) of the Public Utilities Act.

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

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

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

26 (A) direct previous experience assembling

1 large-scale power supply plans or portfolios for
2 end-use customers;

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

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

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

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

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

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

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

25 (A) direct previous experience administering a
26 large-scale competitive procurement process;

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

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

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

9 (E) expertise in credit and contract protocols;

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

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

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

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

4 (A) failure to satisfy qualification criteria;

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

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

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

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

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

26 (6) The Agency shall select an expert or expert

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

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

23 (c) Renewable portfolio standard.

24 (1) (A) The Agency shall develop a long-term renewable
25 resources procurement plan that shall include procurement
26 programs and competitive procurement events necessary to

1 meet the goals set forth in this subsection (c). The
2 initial long-term renewable resources procurement plan
3 shall be released for comment no later than 160 days after
4 June 1, 2017 (the effective date of Public Act 99-906).
5 The Agency shall review, and may revise on an expedited
6 basis, the long-term renewable resources procurement plan
7 at least every 2 years, which shall be conducted in
8 conjunction with the procurement plan under Section
9 16-111.5 of the Public Utilities Act to the extent
10 practicable to minimize administrative expense. No later
11 than 120 days after the effective date of this amendatory
12 Act of the 103rd General Assembly, the Agency shall
13 release for comment a revision to the long-term renewable
14 resources procurement plan, updating elements of the most
15 recently approved plan as needed to comply with this
16 amendatory Act of the 103rd General Assembly, and any
17 long-term renewable resources procurement plan update
18 published by the Agency but not yet approved by the
19 Illinois Commerce Commission shall be withdrawn. The
20 long-term renewable resources procurement plans shall be
21 subject to review and approval by the Commission under
22 Section 16-111.5 of the Public Utilities Act.

23 (B) Subject to subparagraph (F) of this paragraph (1),
24 the long-term renewable resources procurement plan shall
25 attempt to meet the goals for procurement of renewable
26 energy credits at levels of at least the following overall

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

25 For the delivery year beginning June 1, 2017, the
26 procurement plan shall attempt to include, subject to the

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

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

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

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

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

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

20 (i) At least 10,000,000 renewable energy credits
21 delivered annually by the end of the 2021 delivery
22 year, and increasing ratably to reach 45,000,000
23 renewable energy credits delivered annually from new
24 wind and solar projects, from repowered wind projects,
25 or from retooled hydropower facilities by the end of
26 delivery year 2030 such that the goals in subparagraph

1 (B) of this paragraph (1) are met entirely by
2 procurements of renewable energy credits from new wind
3 and photovoltaic projects. Of that amount, to the
4 extent possible, the Agency shall endeavor to procure
5 45% from new and repowered wind and hydropower
6 projects and shall procure at least 55% from
7 photovoltaic projects. Of the amount to be procured
8 from photovoltaic projects, the Agency shall procure:
9 at least 50% from solar photovoltaic projects using
10 the program outlined in subparagraph (K) of this
11 paragraph (1) from distributed renewable energy
12 generation devices or community renewable generation
13 projects; at least 47% from utility-scale solar
14 projects; at least 3% from brownfield site
15 photovoltaic projects that are not community renewable
16 generation projects. The Agency may propose
17 adjustments to these percentages, including
18 establishing percentage-based goals for the
19 procurement of renewable energy credits from retooled
20 hydropower facilities and repowered wind projects
21 through its long-term renewable resources plan
22 described in subparagraph (A) of this paragraph (1),
23 as necessary, based on developer interest, market
24 conditions, budget considerations, and other material
25 factors.

26 In developing the long-term renewable resources

1 procurement plan, the Agency shall consider other
2 approaches, in addition to competitive procurements,
3 that can be used to procure renewable energy credits
4 from brownfield site photovoltaic projects and thereby
5 help return blighted or contaminated land to
6 productive use while enhancing public health and the
7 well-being of Illinois residents, including those in
8 environmental justice communities, as defined using
9 existing methodologies and findings used by the Agency
10 and its Administrator in its Illinois Solar for All
11 Program. The Agency shall also consider other
12 approaches, in addition to competitive procurements,
13 to procure renewable energy credits from new and
14 existing hydropower facilities to support the
15 development and maintenance of these facilities. The
16 Agency shall explore options to convert existing dams
17 but shall not consider approaches to develop new dams
18 where they do not already exist. To encourage
19 continued operation of utility-scale wind projects,
20 the Agency shall consider and may propose other
21 approaches in addition to competitive procurements to
22 procure renewable energy credits from repowered wind
23 projects.

24 (ii) In any given delivery year, if forecasted
25 expenses are less than the maximum budget available
26 under subparagraph (E) of this paragraph (1), the

1 Agency shall continue to procure new renewable energy
2 credits until that budget is exhausted in the manner
3 outlined in item (i) of this subparagraph (C).

4 (iii) For purposes of this Section:

5 "New wind projects" means wind renewable energy
6 facilities that are energized after June 1, 2017 for
7 the delivery year commencing June 1, 2017.

8 "New photovoltaic projects" means photovoltaic
9 renewable energy facilities that are energized after
10 June 1, 2017. Photovoltaic projects developed under
11 Section 1-56 of this Act shall not apply towards the
12 new photovoltaic project requirements in this
13 subparagraph (C).

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

26 (D) Renewable energy credits shall be cost effective.

1 For purposes of this subsection (c), "cost effective"
2 means that the costs of procuring renewable energy
3 resources do not cause the limit stated in subparagraph
4 (E) of this paragraph (1) to be exceeded and, for
5 renewable energy credits procured through a competitive
6 procurement event, do not exceed benchmarks based on
7 market prices for like products in the region. For
8 purposes of this subsection (c), "like products" means
9 contracts for renewable energy credits from the same or
10 substantially similar technology, same or substantially
11 similar vintage (new or existing), the same or
12 substantially similar quantity, and the same or
13 substantially similar contract length and structure.
14 Benchmarks shall reflect development, financing, or
15 related costs resulting from requirements imposed through
16 other provisions of State law, including, but not limited
17 to, requirements in subparagraphs (P) and (Q) of this
18 paragraph (1) and the Renewable Energy Facilities
19 Agricultural Impact Mitigation Act. Confidential
20 benchmarks shall be developed by the procurement
21 administrator, in consultation with the Commission staff,
22 Agency staff, and the procurement monitor and shall be
23 subject to Commission review and approval. If price
24 benchmarks for like products in the region are not
25 available, the procurement administrator shall establish
26 price benchmarks based on publicly available data on

1 regional technology costs and expected current and future
2 regional energy prices. Prior to a procurement, the Agency
3 shall ensure that the procurement administrator considers
4 comments from potential bidders regarding inputs,
5 structure, and methodology of the benchmark for the
6 procurement, including costs and risks of development,
7 construction, financing, or other categories as determined
8 by the Agency. In the request for comments on the
9 benchmark, the procurement administrator shall provide all
10 potential bidders with sufficient information about the
11 structure, methodology, and inputs for previous benchmarks
12 to allow for informed comment. The benchmarks in this
13 Section shall not be used to curtail or otherwise reduce
14 contractual obligations entered into by or through the
15 Agency prior to June 1, 2017 (the effective date of Public
16 Act 99-906).

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

1 percentage of the actual amount of electricity
2 (megawatt-hours) delivered by the electric utility in the
3 delivery year ending immediately prior to the procurement,
4 to all retail customers in its service territory. For
5 purposes of this subsection (c), the amount paid per
6 kilowatthour means the total amount paid for electric
7 service expressed on a per kilowatthour basis. For
8 purposes of this subsection (c), the total amount paid for
9 electric service includes without limitation amounts paid
10 for supply, transmission, capacity, distribution,
11 surcharges, and add-on taxes.

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

1 or applicable portion of such amount as specified in
2 paragraph (1) of this subsection (c), as applicable, by
3 the electric utility in the delivery year immediately
4 prior to the procurement to all retail customers in its
5 service territory. The calculations required by this
6 subparagraph (E) shall be made only once for each delivery
7 year at the time that the renewable energy resources are
8 procured. Once the determination as to the amount of
9 renewable energy resources to procure is made based on the
10 calculations set forth in this subparagraph (E) and the
11 contracts procuring those amounts are executed, no
12 subsequent rate impact determinations shall be made and no
13 adjustments to those contract amounts shall be allowed.
14 All costs incurred under such contracts shall be fully
15 recoverable by the electric utility as provided in this
16 Section. If the limitation on the amount of renewable
17 energy resources procured in this subparagraph (E) would
18 prevent the Agency from meeting the obligations of
19 existing contracts, then the Agency shall use additional
20 funds collected under subsection (k) of Section 16-108 of
21 the Public Utilities Act if so authorized by the
22 Commission in approving the Agency's long-term renewable
23 resources procurement plan. If the Agency notifies the
24 Commission that its existing contractual obligations are
25 reasonably expected to exceed the maximum collection
26 authorized under this subparagraph (E), then the Agency

1 shall suspend or reduce new procurements until a new rate
2 impact determination is made pursuant to this subparagraph
3 (E). The utilities shall be entitled to recover the total
4 cost associated with procuring renewable energy credits
5 required by this Section regardless of whether the costs
6 are subject to the limitations described in this
7 subparagraph (E) through the automatic adjustment clause
8 tariff under subsection (k) of Section 16-108 of the
9 Public Utilities Act.

10 (F) If the limitation on the amount of renewable
11 energy resources procured in subparagraph (E) of this
12 paragraph (1) prevents the Agency from meeting all of the
13 goals in this subsection (c), the Agency's long-term plan
14 shall prioritize compliance with the requirements of this
15 subsection (c) regarding renewable energy credits in the
16 following order:

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

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

22 (ii) renewable energy credits necessary to comply
23 with the new wind and new photovoltaic procurement
24 requirements described in items (i) through (iii) of
25 subparagraph (C) of this paragraph (1); and

26 (iii) renewable energy credits necessary to meet

1 the remaining requirements of this subsection (c).

2 (G) The following provisions shall apply to the
3 Agency's procurement of renewable energy credits under
4 this subsection (c):

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

1 renewable energy goals in this subsection (c).

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

1 long-term plan and shall apply to all renewable energy
2 goals in this subsection (c).

3 (iii) Notwithstanding whether the Commission has
4 approved the periodic long-term renewable resources
5 procurement plan revision described in Section
6 16-111.5 of the Public Utilities Act, the Agency shall
7 conduct at least one subsequent forward procurement
8 for renewable energy credits from new utility-scale
9 wind projects, new utility-scale solar projects, and
10 new brownfield site photovoltaic projects within 240
11 days after the effective date of this amendatory Act
12 of the 102nd General Assembly in quantities necessary
13 to meet the requirements of subparagraph (C) of this
14 paragraph (1) through the delivery year beginning June
15 1, 2021.

16 (iv) Notwithstanding whether the Commission has
17 approved the periodic long-term renewable resources
18 procurement plan revision described in Section
19 16-111.5 of the Public Utilities Act, the Agency shall
20 open capacity for each category in the Adjustable
21 Block program within 90 days after the effective date
22 of this amendatory Act of the 102nd General Assembly
23 manner:

24 (1) The Agency shall open the first block of
25 annual capacity for the category described in item
26 (i) of subparagraph (K) of this paragraph (1). The

1 first block of annual capacity for item (i) shall
2 be for at least 75 megawatts of total nameplate
3 capacity. The price of the renewable energy credit
4 for this block of capacity shall be 4% less than
5 the price of the last open block in this category.
6 Projects on a waitlist shall be awarded contracts
7 first in the order in which they appear on the
8 waitlist. Notwithstanding anything to the
9 contrary, for those renewable energy credits that
10 qualify and are procured under this subitem (1) of
11 this item (iv), the renewable energy credit
12 delivery contract value shall be paid in full,
13 based on the estimated generation during the first
14 15 years of operation, by the contracting
15 utilities at the time that the facility producing
16 the renewable energy credits is interconnected at
17 the distribution system level of the utility and
18 verified as energized and in compliance by the
19 Program Administrator. The electric utility shall
20 receive and retire all renewable energy credits
21 generated by the project for the first 15 years of
22 operation. Renewable energy credits generated by
23 the project thereafter shall not be transferred
24 under the renewable energy credit delivery
25 contract with the counterparty electric utility.

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

1 annual capacity for the category described in item
2 (ii) of subparagraph (K) of this paragraph (1).
3 The first block of annual capacity for item (ii)
4 shall be for at least 75 megawatts of total
5 nameplate capacity.

6 (A) The price of the renewable energy
7 credit for any project on a waitlist for this
8 category before the opening of this block
9 shall be 4% less than the price of the last
10 open block in this category. Projects on the
11 waitlist shall be awarded contracts first in
12 the order in which they appear on the
13 waitlist. Any projects that are less than or
14 equal to 25 kilowatts in size on the waitlist
15 for this capacity shall be moved to the
16 waitlist for paragraph (1) of this item (iv).
17 Notwithstanding anything to the contrary,
18 projects that were on the waitlist prior to
19 opening of this block shall not be required to
20 be in compliance with the requirements of
21 subparagraph (Q) of this paragraph (1) of this
22 subsection (c). Notwithstanding anything to
23 the contrary, for those renewable energy
24 credits procured from projects that were on
25 the waitlist for this category before the
26 opening of this block 20% of the renewable

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

18 (B) The price of renewable energy credits
19 for any project not on the waitlist for this
20 category before the opening of the block shall
21 be determined and published by the Agency.
22 Projects not on a waitlist as of the opening
23 of this block shall be subject to the
24 requirements of subparagraph (Q) of this
25 paragraph (1), as applicable. Projects not on
26 a waitlist as of the opening of this block

1 shall be subject to the contract provisions
2 outlined in item (iii) of subparagraph (L) of
3 this paragraph (1). The Agency shall strive to
4 publish updated prices and an updated
5 renewable energy credit delivery contract as
6 quickly as possible.

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

18 The first 2 blocks of annual capacity for item
19 (iii) shall be for 250 megawatts of total
20 nameplate capacity, with both blocks opening
21 simultaneously under the schedule outlined in the
22 paragraphs below. Projects shall be selected as
23 follows:

24 (A) The geographic balance of selected
25 projects shall follow the Group classification
26 found in the Agency's Revised Long-Term

1 Renewable Resources Procurement Plan, with 70%
2 of capacity allocated to projects on the Group
3 B waitlist and 30% of capacity allocated to
4 projects on the Group A waitlist.

5 (B) Contract awards for waitlisted
6 projects shall be allocated proportionate to
7 the total nameplate capacity amount across
8 both ordinal waitlists associated with that
9 applicant firm or its affiliates, subject to
10 the following conditions.

11 (i) Each applicant firm having a
12 waitlisted project eligible for selection
13 shall receive no less than 500 kilowatts
14 in awarded capacity across all groups, and
15 no approved vendor may receive more than
16 20% of each Group's waitlist allocation.

17 (ii) Each applicant firm, upon
18 receiving an award of program capacity
19 proportionate to its waitlisted capacity,
20 may then determine which waitlisted
21 projects it chooses to be selected for a
22 contract award up to that capacity amount.

23 (iii) Assuming all other program
24 requirements are met, applicant firms may
25 adjust the nameplate capacity of applicant
26 projects without losing waitlist

1 eligibility, so long as no project is
2 greater than 2,000 kilowatts in size.

3 (iv) Assuming all other program
4 requirements are met, applicant firms may
5 adjust the expected production associated
6 with applicant projects, subject to
7 verification by the Program Administrator.

8 (C) After a review of affiliate
9 information and the current ordinal waitlists,
10 the Agency shall announce the nameplate
11 capacity award amounts associated with
12 applicant firms no later than 90 days after
13 the effective date of this amendatory Act of
14 the 102nd General Assembly.

15 (D) Applicant firms shall submit their
16 portfolio of projects used to satisfy those
17 contract awards no less than 90 days after the
18 Agency's announcement. The total nameplate
19 capacity of all projects used to satisfy that
20 portfolio shall be no greater than the
21 Agency's nameplate capacity award amount
22 associated with that applicant firm. An
23 applicant firm may decline, in whole or in
24 part, its nameplate capacity award without
25 penalty, with such unmet capacity rolled over
26 to the next block opening for project

1 selection under item (iii) of subparagraph (K)
2 of this subsection (c). Any projects not
3 included in an applicant firm's portfolio may
4 reapply without prejudice upon the next block
5 reopening for project selection under item
6 (iii) of subparagraph (K) of this subsection
7 (c).

8 (E) The renewable energy credit delivery
9 contract shall be subject to the contract and
10 payment terms outlined in item (iv) of
11 subparagraph (L) of this subsection (c).
12 Contract instruments used for this
13 subparagraph shall contain the following
14 terms:

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

26 (ii) A requirement that a minimum of

1 50% of subscribers to the project's
2 nameplate capacity be residential or small
3 commercial customers with subscriptions of
4 below 25 kilowatts in size;

5 (iii) Permission for the ability of a
6 contract holder to substitute projects
7 with other waitlisted projects without
8 penalty should a project receive a
9 non-binding estimate of costs to construct
10 the interconnection facilities and any
11 required distribution upgrades associated
12 with that project of greater than 30 cents
13 per watt AC of that project's nameplate
14 capacity. In developing the applicable
15 contract instrument, the Agency may
16 consider whether other circumstances
17 outside of the control of the applicant
18 firm should also warrant project
19 substitution rights.

20 The Agency shall publish a finalized
21 updated renewable energy credit delivery
22 contract developed consistent with these terms
23 and conditions no less than 30 days before
24 applicant firms must submit their portfolio of
25 projects pursuant to item (D).

26 (F) To be eligible for an award, the

1 applicant firm shall certify that not less
2 than prevailing wage, as determined pursuant
3 to the Illinois Prevailing Wage Act, was or
4 will be paid to employees who are engaged in
5 construction activities associated with a
6 selected project.

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

24 (5) The Agency shall open the equivalent of 2
25 years of annual capacity for the category
26 described in item (v) of subparagraph (K) of this

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

17 (6) The Agency shall open the first blocks of
18 annual capacity for the category described in item
19 (vi) of subparagraph (K) of this paragraph (1),
20 with allocations of capacity within the block
21 generally matching the historical share of block
22 capacity allocated between the category described
23 in items (i) and (ii) of subparagraph (K) of this
24 paragraph (1). The first two blocks of annual
25 capacity for item (vi) shall be for at least 75
26 megawatts of total nameplate capacity. The price

1 of renewable energy credits for the blocks of
2 capacity shall be 4% less than the price of the
3 last open blocks in the categories described in
4 items (i) and (ii) of subparagraph (K) of this
5 paragraph (1). Pricing for future blocks of annual
6 capacity for this category may be adjusted in the
7 Agency's second revision to its Long-Term
8 Renewable Resources Procurement Plan. Projects in
9 this category shall be subject to the applicable
10 contract terms outlined in items (ii) and (iii) of
11 subparagraph (L) of this paragraph (1).

12 (v) Upon the effective date of this amendatory Act
13 of the 102nd General Assembly, for all competitive
14 procurements and any procurements of renewable energy
15 credit from new utility-scale wind and new
16 utility-scale photovoltaic projects, the Agency shall
17 procure indexed renewable energy credits and direct
18 respondents to offer a strike price.

19 (1) The purchase price of the indexed
20 renewable energy credit payment shall be
21 calculated for each settlement period. That
22 payment, for any settlement period, shall be equal
23 to the difference resulting from subtracting the
24 strike price from the index price for that
25 settlement period. If this difference results in a
26 negative number, the indexed REC counterparty

1 shall owe the seller the absolute value multiplied
2 by the quantity of energy produced in the relevant
3 settlement period. If this difference results in a
4 positive number, the seller shall owe the indexed
5 REC counterparty this amount multiplied by the
6 quantity of energy produced in the relevant
7 settlement period.

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

11 (3) To ensure funding in the annual budget
12 established under subparagraph (E) for indexed
13 renewable energy credit procurements for each year
14 of the term of such contracts, which must have a
15 minimum tenure of 20 calendar years, the
16 procurement administrator, Agency, Commission
17 staff, and procurement monitor shall quantify the
18 annual cost of the contract by utilizing an
19 industry-standard, third-party forward price curve
20 for energy at the appropriate hub or load zone,
21 including the estimated magnitude and timing of
22 the price effects related to federal carbon
23 controls. Each forward price curve shall contain a
24 specific value of the forecasted market price of
25 electricity for each annual delivery year of the
26 contract. For procurement planning purposes, the

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

1 as appropriate.

2 (4) To ensure that indexed renewable energy
3 credit prices remain predictable and affordable,
4 the Agency may consider the institution of a price
5 collar on REC prices paid under indexed renewable
6 energy credit procurements establishing floor and
7 ceiling REC prices applicable to indexed REC
8 contract prices. Any price collars applicable to
9 indexed REC procurements shall be proposed by the
10 Agency through its long-term renewable resources
11 procurement plan.

12 (vi) All procurements under this subparagraph (G),
13 including the procurement of renewable energy credits
14 from hydropower facilities, shall comply with the
15 geographic requirements in subparagraph (I) of this
16 paragraph (1) and shall follow the procurement
17 processes and procedures described in this Section and
18 Section 16-111.5 of the Public Utilities Act to the
19 extent practicable, and these processes and procedures
20 may be expedited to accommodate the schedule
21 established by this subparagraph (G). To ensure the
22 successful development of new utility-scale solar
23 projects and new utility-scale wind projects for
24 procurements under items (i), (ii), (iii), and (v) of
25 this subparagraph (G), a winning bidder or the current
26 seller under contract countersigned by an electric

1 utility counterparty may petition the Commission to
2 revise the terms in the contract. Prior to such
3 petition, upon request by the winning bidder or
4 seller, the Agency shall negotiate directly with the
5 winning bidder or seller. If following the direct
6 negotiations, the Agency and the winning bidder reach
7 an agreement on amended terms or strike price and the
8 Agency finds that the amended terms or strike price
9 reflect a change in circumstances since the date of
10 the bid based on circumstances unforeseeable at the
11 time of the bid, upon petition by the winning bidder or
12 current seller, the Commission shall issue an order
13 directing the utility counterparty to execute a form
14 amendment drafted by the Agency with the revised terms
15 or the new strike price. The Agency shall provide the
16 amendment to the utility within 15 business days after
17 the Commission's order and the utility buyer shall
18 execute the amendment not more than 7 calendar days
19 after delivery by the Agency. The Agency shall develop
20 the form amendment following comment by interested
21 parties.

22 (vii) On and after the effective date of this
23 amendatory Act of the 103rd General Assembly, for all
24 procurements of renewable energy credits from
25 hydropower facilities, the Agency shall establish
26 contract terms designed to optimize existing

1 hydropower facilities through modernization or
2 retooling and establish new hydropower facilities at
3 existing dams. Procurements made under this item (vii)
4 shall prioritize projects located in designated
5 environmental justice communities, as defined in
6 subsection (b) of Section 1-56 of this Act, or in
7 projects located in units of local government with
8 median incomes that do not exceed 82% of the median
9 income of the State.

10 (H) The procurement of renewable energy resources for
11 a given delivery year shall be reduced as described in
12 this subparagraph (H) if an alternative retail electric
13 supplier meets the requirements described in this
14 subparagraph (H).

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

1 facility.

2 The informational filing shall identify each
3 facility that was eligible to satisfy the alternative
4 retail electric supplier's obligations under Section
5 16-115D of the Public Utilities Act as described in
6 this item (i).

7 (ii) For a given delivery year, the alternative
8 retail electric supplier may elect to supply its
9 retail customers with renewable energy credits from
10 the facility or facilities described in item (i) of
11 this subparagraph (H) that continue to be owned by the
12 alternative retail electric supplier.

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

1 limitations:

2 For the delivery year beginning June 1, 2018,
3 the maximum amount of renewable energy credits to
4 be supplied by an alternative retail electric
5 supplier under this subparagraph (H) shall be 68%
6 multiplied by 25% multiplied by 14.5% multiplied
7 by the amount of metered electricity
8 (megawatt-hours) delivered by the alternative
9 retail electric supplier to Illinois retail
10 customers during the delivery year ending May 31,
11 2016.

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

26 For each delivery year, the total amount of

1 renewable energy credits supplied by all alternative
2 retail electric suppliers under this subparagraph (H)
3 shall not exceed 9% of the Illinois target renewable
4 energy credit quantity. The Illinois target renewable
5 energy credit quantity for the delivery year beginning
6 June 1, 2018 is 14.5% multiplied by the total amount of
7 metered electricity (megawatt-hours) delivered in the
8 delivery year immediately preceding that delivery
9 year, provided that the 14.5% shall increase by 1.5%
10 each delivery year thereafter to 25% by the delivery
11 year beginning June 1, 2025, and thereafter the 25%
12 value shall apply to each delivery year.

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

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

5 On or before April 1 of each year, the Agency shall
6 annually publish a report on its website that
7 identifies the aggregate amount of renewable energy
8 credits supplied by alternative retail electric
9 suppliers under this subparagraph (H).

10 (I) The Agency shall design its long-term renewable
11 energy procurement plan to maximize the State's interest
12 in the health, safety, and welfare of its residents,
13 including but not limited to minimizing sulfur dioxide,
14 nitrogen oxide, particulate matter and other pollution
15 that adversely affects public health in this State,
16 increasing fuel and resource diversity in this State,
17 enhancing the reliability and resiliency of the
18 electricity distribution system in this State, meeting
19 goals to limit carbon dioxide emissions under federal or
20 State law, and contributing to a cleaner and healthier
21 environment for the citizens of this State. In order to
22 further these legislative purposes, renewable energy
23 credits shall be eligible to be counted toward the
24 renewable energy requirements of this subsection (c) if
25 they are generated from facilities located in this State.
26 The Agency may qualify renewable energy credits from

1 facilities located in states adjacent to Illinois or
2 renewable energy credits associated with the electricity
3 generated by a utility-scale wind energy facility or
4 utility-scale photovoltaic facility and transmitted by a
5 qualifying direct current project described in subsection
6 (b-5) of Section 8-406 of the Public Utilities Act to a
7 delivery point on the electric transmission grid located
8 in this State or a state adjacent to Illinois, if the
9 generator demonstrates and the Agency determines that the
10 operation of such facility or facilities will help promote
11 the State's interest in the health, safety, and welfare of
12 its residents based on the public interest criteria
13 described above. For the purposes of this Section,
14 renewable resources that are delivered via a high voltage
15 direct current converter station located in Illinois shall
16 be deemed generated in Illinois at the time and location
17 the energy is converted to alternating current by the high
18 voltage direct current converter station if the high
19 voltage direct current transmission line: (i) after the
20 effective date of this amendatory Act of the 102nd General
21 Assembly, was constructed with a project labor agreement;
22 (ii) is capable of transmitting electricity at 525kv;
23 (iii) has an Illinois converter station located and
24 interconnected in the region of the PJM Interconnection,
25 LLC; (iv) does not operate as a public utility; and (v) if
26 the high voltage direct current transmission line was

1 energized after June 1, 2023. To ensure that the public
2 interest criteria are applied to the procurement and given
3 full effect, the Agency's long-term procurement plan shall
4 describe in detail how each public interest factor shall
5 be considered and weighted for facilities located in
6 states adjacent to Illinois.

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

1 new wind or new photovoltaic resources as defined in this
2 subsection (c). The long-term plan shall provide that
3 these renewable energy credits shall be procured in the
4 next procurement event.

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

20 (K) The long-term renewable resources procurement plan
21 developed by the Agency in accordance with subparagraph
22 (A) of this paragraph (1) shall include an Adjustable
23 Block program for the procurement of renewable energy
24 credits from new photovoltaic projects that are
25 distributed renewable energy generation devices or new
26 photovoltaic community renewable generation projects. The

1 Adjustable Block program shall be generally designed to
2 provide for the steady, predictable, and sustainable
3 growth of new solar photovoltaic development in Illinois.
4 To this end, except as otherwise provided in subparagraph
5 (viii) to this paragraph (K), the Adjustable Block program
6 shall provide a transparent annual schedule of prices and
7 quantities to enable the photovoltaic market to scale up
8 and for renewable energy credit prices to adjust at a
9 predictable rate over time. The prices set by the
10 Adjustable Block program can be reflected as a set value
11 or as the product of a formula.

12 The Adjustable Block program shall include for each
13 category of eligible projects for each delivery year: a
14 single block of nameplate capacity, a price for renewable
15 energy credits within that block, and the terms and
16 conditions for securing a spot on a waitlist once the
17 block is fully committed or reserved. Except as outlined
18 below, the waitlist of projects in a given year will carry
19 over to apply to the subsequent year when another block is
20 opened. Only projects energized on or after June 1, 2017
21 shall be eligible for the Adjustable Block program. For
22 each category for each delivery year the Agency shall
23 determine the amount of generation capacity in each block,
24 and the purchase price for each block, provided that the
25 purchase price provided and the total amount of generation
26 in all blocks for all categories shall be sufficient to

1 meet the goals in this subsection (c). The Agency shall
2 strive to issue a single block sized to provide for
3 stability and market growth. The Agency shall establish
4 program eligibility requirements that ensure that projects
5 that enter the program are sufficiently mature to indicate
6 a demonstrable path to completion. The Agency may
7 periodically review its prior decisions establishing the
8 amount of generation capacity in each block, and the
9 purchase price for each block, and may propose, on an
10 expedited basis, changes to these previously set values,
11 including but not limited to redistributing these amounts
12 and the available funds as necessary and appropriate,
13 subject to Commission approval as part of the periodic
14 plan revision process described in Section 16-111.5 of the
15 Public Utilities Act. The Agency may define different
16 block sizes, purchase prices, or other distinct terms and
17 conditions for projects located in different utility
18 service territories if the Agency deems it necessary to
19 meet the goals in this subsection (c).

20 The Adjustable Block program shall include the
21 following categories in at least the following amounts:

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

25 (ii) At least 20% from distributed renewable
26 energy generation devices with a nameplate capacity of

1 more than 25 kilowatts and no more than 5,000
2 kilowatts. The Agency may create sub-categories within
3 this category to account for the differences between
4 projects for small commercial customers, large
5 commercial customers, and public or non-profit
6 customers.

7 (iii) At least 30% from photovoltaic community
8 renewable generation projects. Capacity for this
9 category for the first 2 delivery years after the
10 effective date of this amendatory Act of the 102nd
11 General Assembly shall be allocated to waitlist
12 projects as provided in paragraph (3) of item (iv) of
13 subparagraph (G). Starting in the third delivery year
14 after the effective date of this amendatory Act of the
15 102nd General Assembly or earlier if the Agency
16 determines there is additional capacity needed for to
17 meet previous delivery year requirements, the
18 following shall apply:

19 (1) to advance the interests of all ratepayers
20 in timely development of community renewable
21 generation projects powered by solar photovoltaics
22 procured under this Act, the Agency shall select
23 projects on a first-come, first-serve basis,
24 however the Agency shall, for applications on or
25 after the effective date of this amendatory Act of
26 the 103rd General Assembly, ~~may suggest additional~~

1 ~~methods to~~ prioritize projects according to this
2 item (1). Prioritization methods shall be clear
3 and changes to those methods shall not hinder the
4 steady, predictable, and sustainable growth of
5 projects under this subsection. The Agency shall
6 ensure any project characteristics incentivized by
7 the prioritization method are aligned with the
8 findings of this Act and the price of the
9 associated renewable energy credit adequately
10 compensates the additional costs that may be
11 imposed on a project ~~that are submitted at the~~
12 ~~same time;~~

13 (1.5) all projects submitted under this
14 category shall, as part of the initial
15 application, be required to provide, in a form
16 directed by the Agency, proof of site control,
17 land use permits, if necessary, and a signed
18 interconnection agreement;

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

23 (3) projects shall not be colocated with one
24 or more other community renewable generation
25 projects, as defined in the Agency's first revised
26 long-term renewable resources procurement plan

1 approved by the Commission on February 18, 2020,
2 such that the aggregate nameplate capacity exceeds
3 5,000 kilowatts; and

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

9 (iv) At least 15% from distributed renewable
10 generation devices or photovoltaic community renewable
11 generation projects installed or on land adjacent to
12 public school land. For the purposes of this item
13 (iv), qualifying projects shall be located on property
14 owned, leased, or subleased by the school or school
15 district or on property owned, leased, or subleased by
16 the school or school district located adjacent to
17 property owned by the school. The Agency may create
18 subcategories within this category to account for the
19 differences between project size or location. Projects
20 located within environmental justice communities or
21 within Organizational Units that fall within Tier 1 or
22 Tier 2 shall be given priority. Each of the Agency's
23 periodic updates to its long-term renewable resources
24 procurement plan to incorporate the procurement
25 described in this subparagraph (iv) shall also include
26 the proposed quantities or blocks, pricing, and

1 contract terms applicable to the procurement as
2 indicated herein. In each such update and procurement,
3 the Agency shall set the renewable energy credit price
4 and establish payment terms for the renewable energy
5 credits procured pursuant to this subparagraph (iv)
6 that make it feasible and affordable for public
7 schools to install photovoltaic distributed renewable
8 energy devices on their premises, including, but not
9 limited to, those public schools subject to the
10 prioritization provisions of this subparagraph. For
11 the purposes of this item (iv):

12 "Environmental Justice Community" shall have the
13 same meaning set forth in the Agency's long-term
14 renewable resources procurement plan;

15 "Organization Unit", "Tier 1" and "Tier 2" shall
16 have the meanings set for in Section 18-8.15 of the
17 School Code;

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

22 (v) At least 5% from community-driven community
23 solar projects intended to provide more direct and
24 tangible connection and benefits to the communities
25 which they serve or in which they operate and,
26 additionally, to increase the variety of community

1 solar locations, models, and options in Illinois. As
2 part of its long-term renewable resources procurement
3 plan, the Agency shall develop selection criteria for
4 projects participating in this category. Nothing in
5 this Section shall preclude the Agency from creating a
6 selection process that maximizes community ownership
7 and community benefits in selecting projects to
8 receive renewable energy credits. Selection criteria
9 shall include:

10 (1) community ownership or community
11 wealth-building;

12 (2) additional direct and indirect community
13 benefit, beyond project participation as a
14 subscriber, including, but not limited to,
15 economic, environmental, social, cultural, and
16 physical benefits;

17 (3) meaningful involvement in project
18 organization and development by community members
19 or nonprofit organizations or public entities
20 located in or serving the community;

21 (4) engagement in project operations and
22 management by nonprofit organizations, public
23 entities, or community members; and

24 (5) whether a project is developed in response
25 to a site-specific RFP developed by community
26 members or a nonprofit organization or public

1 entity located in or serving the community.

2 Selection criteria may also prioritize projects

3 that:

4 (1) are developed in collaboration with or to
5 provide complementary opportunities for the Clean
6 Jobs Workforce Network Program, the Illinois
7 Climate Works Preapprenticeship Program, the
8 Returning Residents Clean Jobs Training Program,
9 the Clean Energy Contractor Incubator Program, or
10 the Clean Energy Primes Contractor Accelerator
11 Program;

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

15 (3) are located in Equity Investment Eligible
16 Communities;

17 (4) are not greenfield projects;

18 (5) serve only local subscribers;

19 (6) have a nameplate capacity that does not
20 exceed 500 kW;

21 (7) are developed by an equity eligible
22 contractor; or

23 (8) otherwise meaningfully advance the goals
24 of providing more direct and tangible connection
25 and benefits to the communities which they serve
26 or in which they operate and increasing the

1 variety of community solar locations, models, and
2 options in Illinois.

3 For the purposes of this item (v):

4 "Community" means a social unit in which people
5 come together regularly to effect change; a social
6 unit in which participants are marked by a cooperative
7 spirit, a common purpose, or shared interests or
8 characteristics; or a space understood by its
9 residents to be delineated through geographic
10 boundaries or landmarks.

11 "Community benefit" means a range of services and
12 activities that provide affirmative, economic,
13 environmental, social, cultural, or physical value to
14 a community; or a mechanism that enables economic
15 development, high-quality employment, and education
16 opportunities for local workers and residents, or
17 formal monitoring and oversight structures such that
18 community members may ensure that those services and
19 activities respond to local knowledge and needs.

20 "Community ownership" means an arrangement in
21 which an electric generating facility is, or over time
22 will be, in significant part, owned collectively by
23 members of the community to which an electric
24 generating facility provides benefits; members of that
25 community participate in decisions regarding the
26 governance, operation, maintenance, and upgrades of

1 and to that facility; and members of that community
2 benefit from regular use of that facility.

3 Terms and guidance within these criteria that are
4 not defined in this item (v) shall be defined by the
5 Agency, with stakeholder input, during the development
6 of the Agency's long-term renewable resources
7 procurement plan. The Agency shall develop regular
8 opportunities for projects to submit applications for
9 projects under this category, and develop selection
10 criteria that gives preference to projects that better
11 meet individual criteria as well as projects that
12 address a higher number of criteria.

13 (vi) At least 10% from distributed renewable
14 energy generation devices, which includes distributed
15 renewable energy devices with a nameplate capacity
16 under 5,000 kilowatts or photovoltaic community
17 renewable generation projects, from applicants that
18 are both approved vendors and equity eligible
19 contractors. The Agency shall not limit or impair
20 assignment of the contract to sell renewable energy
21 credits authorized by subparagraph (L) to another
22 approved vendor, except to the extent that in exchange
23 for price adders or other beneficial terms and
24 conditions, the applicant agrees to only assign to an
25 approved vendor that is, at the time of assignment, an
26 equity eligible contractor. The Agency may create

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

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

26 Contracts developed featuring capital advanced

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

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

24 (viii) Notwithstanding the preceding, not more than 90
25 days after the effective date of this amendatory Act of
26 the 103rd General Assembly, the Agency shall petition the

1 Commission to modify its Long-Term Renewable Resources
2 Procurement Plan as follows:

3 (1) the petition shall include an estimate of
4 the size of blocks authorized under subparagraph
5 (i) of this paragraph (K) through the delivery
6 year beginning in 2030;

7 (2) the petition shall propose that such
8 capacity be made available on a continuous basis,
9 subject to inter-block price reductions proposed
10 by the Agency; and

11 (3) the petition shall propose a methodology
12 for reallocated capacity under the terms of the
13 Agency's Long-Term Renewable Resources Procurement
14 Plan.

15 The Commission shall approve the Agency's petition
16 within 120 days after receiving the petition, with any
17 modifications that the Commission finds are necessary
18 to deploy distributed renewable energy generation
19 devices to meet customer demand and enable the
20 photovoltaic market to scale up and for renewable
21 energy credit prices to adjust at a predictable rate
22 over time.

23 To the extent there is uncontracted capacity from any
24 block in any of categories (i) through (vi) at the end of a
25 delivery year, the Agency shall redistribute that capacity
26 to one or more other categories giving priority to

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

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

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

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

24 (i) (Blank).

25 (i-3) Upon delivery of evidence of an increase of
26 over 100% of non-binding cost estimates for

1 interconnection from a study or interconnection
2 agreement issued prior to application of a system to
3 the program described in subparagraph (K) of this
4 paragraph (1) to a study or interconnection agreement
5 issued after such application, the approved vendor
6 submitting such application shall be entitled to
7 return of 100% of any performance assurance posted for
8 such system under a contract described in this
9 subparagraph (L).

10 (i-5) The Agency or its program administrator
11 shall complete the review of the materials as the
12 Agency may require to be submitted to trigger the
13 initial payment for a participating system under the
14 renewable energy credit contract no later than 6 weeks
15 after the completed submission.

16 (ii) For those renewable energy credits that
17 qualify and are procured under item (i) of
18 subparagraph (K) of this paragraph (1), and any
19 similar category projects that are procured under item
20 (vi) of subparagraph (K) of this paragraph (1) that
21 qualify and are procured under item (vi), the contract
22 length shall be 15 years. The renewable energy credit
23 delivery contract value shall be paid in full, based
24 on the estimated generation during the first 15 years
25 of operation, by the contracting utilities at the time
26 that the facility producing the renewable energy

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

10 (iii) For those renewable energy credits that
11 qualify and are procured under item (ii) and (v) of
12 subparagraph (K) of this paragraph (1) and any like
13 projects similar category that qualify and are
14 procured under item (vi), the contract length shall be
15 15 years. 15% of the renewable energy credit delivery
16 contract value, based on the estimated generation
17 during the first 15 years of operation, shall be paid
18 by the contracting utilities at the time that the
19 facility producing the renewable energy credits is
20 interconnected at the distribution system level of the
21 utility and verified as energized and compliant by the
22 Program Administrator. The remaining portion shall be
23 paid ratably over the subsequent 6-year period. The
24 electric utility shall receive and retire all
25 renewable energy credits generated by the project for
26 the first 15 years of operation. Renewable energy

1 credits generated by the project thereafter shall not
2 be transferred under the renewable energy credit
3 delivery contract with the counterparty electric
4 utility.

5 (iv) For those renewable energy credits that
6 qualify and are procured under items (iii) and (iv) of
7 subparagraph (K) of this paragraph (1), and any like
8 projects that qualify and are procured under item
9 (vi), the renewable energy credit delivery contract
10 length shall be 20 years and shall be paid over the
11 delivery term, not to exceed during each delivery year
12 the contract price multiplied by the estimated annual
13 renewable energy credit generation amount. If
14 generation of renewable energy credits during a
15 delivery year exceeds the estimated annual generation
16 amount, the excess renewable energy credits shall be
17 carried forward to future delivery years and shall not
18 expire during the delivery term. If generation of
19 renewable energy credits during a delivery year,
20 including carried forward excess renewable energy
21 credits, if any, is less than the estimated annual
22 generation amount, payments during such delivery year
23 will not exceed the quantity generated plus the
24 quantity carried forward multiplied by the contract
25 price. The electric utility shall receive all
26 renewable energy credits generated by the project

1 during the first 20 years of operation and retire all
2 renewable energy credits paid for under this item (iv)
3 and return at the end of the delivery term all
4 renewable energy credits that were not paid for.
5 Renewable energy credits generated by the project
6 thereafter shall not be transferred under the
7 renewable energy credit delivery contract with the
8 counterparty electric utility. Notwithstanding the
9 preceding, for those projects participating under item
10 (iii) of subparagraph (K), the contract price for a
11 delivery year shall be based on subscription levels as
12 measured on the higher of the first business day of the
13 delivery year or the first business day 6 months after
14 the first business day of the delivery year.
15 Subscription of 90% of nameplate capacity or greater
16 shall be deemed to be fully subscribed for the
17 purposes of this item (iv). For projects receiving a
18 20-year delivery contract, REC prices shall be
19 adjusted downward for consistency with the incentive
20 levels previously determined to be necessary to
21 support projects under 15-year delivery contracts,
22 taking into consideration any additional new
23 requirements placed on the projects, including, but
24 not limited to, labor standards.

25 (v) Each contract shall include provisions to
26 ensure the delivery of the estimated quantity of

1 renewable energy credits and ongoing collateral
2 requirements and other provisions deemed appropriate
3 by the Agency.

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

10 (vii) If, at any time, approved applications for
11 the Adjustable Block program exceed funds collected by
12 the electric utility or would cause the Agency to
13 exceed the limitation described in subparagraph (E) of
14 this paragraph (1) on the amount of renewable energy
15 resources that may be procured, then the Agency may
16 consider future uncommitted funds to be reserved for
17 these contracts on a first-come, first-served basis.

18 (viii) Nothing in this Section shall require the
19 utility to advance any payment or pay any amounts that
20 exceed the actual amount of revenues anticipated to be
21 collected by the utility under paragraph (6) of this
22 subsection (c) and subsection (k) of Section 16-108 of
23 the Public Utilities Act inclusive of eligible funds
24 collected in prior years and alternative compliance
25 payments for use by the utility, ~~and contracts~~
26 ~~executed under this Section shall expressly~~

1 ~~incorporate this limitation.~~

2 (ix) Notwithstanding other requirements of this
3 subparagraph (L), no modification shall be required to
4 Adjustable Block program contracts if they were
5 already executed prior to the establishment, approval,
6 and implementation of new contract forms as a result
7 of this amendatory Act of the 102nd General Assembly.

8 (x) Contracts may be assignable, but only to
9 entities first deemed by the Agency to have met
10 program terms and requirements applicable to direct
11 program participation. In developing contracts for the
12 delivery of renewable energy credits, the Agency shall
13 be permitted to establish fees applicable to each
14 contract assignment.

15 (M) The Agency shall be authorized to retain one or
16 more experts or expert consulting firms to develop,
17 administer, implement, operate, and evaluate the
18 Adjustable Block program described in subparagraph (K) of
19 this paragraph (1), and the Agency shall retain the
20 consultant or consultants in the same manner, to the
21 extent practicable, as the Agency retains others to
22 administer provisions of this Act, including, but not
23 limited to, the procurement administrator. The selection
24 of experts and expert consulting firms and the procurement
25 process described in this subparagraph (M) are exempt from
26 the requirements of Section 20-10 of the Illinois

1 Procurement Code, under Section 20-10 of that Code. The
2 Agency shall strive to minimize administrative expenses in
3 the implementation of the Adjustable Block program.

4 The Program Administrator may charge application fees
5 to participating firms to cover the cost of program
6 administration. Any application fee amounts shall
7 initially be determined through the long-term renewable
8 resources procurement plan, and modifications to any
9 application fee that deviate more than 25% from the
10 Commission's approved value must be approved by the
11 Commission as a long-term plan revision under Section
12 16-111.5 of the Public Utilities Act. The Agency shall
13 consider stakeholder feedback when making adjustments to
14 application fees and shall notify stakeholders in advance
15 of any planned changes.

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

1 national leader in renewable energy incentive program
2 development and administration.

3 The Agency and its consultant or consultants shall
4 monitor block activity, share program activity with
5 stakeholders and conduct quarterly meetings to discuss
6 program activity and market conditions. If necessary, the
7 Agency may make prospective administrative adjustments to
8 the Adjustable Block program design, such as making
9 adjustments to purchase prices as necessary to achieve the
10 goals of this subsection (c). Program modifications to any
11 block price that do not deviate from the Commission's
12 approved value by more than 10% shall take effect
13 immediately and are not subject to Commission review and
14 approval. Program modifications to any block price that
15 deviate more than 10% from the Commission's approved value
16 must be approved by the Commission as a long-term plan
17 amendment under Section 16-111.5 of the Public Utilities
18 Act. The Agency shall consider stakeholder feedback when
19 making adjustments to the Adjustable Block design and
20 shall notify stakeholders in advance of any planned
21 changes.

22 The Agency and its program administrators for both the
23 Adjustable Block program and the Illinois Solar for All
24 Program, consistent with the requirements of this
25 subsection (c) and subsection (b) of Section 1-56 of this
26 Act, shall propose the Adjustable Block program terms,

1 conditions, and requirements, including the prices to be
2 paid for renewable energy credits, where applicable, and
3 requirements applicable to participating entities and
4 project applications, through the development, review, and
5 approval of the Agency's long-term renewable resources
6 procurement plan described in this subsection (c) and
7 paragraph (5) of subsection (b) of Section 16-111.5 of the
8 Public Utilities Act. Terms, conditions, and requirements
9 for program participation shall include the following:

10 (i) The Agency shall establish a registration
11 process for entities seeking to qualify for
12 program-administered incentive funding and establish
13 baseline qualifications for vendor approval. The
14 Agency must maintain a list of approved entities on
15 each program's website, and may revoke a vendor's
16 ability to receive program-administered incentive
17 funding status upon a determination that the vendor
18 failed to comply with contract terms, the law, or
19 other program requirements.

20 (ii) The Agency shall establish program
21 requirements and minimum contract terms to ensure
22 projects are properly installed and produce their
23 expected amounts of energy. Program requirements may
24 include on-site inspections and photo documentation of
25 projects under construction. The Agency may require
26 repairs, alterations, or additions to remedy any

1 material deficiencies discovered. Vendors who have a
2 disproportionately high number of deficient systems
3 may lose their eligibility to continue to receive
4 State-administered incentive funding through Agency
5 programs and procurements.

6 (iii) To discourage deceptive marketing or other
7 bad faith business practices, the Agency may require
8 direct program participants, including agents
9 operating on their behalf, to provide standardized
10 disclosures to a customer prior to that customer's
11 execution of a contract for the development of a
12 distributed generation system or a subscription to a
13 community solar project.

14 (iv) The Agency shall establish one or multiple
15 Consumer Complaints Centers to accept complaints
16 regarding businesses that participate in, or otherwise
17 benefit from, State-administered incentive funding
18 through Agency-administered programs. The Agency shall
19 maintain a public database of complaints with any
20 confidential or particularly sensitive information
21 redacted from public entries.

22 (v) Through a filing in the proceeding for the
23 approval of its long-term renewable energy resources
24 procurement plan, the Agency shall provide an annual
25 written report to the Illinois Commerce Commission
26 documenting the frequency and nature of complaints and

1 any enforcement actions taken in response to those
2 complaints.

3 (vi) The Agency shall schedule regular meetings
4 with representatives of the Office of the Attorney
5 General, the Illinois Commerce Commission, consumer
6 protection groups, and other interested stakeholders
7 to share relevant information about consumer
8 protection, project compliance, and complaints
9 received.

10 (vii) To the extent that complaints received
11 implicate the jurisdiction of the Office of the
12 Attorney General, the Illinois Commerce Commission, or
13 local, State, or federal law enforcement, the Agency
14 shall also refer complaints to those entities as
15 appropriate.

16 (N) The Agency shall establish the terms, conditions,
17 and program requirements for photovoltaic community
18 renewable generation projects with a goal to expand access
19 to a broader group of energy consumers, to ensure robust
20 participation opportunities for residential and small
21 commercial customers and those who cannot install
22 renewable energy on their own properties. Subject to
23 reasonable limitations, any plan approved by the
24 Commission shall allow subscriptions to community
25 renewable generation projects to be portable and
26 transferable. For purposes of this subparagraph (N),

1 "portable" means that subscriptions may be retained by the
2 subscriber even if the subscriber relocates or changes its
3 address within the same utility service territory; and
4 "transferable" means that a subscriber may assign or sell
5 subscriptions to another person within the same utility
6 service territory.

7 Through the development of its long-term renewable
8 resources procurement plan, the Agency may consider
9 whether community renewable generation projects utilizing
10 technologies other than photovoltaics should be supported
11 through State-administered incentive funding, and may
12 issue requests for information to gauge market demand.

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

18 The Agency shall purchase renewable energy credits
19 from subscribed shares of photovoltaic community renewable
20 generation projects through the Adjustable Block program
21 described in subparagraph (K) of this paragraph (1) or
22 through the Illinois Solar for All Program described in
23 Section 1-56 of this Act. The electric utility shall
24 purchase any unsubscribed energy from community renewable
25 generation projects that are Qualifying Facilities ("QF")
26 under the electric utility's tariff for purchasing the

1 output from QFs under Public Utilities Regulatory Policies
2 Act of 1978.

3 The owners of and any subscribers to a community
4 renewable generation project shall not be considered
5 public utilities or alternative retail electricity
6 suppliers under the Public Utilities Act solely as a
7 result of their interest in or subscription to a community
8 renewable generation project and shall not be required to
9 become an alternative retail electric supplier by
10 participating in a community renewable generation project
11 with a public utility.

12 (O) For the delivery year beginning June 1, 2018, the
13 long-term renewable resources procurement plan required by
14 this subsection (c) shall provide for the Agency to
15 procure contracts to continue offering the Illinois Solar
16 for All Program described in subsection (b) of Section
17 1-56 of this Act, and the contracts approved by the
18 Commission shall be executed by the utilities that are
19 subject to this subsection (c). The long-term renewable
20 resources procurement plan shall allocate up to
21 \$50,000,000 per delivery year to fund the programs, and
22 the plan shall determine the amount of funding to be
23 apportioned to the programs identified in subsection (b)
24 of Section 1-56 of this Act; provided that for the
25 delivery years beginning June 1, 2021, June 1, 2022, and
26 June 1, 2023, the long-term renewable resources

1 procurement plan may average the annual budgets over a
2 3-year period to account for program ramp-up. For the
3 delivery years beginning June 1, 2021, June 1, 2024, June
4 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
5 be provided to the Department of Commerce and Economic
6 Opportunity to implement the workforce development
7 programs and reporting as outlined in Section 16-108.12 of
8 the Public Utilities Act. In making the determinations
9 required under this subparagraph (O), the Commission shall
10 consider the experience and performance under the programs
11 and any evaluation reports. The Commission shall also
12 provide for an independent evaluation of those programs on
13 a periodic basis that are funded under this subparagraph
14 (O).

15 (P) All programs and procurements under this
16 subsection (c) shall be designed to encourage
17 participating projects to use a diverse and equitable
18 workforce and a diverse set of contractors, including
19 minority-owned businesses, disadvantaged businesses,
20 trade unions, graduates of any workforce training programs
21 administered under this Act, and small businesses.

22 The Agency shall develop a method to optimize
23 procurement of renewable energy credits from proposed
24 utility-scale projects that are located in communities
25 eligible to receive Energy Transition Community Grants
26 pursuant to Section 10-20 of the Energy Community

1 Reinvestment Act. If this requirement conflicts with other
2 provisions of law or the Agency determines that full
3 compliance with the requirements of this subparagraph (P)
4 would be unreasonably costly or administratively
5 impractical, the Agency is to propose alternative
6 approaches to achieve development of renewable energy
7 resources in communities eligible to receive Energy
8 Transition Community Grants pursuant to Section 10-20 of
9 the Energy Community Reinvestment Act or seek an exemption
10 from this requirement from the Commission.

11 (P-5) Notwithstanding any other provision of law, in
12 all competitive procurements conducted by the Agency after
13 the effective date of this amendatory Act of the 103rd
14 General Assembly for the procurement of redeveloper energy
15 storage capacity, the Agency, in ranking the bids for
16 evaluation and selection, shall apply a downward bid price
17 adjustment equivalent to the bid adjustment described in
18 Section 5.4.3 of its 2024 Long-Term Renewable Resources
19 Procurement Plan, as approved by the Illinois Commerce
20 Commission, to any bid submitted by a redeveloper in a
21 redeveloper energy storage capacity procurement for any
22 project that is located or proposed to be located at a site
23 connecting to existing electric utility infrastructure at
24 a switchyard in this State that is located within the
25 property boundaries or within a 2-mile radius of the
26 property boundaries of the redeveloper's fossil-fueled

1 generating plant site that was retired subsequent to
2 December 31, 2015 or that is an electric generating unit
3 or large greenhouse gas-emitting unit that is subject to
4 subsection (i) of Section 9.15 of the Environmental
5 Protection Act, and that (i) is located or proposed to be
6 located within 2 miles of an equity investment eligible
7 community, as defined by the Illinois Power Agency
8 pursuant to this Act, (ii) is located or proposed to be
9 located within an area that was identified by the Illinois
10 Power Agency as an Energy Transition Grant Area in
11 Appendix 16 of the Illinois Power Agency's final Fall 2023
12 Renewable Energy Credit Request for Proposal Documents,
13 dated September 29, 2023, or (iii) has submitted an
14 interconnection request with the applicable regional
15 transmission organization or independent transmission
16 system operator for the redeveloper's proposed energy
17 storage resource. If a proposed energy storage resource
18 for which a bid is submitted in a redeveloper energy
19 storage capacity procurement event described in this
20 paragraph meets 2 or more of the 3 enumerated criterion
21 set forth in the preceding sentence, the Agency shall
22 apply the bid price adjustment 2 times in ranking and
23 evaluating that bid submitted by the project. It is the
24 intent of the General Assembly in enacting this paragraph
25 to (i) provide a preference for projects located or to be
26 located in areas which the General Assembly hereby finds

1 and concludes have experienced or will experience adverse
2 economic and employment impacts due to a closure of a
3 fossil-fueled power plant, which closures the General
4 Assembly hereby finds have helped to advance the State's
5 decarbonization goals, and which bid adjustment will help
6 to provide a just transition for the areas in which closed
7 fossil-fueled power plants are located, (ii) provide a
8 preference for projects that are located in either an
9 environmental justice community or an R3 program
10 community, as those terms are defined or described in the
11 this Act, and (iii) provide a preference for projects that
12 have applied and entered into the interconnection queue
13 with the applicable regional transmission organization or
14 independent system operator and can therefore more quickly
15 meet commercial operation timelines and provide needed
16 resources and reliability to consumers.

17 (Q) Each facility listed in subitems (i) through (ix)
18 of item (1) of this subparagraph (Q) for which a renewable
19 energy credit delivery contract is signed after the
20 effective date of this amendatory Act of the 102nd General
21 Assembly is subject to the following requirements through
22 the Agency's long-term renewable resources procurement
23 plan:

24 (1) Each facility shall be subject to the
25 prevailing wage requirements included in the
26 Prevailing Wage Act. The Agency shall require

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

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

17 (ii) all new utility-scale photovoltaic
18 projects;

19 (iii) all new brownfield photovoltaic
20 projects;

21 (iv) all new photovoltaic community renewable
22 energy facilities and any associated energy
23 storage systems that qualify for item (iii) of
24 subparagraph (K) of this paragraph (1);

25 (v) all new community driven community
26 photovoltaic projects and any associated energy

1 storage systems that qualify for item (v) of
2 subparagraph (K) of this paragraph (1);

3 (vi) all new photovoltaic projects on public
4 school land that qualify for item (iv) of
5 subparagraph (K) of this paragraph (1);

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

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

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

26 (2) Renewable energy credits procured from new

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

21 (3) It is the intent of this Section to ensure that
22 economic development occurs across Illinois
23 communities, that emerging businesses may grow, and
24 that there is improved access to the clean energy
25 economy by persons who have greater economic burdens
26 to success. The Agency shall take into consideration

1 the unique cost of compliance of this subparagraph (Q)
2 that might be borne by equity eligible contractors,
3 shall include such costs when determining the price of
4 renewable energy credits in the Adjustable Block
5 program, and shall take such costs into consideration
6 in a nondiscriminatory manner when comparing bids for
7 competitive procurements. The Agency shall consider
8 costs associated with compliance whether in the
9 development, financing, or construction of projects.
10 The Agency shall periodically review the assumptions
11 in these costs and may adjust prices, in compliance
12 with subparagraph (M) of this paragraph (1).

13 (R) In its long-term renewable resources procurement
14 plan, the Agency shall establish a self-direct renewable
15 portfolio standard compliance program for eligible
16 self-direct customers that purchase renewable energy
17 credits from utility-scale wind and solar projects through
18 long-term agreements for purchase of renewable energy
19 credits as described in this Section. Such long-term
20 agreements may include the purchase of energy or other
21 products on a physical or financial basis and may involve
22 an alternative retail electric supplier as defined in
23 Section 16-102 of the Public Utilities Act. This program
24 shall take effect in the delivery year commencing June 1,
25 2023.

26 (1) For the purposes of this subparagraph:

1 "Eligible self-direct customer" means any retail
2 customers of an electric utility that serves 3,000,000
3 or more retail customers in the State and whose total
4 highest 30-minute demand was more than 10,000
5 kilowatts, or any retail customers of an electric
6 utility that serves less than 3,000,000 retail
7 customers but more than 500,000 retail customers in
8 the State and whose total highest 15-minute demand was
9 more than 10,000 kilowatts.

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

19 (2) For renewable energy credits to count toward
20 the self-direct renewable portfolio standard
21 compliance program, they must:

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

24 (ii) be sourced from one or more renewable
25 energy generating facilities that comply with the
26 geographic requirements as set forth in

1 subparagraph (I) of paragraph (1) of subsection
2 (c) as interpreted through the Agency's long-term
3 renewable resources procurement plan, or, where
4 applicable, the geographic requirements that
5 governed utility-scale renewable energy credits at
6 the time the eligible self-direct customer entered
7 into the applicable renewable energy credit
8 purchase agreement;

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

18 (iv) be equivalent in volume to at least 40%
19 of the eligible self-direct customer's usage,
20 determined annually by the eligible self-direct
21 customer's usage during the previous delivery
22 year, measured to the nearest megawatt-hour;

23 (v) be retired by or on behalf of the large
24 energy customer;

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

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

9 (3) The self-direct renewable portfolio standard
10 compliance program shall be designed to allow eligible
11 self-direct customers to procure new renewable energy
12 credits from new utility-scale wind projects or new
13 utility-scale photovoltaic projects. The Agency shall
14 annually determine the amount of utility-scale
15 renewable energy credits it will include each year
16 from the self-direct renewable portfolio standard
17 compliance program, subject to receiving qualifying
18 applications. In making this determination, the Agency
19 shall evaluate publicly available analyses and studies
20 of the potential market size for utility-scale
21 renewable energy long-term purchase agreements by
22 commercial and industrial energy customers and make
23 that report publicly available. If demand for
24 participation in the self-direct renewable portfolio
25 standard compliance program exceeds availability, the
26 Agency shall ensure participation is evenly split

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

19 (4) The Commission shall approve a reduction in
20 the volumetric charges collected pursuant to Section
21 16-108 of the Public Utilities Act for approved
22 eligible self-direct customers equivalent to the
23 anticipated cost of renewable energy credit deliveries
24 under contracts for new utility-scale wind and new
25 utility-scale solar entered for each delivery year
26 after the large energy customer begins retiring

1 eligible new utility scale renewable energy credits
2 for self-compliance. The self-direct credit amount
3 shall be determined annually and is equal to the
4 estimated portion of the cost authorized by
5 subparagraph (E) of paragraph (1) of this subsection
6 (c) that supported the annual procurement of
7 utility-scale renewable energy credits in the prior
8 delivery year using a methodology described in the
9 long-term renewable resources procurement plan,
10 expressed on a per kilowatthour basis, and does not
11 include (i) costs associated with any contracts
12 entered into before the delivery year in which the
13 customer files the initial compliance report to be
14 eligible for participation in the self-direct program,
15 and (ii) costs associated with procuring renewable
16 energy credits through existing and future contracts
17 through the Adjustable Block Program, subsection (c-5)
18 of this Section 1-75, and the Solar for All Program.
19 The Agency shall assist the Commission in determining
20 the current and future costs. The Agency must
21 determine the self-direct credit amount for new and
22 existing eligible self-direct customers and submit
23 this to the Commission in an annual compliance filing.
24 The Commission must approve the self-direct credit
25 amount by June 1, 2023 and June 1 of each delivery year
26 thereafter.

1 (5) Customers described in this subparagraph (R)
2 shall apply, on a form developed by the Agency, to the
3 Agency to be designated as a self-direct eligible
4 customer. Once the Agency determines that a
5 self-direct customer is eligible for participation in
6 the program, the self-direct customer will remain
7 eligible until the end of the term of the contract.
8 Thereafter, application may be made not less than 12
9 months before the filing date of the long-term
10 renewable resources procurement plan described in this
11 Act. At a minimum, such application shall contain the
12 following:

13 (i) the customer's certification that, at the
14 time of the customer's application, the customer
15 qualifies to be a self-direct eligible customer,
16 including documents demonstrating that
17 qualification;

18 (ii) the customer's certification that the
19 customer has entered into or will enter into by
20 the beginning of the applicable procurement year,
21 one or more bilateral contracts for new wind
22 projects or new photovoltaic projects, including
23 supporting documentation;

24 (iii) certification that the contract or
25 contracts for new renewable energy resources are
26 long-term contracts with term lengths of at least

1 10 years, including supporting documentation;

2 (iv) certification of the quantities of
3 renewable energy credits that the customer will
4 purchase each year under such contract or
5 contracts, including supporting documentation;

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

11 (vi) certification that the customer intends
12 to maintain the contract for the duration of the
13 length of the contract.

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

1 program.

2 (2) (Blank).

3 (3) (Blank).

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

6 (5) Beginning with the 2010 delivery year and ending
7 June 1, 2017, an electric utility subject to this
8 subsection (c) shall apply the lesser of the maximum
9 alternative compliance payment rate or the most recent
10 estimated alternative compliance payment rate for its
11 service territory for the corresponding compliance period,
12 established pursuant to subsection (d) of Section 16-115D
13 of the Public Utilities Act to its retail customers that
14 take service pursuant to the electric utility's hourly
15 pricing tariff or tariffs. The electric utility shall
16 retain all amounts collected as a result of the
17 application of the alternative compliance payment rate or
18 rates to such customers, and, beginning in 2011, the
19 utility shall include in the information provided under
20 item (1) of subsection (d) of Section 16-111.5 of the
21 Public Utilities Act the amounts collected under the
22 alternative compliance payment rate or rates for the prior
23 year ending May 31. Notwithstanding any limitation on the
24 procurement of renewable energy resources imposed by item
25 (2) of this subsection (c), the Agency shall increase its
26 spending on the purchase of renewable energy resources to

1 be procured by the electric utility for the next plan year
2 by an amount equal to the amounts collected by the utility
3 under the alternative compliance payment rate or rates in
4 the prior year ending May 31.

5 (6) The electric utility shall be entitled to recover
6 all of its costs associated with the procurement of
7 renewable energy credits under plans approved under this
8 Section and Section 16-111.5 of the Public Utilities Act.
9 These costs shall include associated reasonable expenses
10 for implementing the procurement programs, including, but
11 not limited to, the costs of administering and evaluating
12 the Adjustable Block program, through an automatic
13 adjustment clause tariff in accordance with subsection (k)
14 of Section 16-108 of the Public Utilities Act.

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

23 In meeting the renewable energy requirements of this
24 subsection (c), to the extent feasible and consistent with
25 State and federal law, the renewable energy credit
26 procurements, Adjustable Block solar program, and

1 community renewable generation program shall provide
2 employment opportunities for all segments of the
3 population and workforce, including minority-owned and
4 female-owned business enterprises, and shall not,
5 consistent with State and federal law, discriminate based
6 on race or socioeconomic status.

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

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

1 pursuant to this subsection (c-5) may be included or
2 counted for purposes of compliance with the amounts of
3 renewable energy credits required to be procured pursuant
4 to subsection (c) of this Section to the extent that there
5 are otherwise shortfalls in compliance with such
6 requirements. The procurement of renewable energy credits
7 by electric utilities pursuant to this subsection (c-5)
8 shall be funded solely by revenues collected from the Coal
9 to Solar and Energy Storage Initiative Charge provided for
10 in this subsection (c-5) and subsection (i-5) of Section
11 16-108 of the Public Utilities Act, shall not be funded by
12 revenues collected through any of the other funding
13 mechanisms provided for in subsection (c) of this Section,
14 and shall not be subject to the limitation imposed by
15 subsection (c) on charges to retail customers for costs to
16 procure renewable energy resources pursuant to subsection
17 (c), and shall not be subject to any other requirements or
18 limitations of subsection (c).

19 (2) The Agency shall conduct 2 procurement events to
20 select owners of electric generating facilities meeting
21 the eligibility criteria specified in this subsection
22 (c-5) to enter into long-term contracts to sell renewable
23 energy credits to electric utilities serving more than
24 300,000 retail customers in this State as of January 1,
25 2019. The first procurement event shall be conducted no
26 later than March 31, 2022, unless the Agency elects to

1 delay it, until no later than May 1, 2022, due to its
2 overall volume of work, and shall be to select owners of
3 electric generating facilities located in this State and
4 south of federal Interstate Highway 80 that meet the
5 eligibility criteria specified in this subsection (c-5).
6 The second procurement event shall be conducted no sooner
7 than September 30, 2022 and no later than October 31, 2022
8 and shall be to select owners of electric generating
9 facilities located anywhere in this State that meet the
10 eligibility criteria specified in this subsection (c-5).
11 The Agency shall establish and announce a time period,
12 which shall begin no later than 30 days prior to the
13 scheduled date for the procurement event, during which
14 applicants may submit applications to be selected as
15 suppliers of renewable energy credits pursuant to this
16 subsection (c-5). The eligibility criteria for selection
17 as a supplier of renewable energy credits pursuant to this
18 subsection (c-5) shall be as follows:

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

1 procurement event.

2 (B) The applicant is not (i) an electric
3 cooperative as defined in Section 3-119 of the Public
4 Utilities Act, or (ii) an entity described in
5 subsection (b)(1) of Section 3-105 of the Public
6 Utilities Act, or an association or consortium of or
7 an entity owned by entities described in (i) or (ii);
8 and the coal-fueled electric generating facility was
9 at one time owned, in whole or in part, by a public
10 utility as defined in Section 3-105 of the Public
11 Utilities Act.

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

1 generating facility identified in paragraph (A) is
2 located: (i) a new renewable energy facility of at
3 least 5 megawatts but no more than 20 megawatts of
4 electric generating capacity, and (ii) an energy
5 storage facility having a storage capacity equal to at
6 least 0.5 megawatts and at most one megawatt.

7 (D) The applicant agrees that the new renewable
8 energy facility and the energy storage facility will
9 be constructed or installed by a qualified entity or
10 entities in compliance with the requirements of
11 subsection (g) of Section 16-128A of the Public
12 Utilities Act and any rules adopted thereunder.

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

1 (F) The applicant commits that not less than the
2 prevailing wage, as determined pursuant to the
3 Prevailing Wage Act, will be paid to the applicant's
4 employees engaged in construction activities
5 associated with the new renewable energy facility and
6 the new energy storage facility and to the employees
7 of applicant's contractors engaged in construction
8 activities associated with the new renewable energy
9 facility and the new energy storage facility, and
10 that, on or before the commercial operation date of
11 the new renewable energy facility, the applicant shall
12 file a report with the Agency certifying that the
13 requirements of this subparagraph (F) have been met.

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

25 (H) The applicant commits to enter into a contract
26 or contracts for the applicable duration to provide

1 specified numbers of renewable energy credits each
2 year from the new renewable energy facility to
3 electric utilities that served more than 300,000
4 retail customers in this State as of January 1, 2019,
5 at a price of \$30 per renewable energy credit. The
6 price per renewable energy credit shall be fixed at
7 \$30 for the applicable duration and the renewable
8 energy credits shall not be indexed renewable energy
9 credits as provided for in item (v) of subparagraph
10 (G) of paragraph (1) of subsection (c) of Section 1-75
11 of this Act. The applicable duration of each contract
12 shall be 20 years, unless the applicant is physically
13 interconnected to the PJM Interconnection, LLC
14 transmission grid and had a generating capacity of at
15 least 1,200 megawatts as of January 1, 2021, in which
16 case the applicable duration of the contract shall be
17 15 years.

18 (I) The applicant's application is certified by an
19 officer of the applicant and by an officer of the
20 applicant's ultimate parent company, if any.

21 (3) An applicant may submit applications to contract
22 to supply renewable energy credits from more than one new
23 renewable energy facility to be constructed at or adjacent
24 to one or more qualifying electric generating facilities
25 owned by the applicant. The Agency may select new
26 renewable energy facilities to be located at or adjacent

1 to the sites of more than one qualifying electric
2 generation facility owned by an applicant to contract with
3 electric utilities to supply renewable energy credits from
4 such facilities.

5 (4) The Agency shall assess fees to each applicant to
6 recover the Agency's costs incurred in receiving and
7 evaluating applications, conducting the procurement event,
8 developing contracts for sale, delivery and purchase of
9 renewable energy credits, and monitoring the
10 administration of such contracts, as provided for in this
11 subsection (c-5), including fees paid to a procurement
12 administrator retained by the Agency for one or more of
13 these purposes.

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

1 the second procurement event, the Agency shall select
2 applicants and new renewable energy facilities to supply
3 renewable energy credits, at a price of \$30 per renewable
4 energy credit, aggregating to no more than 625,000
5 renewable energy credits per year less the amount of
6 renewable energy credits each year contracted for as a
7 result of the first procurement event, for the applicable
8 durations. The number of renewable energy credits to be
9 procured as specified in this paragraph (5) shall not be
10 reduced based on renewable energy credits procured in the
11 self-direct renewable energy credit compliance program
12 established pursuant to subparagraph (R) of paragraph (1)
13 of subsection (c) of Section 1-75.

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

1 new renewable energy facility to be constructed and
2 operated by the applicant, with the sale and purchase
3 obligations under the contracts to aggregate to the total
4 number of renewable energy credits per year to be supplied
5 by the applicant from the new renewable energy facility.

6 (7) The Agency shall submit its proposed selection of
7 applicants, new renewable energy facilities to be
8 constructed, and renewable energy credit amounts for each
9 procurement event to the Commission for approval. The
10 Commission shall, within 2 business days after receipt of
11 the Agency's proposed selections, approve the proposed
12 selections if it determines that the applicants and the
13 new renewable energy facilities to be constructed meet the
14 selection criteria set forth in this subsection (c-5) and
15 that the Agency seeks approval for contracts of applicable
16 durations aggregating to no more than the maximum amount
17 of renewable energy credits per year authorized by this
18 subsection (c-5) for the procurement event, at a price of
19 \$30 per renewable energy credit.

20 (8) The Agency, in conjunction with its procurement
21 administrator if one is retained, the electric utilities,
22 and potential applicants for contracts to produce and
23 supply renewable energy credits pursuant to this
24 subsection (c-5), shall develop a standard form contract
25 for the sale, delivery and purchase of renewable energy
26 credits pursuant to this subsection (c-5). Each contract

1 resulting from the first procurement event shall allow for
2 a commercial operation date for the new renewable energy
3 facility of either June 1, 2023 or June 1, 2024, with such
4 dates subject to adjustment as provided in this paragraph.
5 Each contract resulting from the second procurement event
6 shall provide for a commercial operation date on June 1
7 next occurring up to 48 months after execution of the
8 contract. Each contract shall provide that the owner shall
9 receive payments for renewable energy credits for the
10 applicable durations beginning with the commercial
11 operation date of the new renewable energy facility. The
12 form contract shall provide for adjustments to the
13 commercial operation and payment start dates as needed due
14 to any delays in completing the procurement and
15 contracting processes, in finalizing interconnection
16 agreements and installing interconnection facilities, and
17 in obtaining other necessary governmental permits and
18 approvals. The form contract shall be, to the maximum
19 extent possible, consistent with standard electric
20 industry contracts for sale, delivery, and purchase of
21 renewable energy credits while taking into account the
22 specific requirements of this subsection (c-5). The form
23 contract shall provide for over-delivery and
24 under-delivery of renewable energy credits within
25 reasonable ranges during each 12-month period and penalty,
26 default, and enforcement provisions for failure of the

1 selling party to deliver renewable energy credits as
2 specified in the contract and to comply with the
3 requirements of this subsection (c-5). The standard form
4 contract shall specify that all renewable energy credits
5 delivered to the electric utility pursuant to the contract
6 shall be retired. The Agency shall make the proposed
7 contracts available for a reasonable period for comment by
8 potential applicants, and shall publish the final form
9 contract at least 30 days before the date of the first
10 procurement event.

11 (9) Coal to Solar and Energy Storage Initiative
12 Charge.

13 (A) By no later than July 1, 2022, each electric
14 utility that served more than 300,000 retail customers
15 in this State as of January 1, 2019 shall file a tariff
16 with the Commission for the billing and collection of
17 a Coal to Solar and Energy Storage Initiative Charge
18 in accordance with subsection (i-5) of Section 16-108
19 of the Public Utilities Act, with such tariff to be
20 effective, following review and approval or
21 modification by the Commission, beginning January 1,
22 2023. The tariff shall provide for the calculation and
23 setting of the electric utility's Coal to Solar and
24 Energy Storage Initiative Charge to collect revenues
25 estimated to be sufficient, in the aggregate, (i) to
26 enable the electric utility to pay for the renewable

1 energy credits it has contracted to purchase in the
2 delivery year beginning June 1, 2023 and each delivery
3 year thereafter from new renewable energy facilities
4 located at the sites of qualifying electric generating
5 facilities, and (ii) to fund the grant payments to be
6 made in each delivery year by the Department of
7 Commerce and Economic Opportunity, or any successor
8 department or agency, which shall be referred to in
9 this subsection (c-5) as the Department, pursuant to
10 paragraph (10) of this subsection (c-5). The electric
11 utility's tariff shall provide for the billing and
12 collection of the Coal to Solar and Energy Storage
13 Initiative Charge on each kilowatthour of electricity
14 delivered to its delivery services customers within
15 its service territory and shall provide for an annual
16 reconciliation of revenues collected with actual
17 costs, in accordance with subsection (i-5) of Section
18 16-108 of the Public Utilities Act.

19 (B) Each electric utility shall remit on a monthly
20 basis to the State Treasurer, for deposit in the Coal
21 to Solar and Energy Storage Initiative Fund provided
22 for in this subsection (c-5), the electric utility's
23 collections of the Coal to Solar and Energy Storage
24 Initiative Charge in the amount estimated to be needed
25 by the Department for grant payments pursuant to grant
26 contracts entered into by the Department pursuant to

1 paragraph (10) of this subsection (c-5).

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

3 (A) The Coal to Solar and Energy Storage
4 Initiative Fund is established as a special fund in
5 the State treasury. The Coal to Solar and Energy
6 Storage Initiative Fund is authorized to receive, by
7 statutory deposit, that portion specified in item (B)
8 of paragraph (9) of this subsection (c-5) of moneys
9 collected by electric utilities through imposition of
10 the Coal to Solar and Energy Storage Initiative Charge
11 required by this subsection (c-5). The Coal to Solar
12 and Energy Storage Initiative Fund shall be
13 administered by the Department to provide grants to
14 support the installation and operation of energy
15 storage facilities at the sites of qualifying electric
16 generating facilities meeting the criteria specified
17 in this paragraph (10).

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

1 this paragraph (10).

2 (C) The Department shall utilize up to
3 \$280,500,000 in the Coal to Solar and Energy Storage
4 Initiative Fund for grants, assuming sufficient
5 qualifying applicants, to support installation of
6 energy storage facilities at the sites of up to 3
7 qualifying electric generating facilities located in
8 the Midcontinent Independent System Operator, Inc.,
9 region in Illinois and the sites of up to 2 qualifying
10 electric generating facilities located in the PJM
11 Interconnection, LLC region in Illinois that meet the
12 criteria set forth in this subparagraph (C). The
13 criteria for receipt of a grant pursuant to this
14 subparagraph (C) are as follows:

15 (1) the electric generating facility at the
16 site has, or had prior to retirement, an electric
17 generating capacity of at least 150 megawatts;

18 (2) the electric generating facility burns (or
19 burned prior to retirement) coal as its primary
20 source of fuel;

21 (3) if the electric generating facility is
22 retired, it was retired subsequent to January 1,
23 2016;

24 (4) the owner of the electric generating
25 facility has not been selected by the Agency
26 pursuant to this subsection (c-5) of this Section

1 to enter into a contract to sell renewable energy
2 credits to one or more electric utilities from a
3 new renewable energy facility located or to be
4 located at or adjacent to the site at which the
5 electric generating facility is located;

6 (5) the electric generating facility located
7 at the site was at one time owned, in whole or in
8 part, by a public utility as defined in Section
9 3-105 of the Public Utilities Act;

10 (6) the electric generating facility at the
11 site is not owned by (i) an electric cooperative
12 as defined in Section 3-119 of the Public
13 Utilities Act, or (ii) an entity described in
14 subsection (b)(1) of Section 3-105 of the Public
15 Utilities Act, or an association or consortium of
16 or an entity owned by entities described in items
17 (i) or (ii);

18 (7) the proposed energy storage facility at
19 the site will have energy storage capacity of at
20 least 37 megawatts;

21 (8) the owner commits to place the energy
22 storage facility into commercial operation on
23 either June 1, 2023, June 1, 2024, or June 1, 2025,
24 with such date subject to adjustment as needed due
25 to any delays in completing the grant contracting
26 process, in finalizing interconnection agreements

1 and in installing interconnection facilities, and
2 in obtaining necessary governmental permits and
3 approvals;

4 (9) the owner agrees that the new energy
5 storage facility will be constructed or installed
6 by a qualified entity or entities consistent with
7 the requirements of subsection (g) of Section
8 16-128A of the Public Utilities Act and any rules
9 adopted under that Section;

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

24 (11) the owner commits that not less than the
25 prevailing wage, as determined pursuant to the
26 Prevailing Wage Act, will be paid to the owner's

1 employees engaged in construction activities
2 associated with the new energy storage facility
3 and to the employees of the owner's contractors
4 engaged in construction activities associated with
5 the new energy storage facility, and that, on or
6 before the commercial operation date of the new
7 energy storage facility, the owner shall file a
8 report with the Department certifying that the
9 requirements of this subparagraph (11) have been
10 met; and

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

22 The Department shall accept applications for this
23 grant program until March 31, 2022 and shall announce
24 the award of grants no later than June 1, 2022. The
25 Department shall make the grant payments to a
26 recipient in equal annual amounts for 10 years

1 following the date the energy storage facility is
2 placed into commercial operation. The annual grant
3 payments to a qualifying energy storage facility shall
4 be \$110,000 per megawatt of energy storage capacity,
5 with total annual grant payments pursuant to this
6 subparagraph (C) for qualifying energy storage
7 facilities not to exceed \$28,050,000 in any year.

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

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

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

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

22 (B) For purposes of this paragraph (11), diversity
23 composition shall be based on the percentage, which
24 shall be a minimum of 25%, of eligible expenditures
25 for contract awards for materials and services (which
26 shall be defined in the plan) to business enterprises

1 owned by minority persons, women, or persons with
2 disabilities as defined in Section 2 of the Business
3 Enterprise for Minorities, Women, and Persons with
4 Disabilities Act, to LGBTQ business enterprises, to
5 veteran-owned business enterprises, and to business
6 enterprises located in environmental justice
7 communities. The diversity composition goals of the
8 plan may include eligible expenditures in areas for
9 vendor or supplier opportunities in addition to
10 development and construction of the project, and may
11 exclude from eligible expenditures materials and
12 services with limited market availability, limited
13 production and availability from suppliers in the
14 United States, such as solar panels and storage
15 batteries, and material and services that are subject
16 to critical energy infrastructure or cybersecurity
17 requirements or restrictions. The plan may provide
18 that the diversity composition goals may be met
19 through Tier 1 Direct or Tier 2 subcontracting
20 expenditures or a combination thereof for the project.

21 (C) The plan shall provide for, but not be limited
22 to: (i) internal initiatives, including multi-tier
23 initiatives, by the applicant or owner, or by its
24 engineering, procurement and construction contractor
25 if one is used for the project, which for purposes of
26 this paragraph (11) shall be referred to as the EPC

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

25 (D) The applicant or owner may submit a revised or
26 updated plan to the Commission from time to time as

1 circumstances warrant. The applicant or owner shall
2 file annual reports with the Commission detailing the
3 applicant's or owner's progress in implementing its
4 plan and achieving its goals and any modifications the
5 applicant or owner has made to its plan to better
6 achieve its diversity, equity and inclusion goals. The
7 applicant or owner shall file a final report on the
8 fifth June 1 following the commercial operation date
9 of the new renewable energy resource or new energy
10 storage facility, but the applicant or owner shall
11 thereafter continue to be subject to applicable
12 reporting requirements of Section 5-117 of the Public
13 Utilities Act.

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

1 advancing equity across Illinois by providing access to the
2 clean energy economy for businesses and workers from
3 communities that have been historically excluded from economic
4 opportunities in the energy sector, have been subject to
5 disproportionate levels of pollution, and have
6 disproportionately experienced negative public health
7 outcomes.

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

1 revised renewable energy resources procurement plan
2 submitted to the Commission for approval pursuant to
3 paragraph (5) of subsection (b) of Section 16-111.5 of the
4 Public Utilities Act. In determining these annual
5 increases, the Agency shall have the discretion to
6 establish different minimum equity standards for different
7 types of procurements and different regions of the State
8 if the Agency finds that doing so will further the
9 purposes of this subsection (c-10). The proposed schedule
10 of annual increases shall be revisited and updated on an
11 annual basis. Revisions shall be developed with
12 stakeholder input, including from equity eligible persons,
13 equity eligible contractors, clean energy industry
14 representatives, and community-based organizations that
15 work with such persons and contractors.

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

26 (B) Halfway through each delivery year, the Agency

1 shall require each entity participating in a
2 procurement program to confirm that it will achieve
3 compliance in that delivery year, when applicable. The
4 Agency may offer corrective action plans to entities
5 that are not on track to achieve compliance.

6 (C) At the end of each delivery year, each entity
7 participating and completing work in that delivery
8 year in a procurement program of subsection (c) shall
9 submit a report to the Agency that demonstrates how it
10 achieved compliance with the minimum equity standards
11 percentage for that delivery year.

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

1 (E) The Agency shall pursue efficiencies achieved
2 by combining with other approved vendor or designee
3 reporting.

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

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

1 designees under this subsection (c-10). In developing
2 these requirements, the Agency shall also consider whether
3 equity goals can be further advanced through additional
4 measures.

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

8 (A) The current status and number of equity
9 eligible contractors listed in the Energy Workforce
10 Equity Database designed in subsection (c-25),
11 including the number of equity eligible contractors
12 with current certifications as issued by the Agency.

13 (B) A mechanism for measuring, tracking, and
14 reporting project workforce at the approved vendor or
15 designee level, as applicable, which shall include a
16 measurement methodology and records to be made
17 available for audit by the Agency or the Program
18 Administrator.

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

26 (D) A process for certifying equity eligible

1 contractors and equity eligible persons. The
2 certification process shall coordinate with the Energy
3 Workforce Equity Database set forth in subsection
4 (c-25).

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

1 similarly situated applicants have been able to meet
2 these minimum equity commitments. For repeated waiver
3 requests for specific lack of eligible persons or
4 eligible contractors available, the Agency shall make
5 recommendations to target recruitment to add such
6 eligible persons or eligible contractors to the
7 database.

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

16 (6) The Agency shall keep confidential all information
17 and communication that provides private or personal
18 information.

19 (7) Modifications to the equity accountability system.
20 As part of the update of the long-term renewable resources
21 procurement plan to be initiated in 2023, or sooner if the
22 Agency deems necessary, the Agency shall determine the
23 extent to which the equity accountability system described
24 in this subsection (c-10) has advanced the goals of this
25 amendatory Act of the 102nd General Assembly, including
26 through the inclusion of equity eligible persons and

1 equity eligible contractors in renewable energy credit
2 projects. If the Agency finds that the equity
3 accountability system has failed to meet those goals to
4 its fullest potential, the Agency may revise the following
5 criteria for future Agency procurements: (A) the
6 percentage of project workforce, or other appropriate
7 workforce measure, certified as equity eligible persons or
8 equity eligible contractors; (B) definitions for equity
9 investment eligible persons and equity investment eligible
10 community; and (C) such other modifications necessary to
11 advance the goals of this amendatory Act of the 102nd
12 General Assembly effectively. Such revised criteria may
13 also establish distinct equity accountability systems for
14 different types of procurements or different regions of
15 the State if the Agency finds that doing so will further
16 the purposes of such programs. Revisions shall be
17 developed with stakeholder input, including from equity
18 eligible persons, equity eligible contractors, and
19 community-based organizations that work with such persons
20 and contractors.

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

23 (1) Purpose. It is the purpose of this subsection to
24 empower the Agency and other State actors to remedy racial
25 discrimination in Illinois' clean energy economy as
26 effectively and expediently as possible, including through

1 the use of race-conscious remedies, such as race-conscious
2 contracting and hiring goals, as consistent with State and
3 federal law.

4 (2) Racial disparity and discrimination review
5 process.

6 (A) Within one year after awarding contracts using
7 the equity actions processes established in this
8 Section, the Agency shall publish a report evaluating
9 the effectiveness of the equity actions point criteria
10 of this Section in increasing participation of equity
11 eligible persons and equity eligible contractors. The
12 report shall disaggregate participating workers and
13 contractors by race and ethnicity. The report shall be
14 forwarded to the Governor, the General Assembly, and
15 the Illinois Commerce Commission and be made available
16 to the public.

17 (B) As soon as is practicable thereafter, the
18 Agency, in consultation with the Department of
19 Commerce and Economic Opportunity, Department of
20 Labor, and other agencies that may be relevant, shall
21 commission and publish a disparity and availability
22 study that measures the presence and impact of
23 discrimination on minority businesses and workers in
24 Illinois' clean energy economy. The Agency may hire
25 consultants and experts to conduct the disparity and
26 availability study, with the retention of those

1 consultants and experts exempt from the requirements
2 of Section 20-10 of the Illinois Procurement Code. The
3 Illinois Power Agency shall forward a copy of its
4 findings and recommendations to the Governor, the
5 General Assembly, and the Illinois Commerce
6 Commission. If the disparity and availability study
7 establishes a strong basis in evidence that there is
8 discrimination in Illinois' clean energy economy, the
9 Agency, Department of Commerce and Economic
10 Opportunity, Department of Labor, Department of
11 Corrections, and other appropriate agencies shall take
12 appropriate remedial actions, including race-conscious
13 remedial actions as consistent with State and federal
14 law, to effectively remedy this discrimination. Such
15 remedies may include modification of the equity
16 accountability system as described in subsection
17 (c-10).

18 (c-20) Program data collection.

19 (1) Purpose. Data collection, data analysis, and
20 reporting are critical to ensure that the benefits of the
21 clean energy economy provided to Illinois residents and
22 businesses are equitably distributed across the State. The
23 Agency shall collect data from program applicants in order
24 to track and improve equitable distribution of benefits
25 across Illinois communities for all procurements the
26 Agency conducts. The Agency shall use this data to, among

1 other things, measure any potential impact of racial
2 discrimination on the distribution of benefits and provide
3 information necessary to correct any discrimination
4 through methods consistent with State and federal law.

5 (2) Agency collection of program data. The Agency
6 shall collect demographic and geographic data for each
7 entity awarded contracts under any Agency-administered
8 program. The Agency shall collect this data on an annual
9 basis for all systems energized during the applicable
10 annual period, but shall allow entities awarded contracts
11 under any Agency-administered program to elect to report
12 data exclusively on a project-by-project basis.

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

16 (A) demographic information, including racial or
17 ethnic identity for real persons employed, contracted,
18 or subcontracted through the program and owners of
19 businesses or entities that apply to receive renewable
20 energy credits from the Agency;

21 (B) geographic location of the residency of real
22 persons employed, contracted, or subcontracted through
23 the program and geographic location of the
24 headquarters of the business or entity that applies to
25 receive renewable energy credits from the Agency; and

26 (C) any other information the Agency determines is

1 necessary for the purpose of achieving the purpose of
2 this subsection.

3 (4) Publication of collected information. The Agency
4 shall publish, at least annually, information on the
5 demographics of program participants on an aggregate
6 basis.

7 (5) Nothing in this subsection shall be interpreted to
8 limit the authority of the Agency, or other agency or
9 department of the State, to require or collect demographic
10 information from applicants of other State programs.

11 (c-25) Energy Workforce Equity Database.

12 (1) The Agency, in consultation with the Department of
13 Commerce and Economic Opportunity, shall create an Energy
14 Workforce Equity Database, and may contract with a third
15 party to do so ("database program administrator"). If the
16 Department decides to contract with a third party, that
17 third party shall be exempt from the requirements of
18 Section 20-10 of the Illinois Procurement Code. The Energy
19 Workforce Equity Database shall be a searchable database
20 of suppliers, vendors, and subcontractors for clean energy
21 industries that is:

22 (A) publicly accessible;

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

24 (C) organized by company specialty or field;

25 (D) region-specific; and

26 (E) populated with information including, but not

1 limited to, contacts for suppliers, vendors, or
2 subcontractors who are minority and women-owned
3 business enterprise certified or who participate or
4 have participated in any of the programs described in
5 this Act.

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

9 (A) a map of environmental justice and equity
10 investment eligible communities;

11 (B) job postings and recruiting opportunities;

12 (C) a means by which recruiting clean energy
13 companies can find and interact with current or former
14 participants of clean energy workforce training
15 programs;

16 (D) information on workforce training service
17 providers and training opportunities available to
18 prospective workers;

19 (E) renewable energy company diversity reporting;

20 (F) a list of equity eligible contractors with
21 their contact information, types of work performed,
22 and locations worked in;

23 (G) reporting on outcomes of the programs
24 described in the workforce programs of the Energy
25 Transition Act, including information such as, but not
26 limited to, retention rate, graduation rate, and

1 placement rates of trainees; and

2 (H) information about the Jobs and Environmental
3 Justice Grant Program, the Clean Energy Jobs and
4 Justice Fund, and other sources of capital.

5 (3) The Agency shall ensure the database is regularly
6 updated to ensure information is current and shall
7 coordinate with the Department of Commerce and Economic
8 Opportunity to ensure that it includes information on
9 individuals and entities that are or have participated in
10 the Clean Jobs Workforce Network Program, Clean Energy
11 Contractor Incubator Program, Returning Residents Clean
12 Jobs Training Program, or Clean Energy Primes Contractor
13 Accelerator Program.

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

1 action plan and achieve compliance with the minimum equity
2 standards.

3 (d) Clean coal portfolio standard.

4 (1) The procurement plans shall include electricity
5 generated using clean coal. Each utility shall enter into
6 one or more sourcing agreements with the initial clean
7 coal facility, as provided in paragraph (3) of this
8 subsection (d), covering electricity generated by the
9 initial clean coal facility representing at least 5% of
10 each utility's total supply to serve the load of eligible
11 retail customers in 2015 and each year thereafter, as
12 described in paragraph (3) of this subsection (d), subject
13 to the limits specified in paragraph (2) of this
14 subsection (d). It is the goal of the State that by January
15 1, 2025, 25% of the electricity used in the State shall be
16 generated by cost-effective clean coal facilities. For
17 purposes of this subsection (d), "cost-effective" means
18 that the expenditures pursuant to such sourcing agreements
19 do not cause the limit stated in paragraph (2) of this
20 subsection (d) to be exceeded and do not exceed cost-based
21 benchmarks, which shall be developed to assess all
22 expenditures pursuant to such sourcing agreements covering
23 electricity generated by clean coal facilities, other than
24 the initial clean coal facility, by the procurement
25 administrator, in consultation with the Commission staff,
26 Agency staff, and the procurement monitor and shall be

1 subject to Commission review and approval.

2 A utility party to a sourcing agreement shall
3 immediately retire any emission credits that it receives
4 in connection with the electricity covered by such
5 agreement.

6 Utilities shall maintain adequate records documenting
7 the purchases under the sourcing agreement to comply with
8 this subsection (d) and shall file an accounting with the
9 load forecast that must be filed with the Agency by July 15
10 of each year, in accordance with subsection (d) of Section
11 16-111.5 of the Public Utilities Act.

12 A utility shall be deemed to have complied with the
13 clean coal portfolio standard specified in this subsection
14 (d) if the utility enters into a sourcing agreement as
15 required by this subsection (d).

16 (2) For purposes of this subsection (d), the required
17 execution of sourcing agreements with the initial clean
18 coal facility for a particular year shall be measured as a
19 percentage of the actual amount of electricity
20 (megawatt-hours) supplied by the electric utility to
21 eligible retail customers in the planning year ending
22 immediately prior to the agreement's execution. For
23 purposes of this subsection (d), the amount paid per
24 kilowatthour means the total amount paid for electric
25 service expressed on a per kilowatthour basis. For
26 purposes of this subsection (d), the total amount paid for

1 electric service includes without limitation amounts paid
2 for supply, transmission, distribution, surcharges and
3 add-on taxes.

4 Notwithstanding the requirements of this subsection
5 (d), the total amount paid under sourcing agreements with
6 clean coal facilities pursuant to the procurement plan for
7 any given year shall be reduced by an amount necessary to
8 limit the annual estimated average net increase due to the
9 costs of these resources included in the amounts paid by
10 eligible retail customers in connection with electric
11 service to:

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

15 (B) in 2011, the greater of an additional 0.5% of
16 the amount paid per kilowatthour by those customers
17 during the year ending May 31, 2010 or 1% of the amount
18 paid per kilowatthour by those customers during the
19 year ending May 31, 2009;

20 (C) in 2012, the greater of an additional 0.5% of
21 the amount paid per kilowatthour by those customers
22 during the year ending May 31, 2011 or 1.5% of the
23 amount paid per kilowatthour by those customers during
24 the year ending May 31, 2009;

25 (D) in 2013, the greater of an additional 0.5% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2012 or 2% of the amount
2 paid per kilowatthour by those customers during the
3 year ending May 31, 2009; and

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

17 No later than June 30, 2015, the Commission shall
18 review the limitation on the total amount paid under
19 sourcing agreements, if any, with clean coal facilities
20 pursuant to this subsection (d) and report to the General
21 Assembly its findings as to whether that limitation unduly
22 constrains the amount of electricity generated by
23 cost-effective clean coal facilities that is covered by
24 sourcing agreements.

25 (3) Initial clean coal facility. In order to promote
26 development of clean coal facilities in Illinois, each

1 electric utility subject to this Section shall execute a
2 sourcing agreement to source electricity from a proposed
3 clean coal facility in Illinois (the "initial clean coal
4 facility") that will have a nameplate capacity of at least
5 500 MW when commercial operation commences, that has a
6 final Clean Air Act permit on June 1, 2009 (the effective
7 date of Public Act 95-1027), and that will meet the
8 definition of clean coal facility in Section 1-10 of this
9 Act when commercial operation commences. The sourcing
10 agreements with this initial clean coal facility shall be
11 subject to both approval of the initial clean coal
12 facility by the General Assembly and satisfaction of the
13 requirements of paragraph (4) of this subsection (d) and
14 shall be executed within 90 days after any such approval
15 by the General Assembly. The Agency and the Commission
16 shall have authority to inspect all books and records
17 associated with the initial clean coal facility during the
18 term of such a sourcing agreement. A utility's sourcing
19 agreement for electricity produced by the initial clean
20 coal facility shall include:

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

24 (i) be determined using a cost of service
25 methodology employing either a level or deferred
26 capital recovery component, based on a capital

1 structure consisting of 45% equity and 55% debt,
2 and a return on equity as may be approved by the
3 Federal Energy Regulatory Commission, which in any
4 case may not exceed the lower of 11.5% or the rate
5 of return approved by the General Assembly
6 pursuant to paragraph (4) of this subsection (d);
7 and

8 (ii) provide that all miscellaneous net
9 revenue, including but not limited to net revenue
10 from the sale of emission allowances, if any,
11 substitute natural gas, if any, grants or other
12 support provided by the State of Illinois or the
13 United States Government, firm transmission
14 rights, if any, by-products produced by the
15 facility, energy or capacity derived from the
16 facility and not covered by a sourcing agreement
17 pursuant to paragraph (3) of this subsection (d)
18 or item (5) of subsection (d) of Section 16-115 of
19 the Public Utilities Act, whether generated from
20 the synthesis gas derived from coal, from SNG, or
21 from natural gas, shall be credited against the
22 revenue requirement for this initial clean coal
23 facility;

24 (B) power purchase provisions, which shall:

25 (i) provide that the utility party to such
26 sourcing agreement shall pay the contract price

1 for electricity delivered under such sourcing
2 agreement;

3 (ii) require delivery of electricity to the
4 regional transmission organization market of the
5 utility that is party to such sourcing agreement;

6 (iii) require the utility party to such
7 sourcing agreement to buy from the initial clean
8 coal facility in each hour an amount of energy
9 equal to all clean coal energy made available from
10 the initial clean coal facility during such hour
11 times a fraction, the numerator of which is such
12 utility's retail market sales of electricity
13 (expressed in kilowatthours sold) in the State
14 during the prior calendar month and the
15 denominator of which is the total retail market
16 sales of electricity (expressed in kilowatthours
17 sold) in the State by utilities during such prior
18 month and the sales of electricity (expressed in
19 kilowatthours sold) in the State by alternative
20 retail electric suppliers during such prior month
21 that are subject to the requirements of this
22 subsection (d) and paragraph (5) of subsection (d)
23 of Section 16-115 of the Public Utilities Act,
24 provided that the amount purchased by the utility
25 in any year will be limited by paragraph (2) of
26 this subsection (d); and

1 (iv) be considered pre-existing contracts in
2 such utility's procurement plans for eligible
3 retail customers;

4 (C) contract for differences provisions, which
5 shall:

6 (i) require the utility party to such sourcing
7 agreement to contract with the initial clean coal
8 facility in each hour with respect to an amount of
9 energy equal to all clean coal energy made
10 available from the initial clean coal facility
11 during such hour times a fraction, the numerator
12 of which is such utility's retail market sales of
13 electricity (expressed in kilowatthours sold) in
14 the utility's service territory in the State
15 during the prior calendar month and the
16 denominator of which is the total retail market
17 sales of electricity (expressed in kilowatthours
18 sold) in the State by utilities during such prior
19 month and the sales of electricity (expressed in
20 kilowatthours sold) in the State by alternative
21 retail electric suppliers during such prior month
22 that are subject to the requirements of this
23 subsection (d) and paragraph (5) of subsection (d)
24 of Section 16-115 of the Public Utilities Act,
25 provided that the amount paid by the utility in
26 any year will be limited by paragraph (2) of this

1 subsection (d);

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

20 (iii) not require the utility to take physical
21 delivery of the electricity produced by the
22 facility;

23 (D) general provisions, which shall:

24 (i) specify a term of no more than 30 years,
25 commencing on the commercial operation date of the
26 facility;

1 (ii) provide that utilities shall maintain
2 adequate records documenting purchases under the
3 sourcing agreements entered into to comply with
4 this subsection (d) and shall file an accounting
5 with the load forecast that must be filed with the
6 Agency by July 15 of each year, in accordance with
7 subsection (d) of Section 16-111.5 of the Public
8 Utilities Act;

9 (iii) provide that all costs associated with
10 the initial clean coal facility will be
11 periodically reported to the Federal Energy
12 Regulatory Commission and to purchasers in
13 accordance with applicable laws governing
14 cost-based wholesale power contracts;

15 (iv) permit the Illinois Power Agency to
16 assume ownership of the initial clean coal
17 facility, without monetary consideration and
18 otherwise on reasonable terms acceptable to the
19 Agency, if the Agency so requests no less than 3
20 years prior to the end of the stated contract
21 term;

22 (v) require the owner of the initial clean
23 coal facility to provide documentation to the
24 Commission each year, starting in the facility's
25 first year of commercial operation, accurately
26 reporting the quantity of carbon emissions from

1 the facility that have been captured and
2 sequestered and report any quantities of carbon
3 released from the site or sites at which carbon
4 emissions were sequestered in prior years, based
5 on continuous monitoring of such sites. If, in any
6 year after the first year of commercial operation,
7 the owner of the facility fails to demonstrate
8 that the initial clean coal facility captured and
9 sequestered at least 50% of the total carbon
10 emissions that the facility would otherwise emit
11 or that sequestration of emissions from prior
12 years has failed, resulting in the release of
13 carbon dioxide into the atmosphere, the owner of
14 the facility must offset excess emissions. Any
15 such carbon offsets must be permanent, additional,
16 verifiable, real, located within the State of
17 Illinois, and legally and practicably enforceable.
18 The cost of such offsets for the facility that are
19 not recoverable shall not exceed \$15 million in
20 any given year. No costs of any such purchases of
21 carbon offsets may be recovered from a utility or
22 its customers. All carbon offsets purchased for
23 this purpose and any carbon emission credits
24 associated with sequestration of carbon from the
25 facility must be permanently retired. The initial
26 clean coal facility shall not forfeit its

1 designation as a clean coal facility if the
2 facility fails to fully comply with the applicable
3 carbon sequestration requirements in any given
4 year, provided the requisite offsets are
5 purchased. However, the Attorney General, on
6 behalf of the People of the State of Illinois, may
7 specifically enforce the facility's sequestration
8 requirement and the other terms of this contract
9 provision. Compliance with the sequestration
10 requirements and offset purchase requirements
11 specified in paragraph (3) of this subsection (d)
12 shall be reviewed annually by an independent
13 expert retained by the owner of the initial clean
14 coal facility, with the advance written approval
15 of the Attorney General. The Commission may, in
16 the course of the review specified in item (vii),
17 reduce the allowable return on equity for the
18 facility if the facility willfully fails to comply
19 with the carbon capture and sequestration
20 requirements set forth in this item (v);

21 (vi) include limits on, and accordingly
22 provide for modification of, the amount the
23 utility is required to source under the sourcing
24 agreement consistent with paragraph (2) of this
25 subsection (d);

26 (vii) require Commission review: (1) to

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

15 (viii) limit the utility's obligation to such
16 amount as the utility is allowed to recover
17 through tariffs filed with the Commission,
18 provided that neither the clean coal facility nor
19 the utility waives any right to assert federal
20 pre-emption or any other argument in response to a
21 purported disallowance of recovery costs;

22 (ix) limit the utility's or alternative retail
23 electric supplier's obligation to incur any
24 liability until such time as the facility is in
25 commercial operation and generating power and
26 energy and such power and energy is being

1 delivered to the facility busbar;

2 (x) provide that the owner or owners of the
3 initial clean coal facility, which is the
4 counterparty to such sourcing agreement, shall
5 have the right from time to time to elect whether
6 the obligations of the utility party thereto shall
7 be governed by the power purchase provisions or
8 the contract for differences provisions;

9 (xi) append documentation showing that the
10 formula rate and contract, insofar as they relate
11 to the power purchase provisions, have been
12 approved by the Federal Energy Regulatory
13 Commission pursuant to Section 205 of the Federal
14 Power Act;

15 (xii) provide that any changes to the terms of
16 the contract, insofar as such changes relate to
17 the power purchase provisions, are subject to
18 review under the public interest standard applied
19 by the Federal Energy Regulatory Commission
20 pursuant to Sections 205 and 206 of the Federal
21 Power Act; and

22 (xiii) conform with customary lender
23 requirements in power purchase agreements used as
24 the basis for financing non-utility generators.

25 (4) Effective date of sourcing agreements with the
26 initial clean coal facility. Any proposed sourcing

1 agreement with the initial clean coal facility shall not
2 become effective unless the following reports are prepared
3 and submitted and authorizations and approvals obtained:

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

17 (ii) Commission report. Within 6 months following
18 receipt of the facility cost report, the Commission,
19 in consultation with the Agency, shall submit a report
20 to the General Assembly setting forth its analysis of
21 the facility cost report. Such report shall include,
22 but not be limited to, a comparison of the costs
23 associated with electricity generated by the initial
24 clean coal facility to the costs associated with
25 electricity generated by other types of generation
26 facilities, an analysis of the rate impacts on

1 residential and small business customers over the life
2 of the sourcing agreements, and an analysis of the
3 likelihood that the initial clean coal facility will
4 commence commercial operation by and be delivering
5 power to the facility's busbar by 2016. To assist in
6 the preparation of its report, the Commission, in
7 consultation with the Agency, may hire one or more
8 experts or consultants, the costs of which shall be
9 paid for by the owner of the initial clean coal
10 facility. The Commission and Agency may begin the
11 process of selecting such experts or consultants prior
12 to receipt of the facility cost report.

13 (iii) General Assembly approval. The proposed
14 sourcing agreements shall not take effect unless,
15 based on the facility cost report and the Commission's
16 report, the General Assembly enacts authorizing
17 legislation approving (A) the projected price, stated
18 in cents per kilowatthour, to be charged for
19 electricity generated by the initial clean coal
20 facility, (B) the projected impact on residential and
21 small business customers' bills over the life of the
22 sourcing agreements, and (C) the maximum allowable
23 return on equity for the project; and

24 (iv) Commission review. If the General Assembly
25 enacts authorizing legislation pursuant to
26 subparagraph (iii) approving a sourcing agreement, the

1 Commission shall, within 90 days of such enactment,
2 complete a review of such sourcing agreement. During
3 such time period, the Commission shall implement any
4 directive of the General Assembly, resolve any
5 disputes between the parties to the sourcing agreement
6 concerning the terms of such agreement, approve the
7 form of such agreement, and issue an order finding
8 that the sourcing agreement is prudent and reasonable.
9 The facility cost report shall be prepared as follows:

10 (A) The facility cost report shall be prepared by
11 duly licensed engineering and construction firms
12 detailing the estimated capital costs payable to one
13 or more contractors or suppliers for the engineering,
14 procurement and construction of the components
15 comprising the initial clean coal facility and the
16 estimated costs of operation and maintenance of the
17 facility. The facility cost report shall include:

18 (i) an estimate of the capital cost of the
19 core plant based on one or more front end
20 engineering and design studies for the
21 gasification island and related facilities. The
22 core plant shall include all civil, structural,
23 mechanical, electrical, control, and safety
24 systems.

25 (ii) an estimate of the capital cost of the
26 balance of the plant, including any capital costs

1 associated with sequestration of carbon dioxide
2 emissions and all interconnects and interfaces
3 required to operate the facility, such as
4 transmission of electricity, construction or
5 backfeed power supply, pipelines to transport
6 substitute natural gas or carbon dioxide, potable
7 water supply, natural gas supply, water supply,
8 water discharge, landfill, access roads, and coal
9 delivery.

10 The quoted construction costs shall be expressed
11 in nominal dollars as of the date that the quote is
12 prepared and shall include capitalized financing costs
13 during construction, taxes, insurance, and other
14 owner's costs, and an assumed escalation in materials
15 and labor beyond the date as of which the construction
16 cost quote is expressed.

17 (B) The front end engineering and design study for
18 the gasification island and the cost study for the
19 balance of plant shall include sufficient design work
20 to permit quantification of major categories of
21 materials, commodities and labor hours, and receipt of
22 quotes from vendors of major equipment required to
23 construct and operate the clean coal facility.

24 (C) The facility cost report shall also include an
25 operating and maintenance cost quote that will provide
26 the estimated cost of delivered fuel, personnel,

1 maintenance contracts, chemicals, catalysts,
2 consumables, spares, and other fixed and variable
3 operations and maintenance costs. The delivered fuel
4 cost estimate will be provided by a recognized third
5 party expert or experts in the fuel and transportation
6 industries. The balance of the operating and
7 maintenance cost quote, excluding delivered fuel
8 costs, will be developed based on the inputs provided
9 by duly licensed engineering and construction firms
10 performing the construction cost quote, potential
11 vendors under long-term service agreements and plant
12 operating agreements, or recognized third party plant
13 operator or operators.

14 The operating and maintenance cost quote
15 (including the cost of the front end engineering and
16 design study) shall be expressed in nominal dollars as
17 of the date that the quote is prepared and shall
18 include taxes, insurance, and other owner's costs, and
19 an assumed escalation in materials and labor beyond
20 the date as of which the operating and maintenance
21 cost quote is expressed.

22 (D) The facility cost report shall also include an
23 analysis of the initial clean coal facility's ability
24 to deliver power and energy into the applicable
25 regional transmission organization markets and an
26 analysis of the expected capacity factor for the

1 initial clean coal facility.

2 (E) Amounts paid to third parties unrelated to the
3 owner or owners of the initial clean coal facility to
4 prepare the core plant construction cost quote,
5 including the front end engineering and design study,
6 and the operating and maintenance cost quote will be
7 reimbursed through Coal Development Bonds.

8 (5) Re-powering and retrofitting coal-fired power
9 plants previously owned by Illinois utilities to qualify
10 as clean coal facilities. During the 2009 procurement
11 planning process and thereafter, the Agency and the
12 Commission shall consider sourcing agreements covering
13 electricity generated by power plants that were previously
14 owned by Illinois utilities and that have been or will be
15 converted into clean coal facilities, as defined by
16 Section 1-10 of this Act. Pursuant to such procurement
17 planning process, the owners of such facilities may
18 propose to the Agency sourcing agreements with utilities
19 and alternative retail electric suppliers required to
20 comply with subsection (d) of this Section and item (5) of
21 subsection (d) of Section 16-115 of the Public Utilities
22 Act, covering electricity generated by such facilities. In
23 the case of sourcing agreements that are power purchase
24 agreements, the contract price for electricity sales shall
25 be established on a cost of service basis. In the case of
26 sourcing agreements that are contracts for differences,

1 the contract price from which the reference price is
2 subtracted shall be established on a cost of service
3 basis. The Agency and the Commission may approve any such
4 utility sourcing agreements that do not exceed cost-based
5 benchmarks developed by the procurement administrator, in
6 consultation with the Commission staff, Agency staff and
7 the procurement monitor, subject to Commission review and
8 approval. The Commission shall have authority to inspect
9 all books and records associated with these clean coal
10 facilities during the term of any such contract.

11 (6) Costs incurred under this subsection (d) or
12 pursuant to a contract entered into under this subsection
13 (d) shall be deemed prudently incurred and reasonable in
14 amount and the electric utility shall be entitled to full
15 cost recovery pursuant to the tariffs filed with the
16 Commission.

17 (d-5) Zero emission standard.

18 (1) Beginning with the delivery year commencing on
19 June 1, 2017, the Agency shall, for electric utilities
20 that serve at least 100,000 retail customers in this
21 State, procure contracts with zero emission facilities
22 that are reasonably capable of generating cost-effective
23 zero emission credits in an amount approximately equal to
24 16% of the actual amount of electricity delivered by each
25 electric utility to retail customers in the State during
26 calendar year 2014. For an electric utility serving fewer

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

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

25 The procurement process shall be subject to the
26 following provisions:

1 (A) Those zero emission facilities that intend to
2 participate in the procurement shall submit to the
3 Agency the following eligibility information for each
4 zero emission facility on or before the date
5 established by the Agency:

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

8 (ii) the amount of power generated annually
9 for each of the years 2005 through 2015, and the
10 projected zero emission credits to be generated
11 over the remaining useful life of the zero
12 emission facility, which shall be used to
13 determine the capability of each facility;

14 (iii) the annual zero emission facility cost
15 projections, expressed on a per megawatt hour
16 ~~megawatt-hour~~ basis, over the next 6 delivery
17 years, which shall include the following:
18 operation and maintenance expenses; fully
19 allocated overhead costs, which shall be allocated
20 using the methodology developed by the Institute
21 for Nuclear Power Operations; fuel expenditures;
22 non-fuel capital expenditures; spent fuel
23 expenditures; a return on working capital; the
24 cost of operational and market risks that could be
25 avoided by ceasing operation; and any other costs
26 necessary for continued operations, provided that

1 "necessary" means, for purposes of this item
2 (iii), that the costs could reasonably be avoided
3 only by ceasing operations of the zero emission
4 facility; and

5 (iv) a commitment to continue operating, for
6 the duration of the contract or contracts executed
7 under the procurement held under this subsection
8 (d-5), the zero emission facility that produces
9 the zero emission credits to be procured in the
10 procurement.

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

22 (B) The price for each zero emission credit
23 procured under this subsection (d-5) for each delivery
24 year shall be in an amount that equals the Social Cost
25 of Carbon, expressed on a price per megawatt hour
26 ~~megawatthour~~ basis. However, to ensure that the

1 procurement remains affordable to retail customers in
2 this State if electricity prices increase, the price
3 in an applicable delivery year shall be reduced below
4 the Social Cost of Carbon by the amount ("Price
5 Adjustment") by which the market price index for the
6 applicable delivery year exceeds the baseline market
7 price index for the consecutive 12-month period ending
8 May 31, 2016. If the Price Adjustment is greater than
9 or equal to the Social Cost of Carbon in an applicable
10 delivery year, then no payments shall be due in that
11 delivery year. The components of this calculation are
12 defined as follows:

13 (i) Social Cost of Carbon: The Social Cost of
14 Carbon is \$16.50 per megawatt hour ~~megawatthour~~,
15 which is based on the U.S. Interagency Working
16 Group on Social Cost of Carbon's price in the
17 August 2016 Technical Update using a 3% discount
18 rate, adjusted for inflation for each year of the
19 program. Beginning with the delivery year
20 commencing June 1, 2023, the price per megawatt
21 hour ~~megawatthour~~ shall increase by \$1 per
22 megawatt hour ~~megawatthour~~, and continue to
23 increase by an additional \$1 per megawatt hour
24 ~~megawatthour~~ each delivery year thereafter.

25 (ii) Baseline market price index: The baseline
26 market price index for the consecutive 12-month

1 period ending May 31, 2016 is \$31.40 per megawatt
2 hour ~~megawatthour~~, which is based on the sum of
3 (aa) the average day-ahead energy price across all
4 hours of such 12-month period at the PJM
5 Interconnection LLC Northern Illinois Hub, (bb)
6 50% multiplied by the Base Residual Auction, or
7 its successor, capacity price for the rest of the
8 RTO zone group determined by PJM Interconnection
9 LLC, divided by 24 hours per day, and (cc) 50%
10 multiplied by the Planning Resource Auction, or
11 its successor, capacity price for Zone 4
12 determined by the Midcontinent Independent System
13 Operator, Inc., divided by 24 hours per day.

14 (iii) Market price index: The market price
15 index for a delivery year shall be the sum of
16 projected energy prices and projected capacity
17 prices determined as follows:

18 (aa) Projected energy prices: the
19 projected energy prices for the applicable
20 delivery year shall be calculated once for the
21 year using the forward market price for the
22 PJM Interconnection, LLC Northern Illinois
23 Hub. The forward market price shall be
24 calculated as follows: the energy forward
25 prices for each month of the applicable
26 delivery year averaged for each trade date

1 during the calendar year immediately preceding
2 that delivery year to produce a single energy
3 forward price for the delivery year. The
4 forward market price calculation shall use
5 data published by the Intercontinental
6 Exchange, or its successor.

7 (bb) Projected capacity prices:

8 (I) For the delivery years commencing
9 June 1, 2017, June 1, 2018, and June 1,
10 2019, the projected capacity price shall
11 be equal to the sum of (1) 50% multiplied
12 by the Base Residual Auction, or its
13 successor, price for the rest of the RTO
14 zone group as determined by PJM
15 Interconnection LLC, divided by 24 hours
16 per day and, (2) 50% multiplied by the
17 resource auction price determined in the
18 resource auction administered by the
19 Midcontinent Independent System Operator,
20 Inc., in which the largest percentage of
21 load cleared for Local Resource Zone 4,
22 divided by 24 hours per day, and where
23 such price is determined by the
24 Midcontinent Independent System Operator,
25 Inc.

26 (II) For the delivery year commencing

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

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

18 "Rest of the RTO" and "ComEd Zone" shall have
19 the meaning ascribed to them by PJM
20 Interconnection, LLC.

21 "RTO" means regional transmission
22 organization.

23 (C) No later than 45 days after June 1, 2017 (the
24 effective date of Public Act 99-906), the Agency shall
25 publish its proposed zero emission standard
26 procurement plan. The plan shall be consistent with

1 the provisions of this paragraph (1) and shall provide
2 that winning bids shall be selected based on public
3 interest criteria that include, but are not limited
4 to, minimizing carbon dioxide emissions that result
5 from electricity consumed in Illinois and minimizing
6 sulfur dioxide, nitrogen oxide, and particulate matter
7 emissions that adversely affect the citizens of this
8 State. In particular, the selection of winning bids
9 shall take into account the incremental environmental
10 benefits resulting from the procurement, such as any
11 existing environmental benefits that are preserved by
12 the procurements held under Public Act 99-906 and
13 would cease to exist if the procurements were not
14 held, including the preservation of zero emission
15 facilities. The plan shall also describe in detail how
16 each public interest factor shall be considered and
17 weighted in the bid selection process to ensure that
18 the public interest criteria are applied to the
19 procurement and given full effect.

20 For purposes of developing the plan, the Agency
21 shall consider any reports issued by a State agency,
22 board, or commission under House Resolution 1146 of
23 the 98th General Assembly and paragraph (4) of
24 subsection (d) of this Section, as well as publicly
25 available analyses and studies performed by or for
26 regional transmission organizations that serve the

1 State and their independent market monitors.

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

14 If the Commission determines that the plan will
15 result in the procurement of cost-effective zero
16 emission credits, then the Commission shall, after
17 notice and hearing, but no later than 45 days after the
18 Agency filed the plan, approve the plan or approve
19 with modification. For purposes of this subsection
20 (d-5), "cost effective" means the projected costs of
21 procuring zero emission credits from zero emission
22 facilities do not cause the limit stated in paragraph
23 (2) of this subsection to be exceeded.

24 (C-5) As part of the Commission's review and
25 acceptance or rejection of the procurement results,
26 the Commission shall, in its public notice of

1 successful bidders:

2 (i) identify how the winning bids satisfy the
3 public interest criteria described in subparagraph
4 (C) of this paragraph (1) of minimizing carbon
5 dioxide emissions that result from electricity
6 consumed in Illinois and minimizing sulfur
7 dioxide, nitrogen oxide, and particulate matter
8 emissions that adversely affect the citizens of
9 this State;

10 (ii) specifically address how the selection of
11 winning bids takes into account the incremental
12 environmental benefits resulting from the
13 procurement, including any existing environmental
14 benefits that are preserved by the procurements
15 held under Public Act 99-906 and would have ceased
16 to exist if the procurements had not been held,
17 such as the preservation of zero emission
18 facilities;

19 (iii) quantify the environmental benefit of
20 preserving the resources identified in item (ii)
21 of this subparagraph (C-5), including the
22 following:

23 (aa) the value of avoided greenhouse gas
24 emissions measured as the product of the zero
25 emission facilities' output over the contract
26 term multiplied by the U.S. Environmental

1 Protection Agency eGrid subregion carbon
2 dioxide emission rate and the U.S. Interagency
3 Working Group on Social Cost of Carbon's price
4 in the August 2016 Technical Update using a 3%
5 discount rate, adjusted for inflation for each
6 delivery year; and

7 (bb) the costs of replacement with other
8 zero carbon dioxide resources, including wind
9 and photovoltaic, based upon the simple
10 average of the following:

11 (I) the price, or if there is more
12 than one price, the average of the prices,
13 paid for renewable energy credits from new
14 utility-scale wind projects in the
15 procurement events specified in item (i)
16 of subparagraph (G) of paragraph (1) of
17 subsection (c) of this Section; and

18 (II) the price, or if there is more
19 than one price, the average of the prices,
20 paid for renewable energy credits from new
21 utility-scale solar projects and
22 brownfield site photovoltaic projects in
23 the procurement events specified in item
24 (ii) of subparagraph (G) of paragraph (1)
25 of subsection (c) of this Section and,
26 after January 1, 2015, renewable energy

1 credits from photovoltaic distributed
2 generation projects in procurement events
3 held under subsection (c) of this Section.

4 Each utility shall enter into binding contractual
5 arrangements with the winning suppliers.

6 The procurement described in this subsection
7 (d-5), including, but not limited to, the execution of
8 all contracts procured, shall be completed no later
9 than May 10, 2017. Based on the effective date of
10 Public Act 99-906, the Agency and Commission may, as
11 appropriate, modify the various dates and timelines
12 under this subparagraph and subparagraphs (C) and (D)
13 of this paragraph (1). The procurement and plan
14 approval processes required by this subsection (d-5)
15 shall be conducted in conjunction with the procurement
16 and plan approval processes required by subsection (c)
17 of this Section and Section 16-111.5 of the Public
18 Utilities Act, to the extent practicable.
19 Notwithstanding whether a procurement event is
20 conducted under Section 16-111.5 of the Public
21 Utilities Act, the Agency shall immediately initiate a
22 procurement process on June 1, 2017 (the effective
23 date of Public Act 99-906).

24 (D) Following the procurement event described in
25 this paragraph (1) and consistent with subparagraph
26 (B) of this paragraph (1), the Agency shall calculate

1 the payments to be made under each contract for the
2 next delivery year based on the market price index for
3 that delivery year. The Agency shall publish the
4 payment calculations no later than May 25, 2017 and
5 every May 25 thereafter.

6 (E) Notwithstanding the requirements of this
7 subsection (d-5), the contracts executed under this
8 subsection (d-5) shall provide that the zero emission
9 facility may, as applicable, suspend or terminate
10 performance under the contracts in the following
11 instances:

12 (i) A zero emission facility shall be excused
13 from its performance under the contract for any
14 cause beyond the control of the resource,
15 including, but not restricted to, acts of God,
16 flood, drought, earthquake, storm, fire,
17 lightning, epidemic, war, riot, civil disturbance
18 or disobedience, labor dispute, labor or material
19 shortage, sabotage, acts of public enemy,
20 explosions, orders, regulations or restrictions
21 imposed by governmental, military, or lawfully
22 established civilian authorities, which, in any of
23 the foregoing cases, by exercise of commercially
24 reasonable efforts the zero emission facility
25 could not reasonably have been expected to avoid,
26 and which, by the exercise of commercially

1 reasonable efforts, it has been unable to
2 overcome. In such event, the zero emission
3 facility shall be excused from performance for the
4 duration of the event, including, but not limited
5 to, delivery of zero emission credits, and no
6 payment shall be due to the zero emission facility
7 during the duration of the event.

8 (ii) A zero emission facility shall be
9 permitted to terminate the contract if legislation
10 is enacted into law by the General Assembly that
11 imposes or authorizes a new tax, special
12 assessment, or fee on the generation of
13 electricity, the ownership or leasehold of a
14 generating unit, or the privilege or occupation of
15 such generation, ownership, or leasehold of
16 generation units by a zero emission facility.
17 However, the provisions of this item (ii) do not
18 apply to any generally applicable tax, special
19 assessment or fee, or requirements imposed by
20 federal law.

21 (iii) A zero emission facility shall be
22 permitted to terminate the contract in the event
23 that the resource requires capital expenditures in
24 excess of \$40,000,000 that were neither known nor
25 reasonably foreseeable at the time it executed the
26 contract and that a prudent owner or operator of

1 such resource would not undertake.

2 (iv) A zero emission facility shall be
3 permitted to terminate the contract in the event
4 the Nuclear Regulatory Commission terminates the
5 resource's license.

6 (F) If the zero emission facility elects to
7 terminate a contract under subparagraph (E) of this
8 paragraph (1), then the Commission shall reopen the
9 docket in which the Commission approved the zero
10 emission standard procurement plan under subparagraph
11 (C) of this paragraph (1) and, after notice and
12 hearing, enter an order acknowledging the contract
13 termination election if such termination is consistent
14 with the provisions of this subsection (d-5).

15 (2) For purposes of this subsection (d-5), the amount
16 paid per kilowatthour means the total amount paid for
17 electric service expressed on a per kilowatthour basis.
18 For purposes of this subsection (d-5), the total amount
19 paid for electric service includes, without limitation,
20 amounts paid for supply, transmission, distribution,
21 surcharges, and add-on taxes.

22 Notwithstanding the requirements of this subsection
23 (d-5), the contracts executed under this subsection (d-5)
24 shall provide that the total of zero emission credits
25 procured under a procurement plan shall be subject to the
26 limitations of this paragraph (2). For each delivery year,

1 the contractual volume receiving payments in such year
2 shall be reduced for all retail customers based on the
3 amount necessary to limit the net increase that delivery
4 year to the costs of those credits included in the amounts
5 paid by eligible retail customers in connection with
6 electric service to no more than 1.65% of the amount paid
7 per kilowatthour by eligible retail customers during the
8 year ending May 31, 2009. The result of this computation
9 shall apply to and reduce the procurement for all retail
10 customers, and all those customers shall pay the same
11 single, uniform cents per kilowatthour charge under
12 subsection (k) of Section 16-108 of the Public Utilities
13 Act. To arrive at a maximum dollar amount of zero emission
14 credits to be paid for the particular delivery year, the
15 resulting per kilowatthour amount shall be applied to the
16 actual amount of kilowatthours of electricity delivered by
17 the electric utility in the delivery year immediately
18 prior to the procurement, to all retail customers in its
19 service territory. Unpaid contractual volume for any
20 delivery year shall be paid in any subsequent delivery
21 year in which such payments can be made without exceeding
22 the amount specified in this paragraph (2). The
23 calculations required by this paragraph (2) shall be made
24 only once for each procurement plan year. Once the
25 determination as to the amount of zero emission credits to
26 be paid is made based on the calculations set forth in this

1 paragraph (2), no subsequent rate impact determinations
2 shall be made and no adjustments to those contract amounts
3 shall be allowed. All costs incurred under those contracts
4 and in implementing this subsection (d-5) shall be
5 recovered by the electric utility as provided in this
6 Section.

7 No later than June 30, 2019, the Commission shall
8 review the limitation on the amount of zero emission
9 credits procured under this subsection (d-5) and report to
10 the General Assembly its findings as to whether that
11 limitation unduly constrains the procurement of
12 cost-effective zero emission credits.

13 (3) Six years after the execution of a contract under
14 this subsection (d-5), the Agency shall determine whether
15 the actual zero emission credit payments received by the
16 supplier over the 6-year period exceed the Average ZEC
17 Payment. In addition, at the end of the term of a contract
18 executed under this subsection (d-5), or at the time, if
19 any, a zero emission facility's contract is terminated
20 under subparagraph (E) of paragraph (1) of this subsection
21 (d-5), then the Agency shall determine whether the actual
22 zero emission credit payments received by the supplier
23 over the term of the contract exceed the Average ZEC
24 Payment, after taking into account any amounts previously
25 credited back to the utility under this paragraph (3). If
26 the Agency determines that the actual zero emission credit

1 payments received by the supplier over the relevant period
2 exceed the Average ZEC Payment, then the supplier shall
3 credit the difference back to the utility. The amount of
4 the credit shall be remitted to the applicable electric
5 utility no later than 120 days after the Agency's
6 determination, which the utility shall reflect as a credit
7 on its retail customer bills as soon as practicable;
8 however, the credit remitted to the utility shall not
9 exceed the total amount of payments received by the
10 facility under its contract.

11 For purposes of this Section, the Average ZEC Payment
12 shall be calculated by multiplying the quantity of zero
13 emission credits delivered under the contract times the
14 average contract price. The average contract price shall
15 be determined by subtracting the amount calculated under
16 subparagraph (B) of this paragraph (3) from the amount
17 calculated under subparagraph (A) of this paragraph (3),
18 as follows:

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

22 (B) The average of the market price indices, as
23 defined in subparagraph (B) of paragraph (1) of this
24 subsection (d-5), during the term of the contract,
25 minus the baseline market price index, as defined in
26 subparagraph (B) of paragraph (1) of this subsection

1 (d-5).

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

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

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

10 (6) Electric utilities shall be entitled to recover
11 all of the costs associated with the procurement of zero
12 emission credits through an automatic adjustment clause
13 tariff in accordance with subsection (k) and (m) of
14 Section 16-108 of the Public Utilities Act, and the
15 contracts executed under this subsection (d-5) shall
16 provide that the utilities' payment obligations under such
17 contracts shall be reduced if an adjustment is required
18 under subsection (m) of Section 16-108 of the Public
19 Utilities Act.

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

22 (d-10) Nuclear Plant Assistance; carbon mitigation
23 credits.

24 (1) The General Assembly finds:

25 (A) The health, welfare, and prosperity of all
26 Illinois citizens require that the State of Illinois act

1 to avoid and not increase carbon emissions from electric
2 generation sources while continuing to ensure affordable,
3 stable, and reliable electricity to all citizens.

4 (B) Absent immediate action by the State to preserve
5 existing carbon-free energy resources, those resources may
6 retire, and the electric generation needs of Illinois'
7 retail customers may be met instead by facilities that
8 emit significant amounts of carbon pollution and other
9 harmful air pollutants at a high social and economic cost
10 until Illinois is able to develop other forms of clean
11 energy.

12 (C) The General Assembly finds that nuclear power
13 generation is necessary for the State's transition to 100%
14 clean energy, and ensuring continued operation of nuclear
15 plants advances environmental and public health interests
16 through providing carbon-free electricity while reducing
17 the air pollution profile of the Illinois energy
18 generation fleet.

19 (D) The clean energy attributes of nuclear generation
20 facilities support the State in its efforts to achieve
21 100% clean energy.

22 (E) The State currently invests in various forms of
23 clean energy, including, but not limited to, renewable
24 energy, energy efficiency, and low-emission vehicles,
25 among others.

26 (F) The Environmental Protection Agency commissioned

1 an independent audit which provided a detailed assessment
2 of the financial condition of the Illinois nuclear fleet
3 to evaluate its financial viability and whether the
4 environmental benefits of such resources were at risk. The
5 report identified the risk of losing the environmental
6 benefits of several specific nuclear units. The report
7 also identified that the LaSalle County Generating Station
8 will continue to operate through 2026 and therefore is not
9 eligible to participate in the carbon mitigation credit
10 program.

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

14 (H) The procurement of carbon mitigation credits
15 representing the environmental benefits of carbon-free
16 generation will further the State's efforts at achieving
17 100% clean energy and decarbonizing the electricity sector
18 in a safe, reliable, and affordable manner. Further, the
19 procurement of carbon emission credits will enhance the
20 health and welfare of Illinois residents through decreased
21 reliance on more highly polluting generation.

22 (I) The General Assembly therefore finds it necessary
23 to establish carbon mitigation credits to ensure decreased
24 reliance on more carbon-intensive energy resources, for
25 transitioning to a fully decarbonized electricity sector,
26 and to help ensure health and welfare of the State's

1 residents.

2 (2) As used in this subsection:

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

17 "Carbon mitigation credit" means a tradable credit that
18 represents the carbon emission reduction attributes of one
19 megawatt-hour of energy produced from a carbon-free energy
20 resource.

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

24 (3) Procurement.

25 (A) Beginning with the delivery year commencing on
26 June 1, 2022, the Agency shall, for electric utilities

1 serving at least 3,000,000 retail customers in the State,
2 seek to procure contracts for no more than approximately
3 54,500,000 cost-effective carbon mitigation credits from
4 carbon-free energy resources because such credits are
5 necessary to support current levels of carbon-free energy
6 generation and ensure the State meets its carbon dioxide
7 emissions reduction goals. The Agency shall not make a
8 partial award of a contract for carbon mitigation credits
9 covering a fractional amount of a carbon-free energy
10 resource's projected output.

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

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

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

20 (iii) a commitment to be reflected in any contract
21 entered into pursuant to this subsection (d-10) to
22 continue operating the carbon-free energy resource at
23 a capacity factor of at least 88% annually on average
24 for the duration of the contract or contracts executed
25 under the procurement held under this subsection
26 (d-10), except in an instance described in

1 subparagraph (E) of paragraph (1) of subsection (d-5)
2 of this Section or made impracticable as a result of
3 compliance with law or regulation;

4 (iv) financial need and the risk of loss of the
5 environmental benefits of such resource, which shall
6 include the following information:

7 (I) the carbon-free energy resource's cost
8 projections, expressed on a per megawatt-hour
9 basis, over the next 5 delivery years, which shall
10 include the following: operation and maintenance
11 expenses; fully allocated overhead costs, which
12 shall be allocated using the methodology developed
13 by the Institute for Nuclear Power Operations;
14 fuel expenditures; nonfuel capital expenditures;
15 spent fuel expenditures; a return on working
16 capital; the cost of operational and market risks
17 that could be avoided by ceasing operation; and
18 any other costs necessary for continued
19 operations, provided that "necessary" means, for
20 purposes of this subitem (I), that the costs could
21 reasonably be avoided only by ceasing operations
22 of the carbon-free energy resource; and

23 (II) the carbon-free energy resource's revenue
24 projections, including energy, capacity, ancillary
25 services, any other direct State support, known or
26 anticipated federal attribute credits, known or

1 anticipated tax credits, and any other direct
2 federal support.

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

13 (C) The Agency shall solicit bids for the contracts
14 described in this subsection (d-10) from carbon-free
15 energy resources that have satisfied the requirements of
16 subparagraph (B) of this paragraph (3). The contracts
17 procured pursuant to a procurement event shall reflect,
18 and be subject to, the following terms, requirements, and
19 limitations:

20 (i) Contracts are for delivery of carbon
21 mitigation credits, and are not energy or capacity
22 sales contracts requiring physical delivery. Pursuant
23 to item (iii), contract payments shall fully deduct
24 the value of any monetized federal production tax
25 credits, credits issued pursuant to a federal clean
26 energy standard, and other federal credits if

1 applicable.

2 (ii) Contracts for carbon mitigation credits shall
3 commence with the delivery year beginning on June 1,
4 2022 and shall be for a term of 5 delivery years
5 concluding on May 31, 2027.

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

9 (I) one of the following energy price indices,
10 selected by the bidder at the time of the bid for
11 the term of the contract:

12 (aa) the weighted-average hourly day-ahead
13 price for the applicable delivery year at the
14 busbar of all resources procured pursuant to
15 this subsection (d-10), weighted by actual
16 production from the resources; or

17 (bb) the projected energy price for the
18 PJM Interconnection, LLC Northern Illinois Hub
19 for the applicable delivery year determined
20 according to subitem (aa) of item (iii) of
21 subparagraph (B) of paragraph (1) of
22 subsection (d-5).

23 (II) the Base Residual Auction Capacity Price
24 for the ComEd zone as determined by PJM
25 Interconnection, LLC, divided by 24 hours per day,
26 for the applicable delivery year for the first 3

1 delivery years, and then any subsequent delivery
2 years unless the PJM Interconnection, LLC applies
3 the Minimum Offer Price Rule to participating
4 carbon-free energy resources because they supply
5 carbon mitigation credits pursuant to this Section
6 at which time, upon notice by the carbon-free
7 energy resource to the Commission and subject to
8 the Commission's confirmation, the value under
9 this subitem shall be zero, as further described
10 in the carbon mitigation credit procurement plan;
11 and

12 (III) any value of monetized federal tax
13 credits, direct payments, or similar subsidy
14 provided to the carbon-free energy resource from
15 any unit of government that is not already
16 reflected in energy prices.

17 If the price-per-megawatt-hour calculation
18 performed under item (iii) of this subparagraph (C)
19 for a given delivery year results in a net positive
20 value, then the electric utility counterparty to the
21 contract shall multiply such net value by the
22 applicable contract quantity and remit the amount to
23 the supplier.

24 To protect retail customers from retail rate
25 impacts that may arise upon the initiation of carbon
26 policy changes, if the price-per-megawatt-hour

1 calculation performed under item (iii) of this
2 subparagraph (C) for a given delivery year results in
3 a net negative value, then the supplier counterparty
4 to the contract shall multiply such net value by the
5 applicable contract quantity and remit such amount to
6 the electric utility counterparty. The electric
7 utility shall reflect such amounts remitted by
8 suppliers as a credit on its retail customer bills as
9 soon as practicable.

10 (iv) To ensure that retail customers in Northern
11 Illinois do not pay more for carbon mitigation credits
12 than the value such credits provide, and
13 notwithstanding the provisions of this subsection
14 (d-10), the Agency shall not accept bids for contracts
15 that exceed a customer protection cap equal to the
16 baseline costs of carbon-free energy resources.

17 The baseline costs for the applicable year shall
18 be the following:

19 (I) For the delivery year beginning June 1,
20 2022, the baseline costs shall be an amount equal
21 to \$30.30 per megawatt-hour.

22 (II) For the delivery year beginning June 1,
23 2023, the baseline costs shall be an amount equal
24 to \$32.50 per megawatt-hour.

25 (III) For the delivery year beginning June 1,
26 2024, the baseline costs shall be an amount equal

1 to \$33.43 per megawatt-hour.

2 (IV) For the delivery year beginning June 1,
3 2025, the baseline costs shall be an amount equal
4 to \$33.50 per megawatt-hour.

5 (V) For the delivery year beginning June 1,
6 2026, the baseline costs shall be an amount equal
7 to \$34.50 per megawatt-hour.

8 An Environmental Protection Agency consultant
9 forecast, included in a report issued April 14, 2021,
10 projects that a carbon-free energy resource has the
11 opportunity to earn on average approximately \$30.28
12 per megawatt-hour, for the sale of energy and capacity
13 during the time period between 2022 and 2027.
14 Therefore, the sale of carbon mitigation credits
15 provides the opportunity to receive an additional
16 amount per megawatt-hour in addition to the projected
17 prices for energy and capacity.

18 Although actual energy and capacity prices may
19 vary from year-to-year, the General Assembly finds
20 that this customer protection cap will help ensure
21 that the cost of carbon mitigation credits will be
22 less than its value, based upon the social cost of
23 carbon identified in the Technical Support Document
24 issued in February 2021 by the U.S. Interagency
25 Working Group on Social Cost of Greenhouse Gases and
26 the PJM Interconnection, LLC carbon dioxide marginal

1 emission rate for 2020, and that a carbon-free energy
2 resource receiving payment for carbon mitigation
3 credits receives no more than necessary to keep those
4 units in operation.

5 (D) No later than 7 days after the effective date of
6 this amendatory Act of the 102nd General Assembly, the
7 Agency shall publish its proposed carbon mitigation credit
8 procurement plan. The Plan shall provide that winning bids
9 shall be selected by taking into consideration which
10 resources best match public interest criteria that
11 include, but are not limited to, minimizing carbon dioxide
12 emissions that result from electricity consumed in
13 Illinois and minimizing sulfur dioxide, nitrogen oxide,
14 and particulate matter emissions that adversely affect the
15 citizens of this State. The selection of winning bids
16 shall also take into account the incremental environmental
17 benefits resulting from the procurement or procurements,
18 such as any existing environmental benefits that are
19 preserved by a procurement held under this subsection
20 (d-10) and would cease to exist if the procurement were
21 not held, including the preservation of carbon-free energy
22 resources. For those bidders having the same public
23 interest criteria score, the relative ranking of such
24 bidders shall be determined by price. The Plan shall
25 describe in detail how each public interest factor shall
26 be considered and weighted in the bid selection process to

1 ensure that the public interest criteria are applied to
2 the procurement. The Plan shall, to the extent practical
3 and permissible by federal law, ensure that successful
4 bidders make commercially reasonable efforts to apply for
5 federal tax credits, direct payments, or similar subsidy
6 programs that support carbon-free generation and for which
7 the successful bidder is eligible. Upon publishing of the
8 carbon mitigation credit procurement plan, copies of the
9 plan shall be posted and made publicly available on the
10 Agency's website. All interested parties shall have 7 days
11 following the date of posting to provide comment to the
12 Agency on the plan. All comments shall be posted to the
13 Agency's website. Following the end of the comment period,
14 but no more than 19 days later than the effective date of
15 this amendatory Act of the 102nd General Assembly, the
16 Agency shall revise the plan as necessary based on the
17 comments received and file its carbon mitigation credit
18 procurement plan with the Commission.

19 (E) If the Commission determines that the plan is
20 likely to result in the procurement of cost-effective
21 carbon mitigation credits, then the Commission shall,
22 after notice and hearing and opportunity for comment, but
23 no later than 42 days after the Agency filed the plan,
24 approve the plan or approve it with modification. For
25 purposes of this subsection (d-10), "cost-effective" means
26 carbon mitigation credits that are procured from

1 carbon-free energy resources at prices that are within the
2 limits specified in this paragraph (3). As part of the
3 Commission's review and acceptance or rejection of the
4 procurement results, the Commission shall, in its public
5 notice of successful bidders:

6 (i) identify how the selected carbon-free energy
7 resources satisfy the public interest criteria
8 described in this paragraph (3) of minimizing carbon
9 dioxide emissions that result from electricity
10 consumed in Illinois and minimizing sulfur dioxide,
11 nitrogen oxide, and particulate matter emissions that
12 adversely affect the citizens of this State;

13 (ii) specifically address how the selection of
14 carbon-free energy resources takes into account the
15 incremental environmental benefits resulting from the
16 procurement, including any existing environmental
17 benefits that are preserved by the procurements held
18 under this amendatory Act of the 102nd General
19 Assembly and would have ceased to exist if the
20 procurements had not been held, such as the
21 preservation of carbon-free energy resources;

22 (iii) quantify the environmental benefit of
23 preserving the carbon-free energy resources procured
24 pursuant to this subsection (d-10), including the
25 following:

26 (I) an assessment value of avoided greenhouse

1 gas emissions measured as the product of the
2 carbon-free energy resources' output over the
3 contract term, using generally accepted
4 methodologies for the valuation of avoided
5 emissions; and

6 (II) an assessment of costs of replacement
7 with other carbon-free energy resources and
8 renewable energy resources, including wind and
9 photovoltaic generation, based upon an assessment
10 of the prices paid for renewable energy credits
11 through programs and procurements conducted
12 pursuant to subsection (c) of Section 1-75 of this
13 Act, and the additional storage necessary to
14 produce the same or similar capability of matching
15 customer usage patterns.

16 (F) The procurements described in this paragraph (3),
17 including, but not limited to, the execution of all
18 contracts procured, shall be completed no later than
19 December 3, 2021. The procurement and plan approval
20 processes required by this paragraph (3) shall be
21 conducted in conjunction with the procurement and plan
22 approval processes required by Section 16-111.5 of the
23 Public Utilities Act, to the extent practicable. However,
24 the Agency and Commission may, as appropriate, modify the
25 various dates and timelines under this subparagraph and
26 subparagraphs (D) and (E) of this paragraph (3) to meet

1 the December 3, 2021 contract execution deadline.
2 Following the completion of such procurements, and
3 consistent with this paragraph (3), the Agency shall
4 calculate the payments to be made under each contract in a
5 timely fashion.

6 (F-1) Costs incurred by the electric utility pursuant
7 to a contract authorized by this subsection (d-10) shall
8 be deemed prudently incurred and reasonable in amount, and
9 the electric utility shall be entitled to full cost
10 recovery pursuant to a tariff or tariffs filed with the
11 Commission.

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

15 (H) If a carbon-free energy resource is sold to
16 another owner, the rights, obligations, and commitments
17 under this subsection (d-10) shall continue to the
18 subsequent owner.

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

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

24 (f) The Agency shall submit the final procurement plan to
25 the Commission. The Agency shall revise a procurement plan if
26 the Commission determines that it does not meet the standards

1 set forth in Section 16-111.5 of the Public Utilities Act.

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

5 (h) The Agency shall assess fees to each bidder to recover
6 the costs incurred in connection with a competitive
7 procurement process.

8 (i) A renewable energy credit, carbon emission credit,
9 zero emission credit, or carbon mitigation credit can only be
10 used once to comply with a single portfolio or other standard
11 as set forth in subsection (c), subsection (d), or subsection
12 (d-5) of this Section, respectively. A renewable energy
13 credit, carbon emission credit, zero emission credit, or
14 carbon mitigation credit cannot be used to satisfy the
15 requirements of more than one standard. If more than one type
16 of credit is issued for the same megawatt hour of energy, only
17 one credit can be used to satisfy the requirements of a single
18 standard. After such use, the credit must be retired together
19 with any other credits issued for the same megawatt hour of
20 energy.

21 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
22 103-580, eff. 12-8-23.)

23 (20 ILCS 3855/1-93 new)

24 Sec. 1-93. Energy storage procurement plan.

25 (a) The Agency shall develop a storage procurement plan

1 that results in the electric utilities contracting for energy
2 storage credits from contracted energy storage systems in the
3 following amounts:

4 (1) at least 1,500 megawatts of cumulative energy
5 storage capacity by the end of delivery year 2024;

6 (2) at least 3,000 megawatts of cumulative energy
7 storage capacity by the end of delivery year 2025;

8 (3) at least 4,500 megawatts of cumulative energy
9 storage capacity by the end of delivery year 2026;

10 (4) at least 6,000 megawatts of cumulative energy
11 storage capacity by the end of delivery year 2027;

12 (5) at least 7,000 megawatts of cumulative energy
13 storage capacity by the end of delivery year 2028;

14 (6) at least 8,000 megawatts of cumulative energy
15 storage capacity by the end of delivery year 2029;

16 (7) at least 9,000 megawatts of cumulative energy
17 storage capacity by the end of delivery year 2030; and

18 (8) at least 15,000 megawatts of cumulative energy
19 storage capacity by the end of delivery year 2038.

20 The initial and subsequent storage procurement plans shall
21 require that for each delivery year, the cumulative energy
22 storage capacity contracted for by the electric utilities
23 shall be procured as follows: (i) at least 22.5% procured
24 using indexed credits; (ii) at least 22.5% procured using
25 tolling agreements; (iii) 30% procured using either indexed
26 credit or tolling agreements as approved in the storage

1 procurement plan; and (iv) 25% procured through a separate
2 redeveloper energy storage capacity procurement using tolling
3 agreements. The storage procurement plan shall determine in
4 advance the cumulative amount of capacity to be sought in each
5 procurement by redevelopers for the delivery year. The
6 cumulative amount of capacity bid by redevelopers into each
7 procurement for each delivery year shall be made available to
8 the public at the time the Agency submits the procurement
9 event to the Commission for approval.

10 In each procurement where the cumulative amount of energy
11 storage capacity bid by redevelopers is less than 25% of the
12 cumulative energy storage contracted for by the electric
13 utilities for any delivery year, such unmet capacity amount
14 shall be included in the next redeveloper energy storage
15 capacity procurement event. A redeveloper may submit multiple
16 bids into any energy storage capacity procurement, including
17 the redeveloper energy storage capacity procurement and any
18 other energy storage capacity procurement. The Agency shall
19 apply the bid price adjustment in ranking, evaluating, and
20 selecting bids by redevelopers in the redeveloper energy
21 storage capacity procurement.

22 (a-5) For purposes of this Section:

23 "Redeveloper" means an entity that owns one or more
24 fossil-fueled plant sites in this State that on or after
25 January 1, 2016 had at the location electric generation
26 facilities with a capacity of at least 150 megawatts that used

1 coal or natural gas as the primary fuel to generate
2 electricity, or is otherwise subject to subsection (i) of
3 Section 9.15 of the Illinois Environmental Protection Act, to
4 the extent the entity submits a bid for energy storage
5 projects at or adjacent to such sites.

6 "Redeveloper energy storage capacity procurement" means
7 unique procurement events conducted exclusively for the
8 purpose of procuring from redevelopers at least 25% of the
9 cumulative energy storage capacity to be contracted for by the
10 electric utilities for each delivery year.

11 (b) Within 180 days after the effective date of this
12 amendatory Act of the 103rd General Assembly, the Agency shall
13 develop an energy storage procurement plan in accordance with
14 this Section and Section 16-111.5 of the Public Utilities Act.

15 (c) For procurements of energy storage credits, the Agency
16 shall procure energy storage credits using methodologies
17 including, but not limited to, tolling agreements and indexed
18 energy storage credits. The Agency shall select bids based on
19 the bid price when compared with equal energy storage duration
20 and interconnected to the same independent system operator or
21 regional transmission organization and may give consideration
22 to project viability and developer experience. The
23 procurements of energy storage credits under this subsection

24 (c) shall be made as follows:

25 (1) For indexed energy storage credit procurements,
26 the purchase price of the indexed energy storage credit

1 payment shall be calculated for each day. The payment per
2 energy storage credit shall be equal to the difference
3 resulting from subtracting from the energy storage strike
4 price the sum of the daily energy volatility index and the
5 reference capacity price for that day. If this difference
6 results in a positive number, the electric utility shall
7 owe the seller this amount multiplied by the number of
8 indexed energy storage credit produced on the relevant
9 day. If this difference results in a negative number, the
10 settlement shall be zero. The parties shall cash settle
11 every month, summing up all settlements for the prior
12 month.

13 (2) For tolling agreements, the purchase price shall
14 be the tolling rate as bid by the winning bidder.

15 (3) For pricing structures that are neither indexed
16 credits nor tolling agreements, the Agency, after
17 consideration of feedback from potential bidders and in
18 consideration of financeability, shall develop
19 methodologies for pricing structure and bidding
20 procedures.

21 For the purposes of this subsection (c):

22 "Developer experience" means the experience of a bidder or
23 its affiliates assessed by the Agency, including based on
24 quantity of energy projects brought to commercial operation,
25 quantity of energy projects under ownership, and awards of
26 incentive contracts.

1 "Project viability" means an assessment by the Agency, for
2 the purposes of bid evaluation, of the project's potential to
3 reach commercial operation as assessed by standards developed
4 by the Agency regarding permitting milestones, interconnection
5 milestones, and site control milestones.

6 (d) All procurements under this Section shall comply with
7 the geographic requirements in subparagraph (I) of paragraph
8 (1) of subsection (c) of Section 1-75 and shall follow the
9 procurement processes and procedures described in this Section
10 and Section 16-111.5 of the Public Utilities Act, to the
11 extent practicable, and these processes and procedures may be
12 expedited to accommodate the schedule established by this
13 Section. The Agency shall require all bidders to pay to the
14 Agency a nonrefundable deposit of \$10,000 per bid. Bidders
15 shall also demonstrate experience developing to commercial
16 readiness. The owner of the winning bidders, or the owner's
17 engineering, procurement, and construction contractors, shall
18 comply with the prevailing wage requirements in subparagraph
19 (Q) of paragraph (1) of subsection (c) of Section 1-75 and
20 equity accountability system requirements in subsection (c-10)
21 of Section 1-75. As used in this subsection (d), "developing
22 to commercial readiness" means having notice to proceed,
23 owning, or operating energy facilities with a combined
24 nameplate capacity of at least 100 megawatts.

25 (d-5) All redeveloper energy storage capacity procurements
26 under this Section shall require that the owner of the winning

1 bidders or the owner's engineering, procurement, and
2 construction contractor, of the energy storage resources have
3 entered, or commit to enter, into a project labor agreement
4 for the construction of the energy storage resource consistent
5 with subsection (j) and certify that not less than the
6 prevailing wage, as determined by the Illinois Prevailing Wage
7 Act, was or will be paid to employees who are engaged in
8 construction activities associated with the energy storage
9 resource consistent with subsection (j).

10 All redeveloper owners shall commit to:

11 (1) coordinate with the Department of Commerce and
12 Economic Opportunity to develop and provide an additional
13 job training and education program to existing and former
14 employees of the redeveloper at the location of the
15 proposed energy storage resource who are or were members
16 of a labor union to provide the requisite skills,
17 knowledge, and training required to operate and maintain
18 energy storage resources;

19 (2) create employment opportunities for persons who
20 graduate from that job training and education program; and

21 (3) within 120 days after the Commission's approval of
22 the owner's energy storage contract, submit to the
23 Commission a diversity, equity, and inclusion plan
24 consistent with paragraph (11) of subsection (c-5) of
25 Section 1-75.

26 As an alternative to paragraphs (1) and (2), for existing

1 employees of the redeveloper at the location of the proposed
2 energy storage resource who are members of a labor union,
3 redeveloper owners may commit to providing opportunities for
4 such employees to seek job training or education opportunities
5 at the employer's expense of up to a stated amount,
6 employer-paid outplacement services, providing opportunities
7 to apply for other positions with the employer, and for the
8 development and operation of energy storage resources at the
9 site of the redeveloper, using, to the extent possible, labor
10 union, State, or other job and workforce training programs
11 established to support the development, construction, and
12 operation of renewable energy and energy storage resources in
13 this State.

14 The redeveloper energy storage procurement plan shall
15 provide that the Agency shall submit the results of its
16 procurement events and proposed energy storage contracts to
17 the Commission for approval. After notice and opportunity for
18 comment, but no later than 42 days after the Agency has filed
19 the results of its redeveloper energy storage procurement
20 events and the proposed energy storage contracts, the
21 Commission shall approve the results and the proposed energy
22 storage contracts or approve them with modification.

23 (e) No later than December 31, 2026, and every 2 years
24 thereafter, the Agency shall conduct an analysis to determine
25 whether the contracted quantity of energy storage in energy
26 storage capacity and energy storage duration is sufficient to

1 support the State's renewable energy standards and carbon
2 emission standards. To conduct the analysis, the Agency shall
3 retain an independent consultant with experience in wholesale
4 electric system modeling in PJM and MISO and may seek the
5 support of the federal Department of Energy and National Labs
6 to conduct its analysis. The independent consultant shall
7 utilize a production cost model, capacity expansion model, or
8 similar comprehensive analysis of the electricity systems and
9 shall provide opportunities for stakeholders to provide
10 feedback on the scope, inputs, and assumptions used in the
11 analysis. The Agency is authorized to collect costs for
12 conducting the analysis from electric utilities. The electric
13 utilities are authorized to recover the cost of the analysis
14 as part of the recovery of the cost of energy storage credits,
15 as authorized in this Section and Section 16-108 of the Public
16 Utilities Act. If the Agency determines that the need for
17 energy storage capacity or energy storage duration is greater
18 than the energy storage credit target in this Section, the
19 Agency shall establish, and the Commission shall approve, new
20 energy storage credit targets to meet the identified need. If
21 the Agency determines that deployment of energy storage beyond
22 2030 will not be achieved through wholesale market prices and
23 other energy storage programs established by the State, the
24 Agency shall establish additional targets for years beyond
25 2030.

26 (f) The Agency shall include in the long-term procurement

1 plan the energy storage duration of energy storage systems
2 from which the Agency shall procure energy storage credits.
3 Informed by the analysis described in subsection (e), when
4 available, the Agency shall designate the energy storage
5 duration or durations and the amount of energy storage
6 capacity at each duration from which the Agency intends to
7 procure energy storage credits. The long-term procurement plan
8 shall further propose allocation of procurements between
9 indexed credits and tolling agreements, taking into
10 consideration factors including timely commercial operation of
11 storage resources.

12 (g) The Agency shall identify in the long-term procurement
13 plan the regional transmission organization or independent
14 system operator to which energy storage systems shall be
15 interconnected in order to be eligible to offer a strike price
16 for energy storage credits. Following solicitation and receipt
17 of feedback from stakeholders including potential bidders, the
18 Agency shall propose in the long-term procurement plan key
19 terms and conditions of the standard contracts for indexed
20 credit and tolling agreements. The key terms shall be designed
21 to ensure the agreements are financeable and incentivize
22 development.

23 (h) The Agency shall procure cost-effective energy storage
24 credits in at least the amounts identified in subsection (a)
25 of this Section. The procurement administrator shall establish
26 confidential price benchmarks based on publicly available data

1 on regional technology costs. Confidential benchmarks shall be
2 developed by the procurement administrator, in consultation
3 with the Commission staff, Agency staff, and the procurement
4 monitor, and shall be subject to Commission review and
5 approval. Benchmarks shall reflect development, financing, and
6 related costs resulting from requirements imposed through
7 other provisions of State law. As used in this subsection(h),
8 "cost effective" means that the energy storage credit strike
9 price does not exceed confidential benchmarks.

10 (i) When developing each storage procurement plan, upon
11 solicitation from stakeholders, the Agency shall consider
12 additional procurement approaches that would result in the
13 electric utilities contracting for energy storage to achieve
14 the requirements in subsection (a).

15 (j) Storage energy credits procured under this Section
16 must be from energy storage systems built by general
17 contractors that enter into a project labor agreement prior to
18 construction. The project labor agreement shall be filed with
19 the Director in accordance with procedures established by the
20 Agency through its storage procurement plan. Any information
21 submitted to the Agency under this subsection shall be
22 considered commercially sensitive information. At a minimum,
23 the project labor agreement must provide the names, addresses,
24 and occupations of the owner of the plant and the individuals
25 representing the labor organization employees participating in
26 the project labor agreement in accordance with the Project

1 Labor Agreements Act. The agreement must also specify the
2 terms and conditions as described in this Act.

3 (k) In order to promote the competitive development of
4 energy storage system in furtherance of the State's interest
5 in the health, safety, and welfare of its residents, storage
6 credits shall not be eligible to be selected under this
7 Section if they are sourced from an energy storage system
8 whose costs were being recovered through rates regulated by
9 this State or any other state or states on or after January 1,
10 2017. Each contract executed to purchase storage credits under
11 this Section shall provide for the contract's termination if
12 the costs of the energy storage system supplying the storage
13 credits subsequently begin to be recovered through rates
14 regulated by this State or any other state or states. Each
15 contract shall provide that, in the event the costs of the
16 energy storage system supplying the storage credits
17 subsequently begin to be recovered through rates regulated by
18 this State or any other state or states, the supplier of the
19 credits must return 110% of all payments received under the
20 contract. Amounts returned under the requirements of this
21 subsection (k) shall be refunded to ratepayers. No entity
22 shall be permitted to bid unless it certifies to the Agency
23 that it is not an electric utility, as defined in Section
24 16-102 of the Public Utilities Act, serving more than 10,000
25 customers in the State.

26 (l) The Agency shall require that as a prerequisite to

1 payment for any storage credits that the winning bidder
2 provide the Agency or its designee a copy of the
3 interconnection agreement under which the applicable energy
4 storage system is connected to the transmission or
5 distribution system.

6 (m) To ensure the successful development of new energy
7 storage systems for procurements under this Section, a winning
8 bidder or the current seller under contract countersigned by
9 an electric utility counterparty may petition the Commission
10 to revise the terms in the contract. Prior to such petition,
11 upon request by the winning bidder or seller, the Agency shall
12 negotiate directly with the winning bidder or seller. If
13 following the direct negotiations, the Agency and the winning
14 bidder reach an agreement on amended terms or a strike price
15 and the Agency finds that the amended terms or strike price
16 reflect a change in circumstances since the date of the bid
17 based on circumstances unforeseeable at the time of the bid,
18 upon petition by the winning bidder or current seller, then
19 the Commission shall issue an order directing the utility
20 counterparty to execute a form amendment drafted by the Agency
21 with the revised terms or the strike price. The Agency shall
22 provide the amendment to the utility within 15 business days
23 after the Commission's order and the utility buyer shall
24 execute the amendment not more than 7 calendar days after
25 delivery by the Agency. The Agency shall develop the form
26 amendment following comment by interested parties.

1 (20 ILCS 3855/1-94 new)

2 Sec. 1-94. Firm energy resource procurement plan. The
3 Agency is authorized to develop and implement a firm energy
4 resource procurement plan for new resources, including
5 initiating proceedings and conducting competitive
6 solicitations to deploy new long-duration and multi-day energy
7 storage. The procurement plan shall ensure regular procurement
8 opportunities to deploy new long-duration and multi-day energy
9 storage resources by 2030 and shall ensure stable, competitive
10 resource development at a pace needed to ensure grid
11 reliability and resilience during atypical or extreme grid
12 conditions that may occur at least once in 20 years while
13 meeting the emissions requirements of Section 9.15 of the
14 Environmental Protection Act. The Agency's plan shall ensure
15 that a minimum of 4 new long-duration or multi-day energy
16 storage resources, each with a rated capacity greater than 20
17 megawatts, shall be deployed or contracted by the end of
18 delivery year 2026. Within one year after the effective date
19 of this amendatory Act of the 103rd General Assembly, the
20 Agency shall develop a firm energy resource procurement plan
21 in accordance with this Section and Section 16-111.5 of the
22 Public Utilities Act.

23 Section 10. The Public Utilities Act is amended by
24 changing Sections 16-107.5, 16-107.6, 16-108, and 16-111.5 and

1 by adding Sections 8-513, 16-107.9, 16-107.10, and 16-107.11
2 and Article XXIII as follows:

3 (220 ILCS 5/8-513 new)

4 Sec. 8-513. Staffing adequacy.

5 (a) The General Assembly finds and declares that devotion
6 of adequate resources, including human resources and technical
7 resources, to interconnection of electric generation to the
8 electric distribution grid and transmission grid are necessary
9 to meeting the State's renewable energy goals, including the
10 goals set out in Section 1-75 of the Illinois Power Agency Act.
11 The General Assembly further finds that insufficient human
12 resources or inadequate systems, recordkeeping, or technical
13 ability to interconnection by electric utilities risks delays,
14 mistakes, and disputes under applicable interconnection
15 procedures.

16 (b) Each electric utility, as defined in Section 16-102,
17 shall demonstrate sufficient resources devoted to
18 interconnection.

19 (c) The Commission shall review in a contested proceeding
20 the compliance of each electric utility with the electric
21 utility's individual compliance with obligations under
22 subsection (b) of this Section. If the Commission, after
23 notice and hearing, finds that an electric utility did not
24 meet its obligations under subsection (b) of this Section, or
25 is at risk of not meeting such obligations in the future, the

1 Commission may require the electric utility to submit a
2 compliance plan to meet such obligations. The Commission shall
3 approve or approve with modifications a compliance plan if the
4 Commission finds that the compliance plan is likely to ensure
5 compliance with the electric utility's obligations under
6 subsection (b) of this Section, or likely with modifications
7 to ensure compliance.

8 (d) As used in this Section:

9 "Interconnection" means the steps to interconnect
10 electric generation fueled by renewable resources, energy
11 storage, or a combination of generation fueled by
12 renewable resources and storage under procedures set out
13 in this Act, rules adopted by the Commission, PJM
14 Interconnection, Inc. or its successor, or Midcontinent
15 Independent System Operator or its successor.

16 "Resources" means the combination of employees,
17 independent contractors, vendors, and systems and software
18 that directly support interconnection but shall not
19 include the transformers, reclosers, line, and similar
20 physical assets used to connect or upgrade the
21 distribution or transmission grids.

22 (220 ILCS 5/16-107.5)

23 Sec. 16-107.5. Net electricity metering.

24 (a) The General Assembly finds and declares that a program
25 to provide net electricity metering, as defined in this

1 Section, for eligible customers can encourage private
2 investment in renewable energy resources, stimulate economic
3 growth, enhance the continued diversification of Illinois'
4 energy resource mix, and protect the Illinois environment.
5 Further, to achieve the goals of this Act that robust options
6 for customer-site distributed generation continue to thrive in
7 Illinois, the General Assembly finds that a predictable
8 transition must be ensured for customers between full net
9 metering at the retail electricity rate to the distribution
10 generation rebate described in Section 16-107.6.

11 (b) As used in this Section, (i) "community renewable
12 generation project" shall have the meaning set forth in
13 Section 1-10 of the Illinois Power Agency Act; (ii) "eligible
14 customer" means a retail customer that owns, hosts, or
15 operates, including any third-party owned systems, a solar,
16 wind, or other eligible renewable electrical generating
17 facility that is located on the customer's premises or
18 customer's side of the billing meter and is intended primarily
19 to offset the customer's own current or future electrical
20 requirements; (iii) "electricity provider" means an electric
21 utility or alternative retail electric supplier; (iv)
22 "eligible renewable electrical generating facility" means a
23 generator, which may include the co-location of an energy
24 storage system, that is interconnected under rules adopted by
25 the Commission and is powered by solar electric energy, wind,
26 dedicated crops grown for electricity generation, agricultural

1 residues, untreated and unadulterated wood waste, livestock
2 manure, anaerobic digestion of livestock or food processing
3 waste, fuel cells or microturbines powered by renewable fuels,
4 or hydroelectric energy; (v) "net electricity metering" (or
5 "net metering") means the measurement, during the billing
6 period applicable to an eligible customer, of the net amount
7 of electricity supplied by an electricity provider to the
8 customer or provided to the electricity provider by the
9 customer or subscriber; (vi) "subscriber" shall have the
10 meaning as set forth in Section 1-10 of the Illinois Power
11 Agency Act; (vii) "subscription" shall have the meaning set
12 forth in Section 1-10 of the Illinois Power Agency Act; (viii)
13 "energy storage system" means commercially available
14 technology that is capable of absorbing energy and storing it
15 for a period of time for use at a later time, including, but
16 not limited to, electrochemical, thermal, and
17 electromechanical technologies, and may be interconnected
18 behind the customer's meter or interconnected behind its own
19 meter; and (ix) "future electrical requirements" means modeled
20 electrical requirements upon occupation of a new or vacant
21 property, and other reasonable expectations of future
22 electrical use, as well as, for occupied properties, a
23 reasonable approximation of the annual load of 2 electric
24 vehicles and, for non-electric heating customers, a reasonable
25 approximation of the incremental electric load associated with
26 fuel switching. The approximations shall be applied to the

1 appropriate net metering tariff and do not need to be unique to
2 each individual eligible customer. The utility shall submit
3 these approximations to the Commission for review,
4 modification, and approval.

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

8 (1) 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-hour basis
12 and electric supply service is not provided based on
13 hourly pricing, this shall typically be accomplished
14 through use of a single, bi-directional meter. If the
15 eligible customer's existing electric revenue meter does
16 not meet this requirement, the electricity provider shall
17 arrange for the local electric utility or a meter service
18 provider to install and maintain a new revenue meter at
19 the electricity provider's expense, which may be the smart
20 meter described by subsection (b) of Section 16-108.5 of
21 this Act.

22 (2) For eligible customers whose electric service has
23 not been declared competitive pursuant to Section 16-113
24 of this Act as of July 1, 2011 and whose electric delivery
25 service is provided and measured on a kilowatt demand
26 basis and electric supply service is not provided based on

1 hourly pricing, this shall typically be accomplished
2 through use of a dual channel meter capable of measuring
3 the flow of electricity both into and out of the
4 customer's facility at the same rate and ratio. If such
5 customer's existing electric revenue meter does not meet
6 this requirement, then the electricity provider shall
7 arrange for the local electric utility or a meter service
8 provider to install and maintain a new revenue meter at
9 the electricity provider's expense, which may be the smart
10 meter described by subsection (b) of Section 16-108.5 of
11 this Act.

12 (3) For all other eligible customers, until such time
13 as the local electric utility installs a smart meter, as
14 described by subsection (b) of Section 16-108.5 of this
15 Act, the electricity provider may arrange for the local
16 electric utility or a meter service provider to install
17 and maintain metering equipment capable of measuring the
18 flow of electricity both into and out of the customer's
19 facility at the same rate and ratio, typically through the
20 use of a dual channel meter. If the eligible customer's
21 existing electric revenue meter does not meet this
22 requirement, then the costs of installing such equipment
23 shall be paid for by the customer.

24 (d) An electricity provider shall measure and charge or
25 credit for the net electricity supplied to eligible customers
26 or provided by eligible customers whose electric service has

1 not been declared competitive pursuant to Section 16-113 of
2 this Act as of July 1, 2011 and whose electric delivery service
3 is provided and measured on a kilowatt-hour basis and electric
4 supply service is not provided based on hourly pricing in the
5 following manner:

6 (1) If the amount of electricity used by the customer
7 during the billing period exceeds the amount of
8 electricity produced by the customer, the electricity
9 provider shall charge the customer for the net electricity
10 supplied to and used by the customer as provided in
11 subsection (e-5) of this Section.

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, the electricity provider supplying that customer
16 shall apply a 1:1 kilowatt-hour credit to a subsequent
17 bill for service to the customer for the net electricity
18 supplied to the electricity provider. The electricity
19 provider shall continue to carry over any excess
20 kilowatt-hour credits earned and apply those credits to
21 subsequent billing periods to offset any
22 customer-generator consumption in those billing periods
23 until all credits are used or until the end of the
24 annualized period.

25 (3) At the end of the year or annualized over the
26 period that service is supplied by means of net metering,

1 or in the event that the retail customer terminates
2 service with the electricity provider prior to the end of
3 the year or the annualized period, any remaining credits
4 in the customer's account shall expire.

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

13 (1) If the amount of electricity used by the customer
14 during any hourly period or time-of-use period exceeds the
15 amount of electricity produced by the customer, the
16 electricity provider shall charge the customer for the net
17 electricity supplied to and used by the customer according
18 to the terms of the contract or tariff to which the same
19 customer would be assigned to or be eligible for if the
20 customer was not a net metering customer.

21 (2) If the amount of electricity produced by a
22 customer during any hourly period or time-of-use period
23 exceeds the amount of electricity used by the customer
24 during that hourly period or time-of-use period, the
25 energy provider shall apply a credit for the net
26 kilowatt-hours produced in such period. The credit shall

1 consist of an energy credit and a delivery service credit.
2 The energy credit shall be valued at the same price per
3 kilowatt-hour as the electric service provider would
4 charge for kilowatt-hour energy sales during that same
5 hourly period or time-of-use period. The delivery credit
6 shall be equal to the net kilowatt-hours produced in such
7 hourly period or time-of-use period times a credit that
8 reflects all kilowatt-hour based charges in the customer's
9 electric service rate, excluding energy charges.

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

17 (1) If the amount of electricity used by the customer
18 during the billing period exceeds the amount of
19 electricity produced by the customer, then the electricity
20 provider shall charge the customer for the net electricity
21 supplied to and used by the customer as provided in
22 subsection (e-5) of this Section. The customer shall
23 remain responsible for all taxes, fees, and utility
24 delivery charges that would otherwise be applicable to the
25 net amount of electricity used by the customer.

26 (2) If the amount of electricity produced by a

1 customer during the billing period exceeds the amount of
2 electricity used by the customer during that billing
3 period, then the electricity provider supplying that
4 customer shall apply a 1:1 kilowatt-hour credit that
5 reflects the kilowatt-hour based charges in the customer's
6 electric service rate to a subsequent bill for service to
7 the customer for the net electricity supplied to the
8 electricity provider. The electricity provider shall
9 continue to carry over any excess kilowatt-hour credits
10 earned and apply those credits to subsequent billing
11 periods to offset any customer-generator consumption in
12 those billing periods until all credits are used or until
13 the end of the annualized period.

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

20 (e-5) An electricity provider shall provide electric
21 service to eligible customers who utilize net metering at
22 non-discriminatory rates that are identical, with respect to
23 rate structure, retail rate components, and any monthly
24 charges, to the rates that the customer would be charged if not
25 a net metering customer. An electricity provider shall not
26 charge net metering customers any fee or charge or require

1 additional equipment, insurance, or any other requirements not
2 specifically authorized by interconnection standards
3 authorized by the Commission, unless the fee, charge, or other
4 requirement would apply to other similarly situated customers
5 who are not net metering customers. The customer will remain
6 responsible for all taxes, fees, and utility delivery charges
7 that would otherwise be applicable to the net amount of
8 electricity used by the customer. Subsections (c) through (e)
9 of this Section shall not be construed to prevent an
10 arms-length agreement between an electricity provider and an
11 eligible customer that sets forth different prices, terms, and
12 conditions for the provision of net metering service,
13 including, but not limited to, the provision of the
14 appropriate metering equipment for non-residential customers.

15 (f) Notwithstanding the requirements of subsections (c)
16 through (e-5) of this Section, an electricity provider must
17 require dual-channel metering for customers operating eligible
18 renewable electrical generating facilities to whom the
19 provisions of neither subsection (d), (d-5), nor (e) of this
20 Section apply. In such cases, electricity charges and credits
21 shall be determined as follows:

22 (1) The electricity provider shall assess and the
23 customer remains responsible for all taxes, fees, and
24 utility delivery charges that would otherwise be
25 applicable to the gross amount of kilowatt-hours supplied
26 to the eligible customer by the electricity provider.

1 (2) Each month that service is supplied by means of
2 dual-channel metering, the electricity provider shall
3 compensate the eligible customer for any excess
4 kilowatt-hour credits at the electricity provider's
5 avoided cost of electricity supply over the monthly period
6 or as otherwise specified by the terms of a power-purchase
7 agreement negotiated between the customer and electricity
8 provider.

9 (3) For all eligible net metering customers taking
10 service from an electricity provider under contracts or
11 tariffs employing hourly or time-of-use rates, any monthly
12 consumption of electricity shall be calculated according
13 to the terms of the contract or tariff to which the same
14 customer would be assigned to or be eligible for if the
15 customer was not a net metering customer. When those same
16 customer-generators are net generators during any discrete
17 hourly or time-of-use period, the net kilowatt-hours
18 produced shall be valued at the same price per
19 kilowatt-hour as the electric service provider would
20 charge for retail kilowatt-hour sales during that same
21 time-of-use period.

22 (g) For purposes of federal and State laws providing
23 renewable energy credits or greenhouse gas credits, the
24 eligible customer shall be treated as owning and having title
25 to the renewable energy attributes, renewable energy credits,
26 and greenhouse gas emission credits related to any electricity

1 produced by the qualified generating unit. The electricity
2 provider may not condition participation in a net metering
3 program on the signing over of a customer's renewable energy
4 credits; provided, however, this subsection (g) shall not be
5 construed to prevent an arms-length agreement between an
6 electricity provider and an eligible customer that sets forth
7 the ownership or title of the credits.

8 (h) Within 120 days after the effective date of this
9 amendatory Act of the 95th General Assembly, the Commission
10 shall establish standards for net metering and, if the
11 Commission has not already acted on its own initiative,
12 standards for the interconnection of eligible renewable
13 generating equipment to the utility system. The
14 interconnection standards shall address any procedural
15 barriers, delays, and administrative costs associated with the
16 interconnection of customer-generation while ensuring the
17 safety and reliability of the units and the electric utility
18 system. The Commission shall consider the Institute of
19 Electrical and Electronics Engineers (IEEE) Standard 1547 and
20 the issues of (i) reasonable and fair fees and costs, (ii)
21 clear timelines for major milestones in the interconnection
22 process, (iii) nondiscriminatory terms of agreement, and (iv)
23 any best practices for interconnection of distributed
24 generation.

25 (h-5) Within 90 days after the effective date of this
26 amendatory Act of the 103rd General Assembly ~~amendatory Act of~~

1 ~~the 102nd General Assembly~~, the Commission shall:

2 (1) establish an Interconnection Working Group. The
3 working group shall include representatives from electric
4 utilities, developers of renewable electric generating
5 facilities, other industries that regularly apply for
6 interconnection with the electric utilities,
7 representatives of distributed generation customers, the
8 Commission Staff, and such other stakeholders with a
9 substantial interest in the topics addressed by the
10 Interconnection Working Group. The Interconnection Working
11 Group shall address at least the following issues:

12 (A) cost and best available technology for
13 interconnection and metering, including the
14 standardization and publication of standard costs;

15 (B) transparency, accuracy and use of the
16 distribution interconnection queue and hosting
17 capacity maps;

18 (C) distribution system upgrade cost avoidance
19 through use of advanced inverter functions;

20 (D) predictability of the queue management process
21 and enforcement of timelines;

22 (E) benefits and challenges associated with group
23 studies and cost sharing;

24 (F) minimum requirements for application to the
25 interconnection process and throughout the
26 interconnection process to avoid queue clogging

1 behavior;

2 (G) process and customer service for
3 interconnecting customers adopting distributed energy
4 resources, including energy storage;

5 (H) options for metering distributed energy
6 resources, including energy storage;

7 (I) interconnection of new technologies, including
8 smart inverters and energy storage;

9 (J) collect, share, and examine data on Level 1
10 interconnection costs, including cost and type of
11 upgrades required for interconnection, and use this
12 data to inform the final standardized cost of Level 1
13 interconnection; and

14 (K) such other technical, policy, and tariff
15 issues related to and affecting interconnection
16 performance and customer service as determined by the
17 Interconnection Working Group.

18 The Commission may create subcommittees of the
19 Interconnection Working Group to focus on specific issues
20 of importance, as appropriate. The Ombudsman on behalf of
21 the Interconnection Working Group shall report to the
22 Commission on recommended improvements to interconnection
23 rules and tariffs and policies as determined by the
24 Interconnection Working Group at least every 6 months.
25 Such reports shall include consensus recommendations of
26 the Interconnection Working Group and, if applicable,

1 additional recommendations for which consensus was not
2 reached. The Commission shall use the report from the
3 Interconnection Working Group to determine whether
4 processes should be commenced to formally codify or
5 implement the recommendations;

6 (2) designate the Ombudsperson described in Section
7 23-110, or his or her designee within the Office of
8 Interconnection and Renewable Development, to act as the
9 facilitator for the Interconnection Working Group for the
10 purpose of resolving ~~create or contract for an Ombudsman~~
11 ~~to resolve~~ interconnection disputes through mediation or
12 non-binding arbitration, to the extent mediation or
13 non-binding arbitration is available under rules adopted
14 by the Commission. As the facilitator for the
15 Interconnection Working Group, the Ombudsperson shall
16 convene stakeholders to set agendas for discussions, lead
17 meetings, ensure notes are distributed to members, and
18 perform other tasks necessary to support the good-faith
19 advancement of discussions. The Ombudsperson ~~Ombudsman~~ may
20 be paid in full or in part through fees levied on the
21 initiators of the dispute; ~~and~~

22 (3) determine a single standardized cost for Level 1
23 interconnections, which shall not exceed \$200;~~;~~

24 (4) require all electric utilities to perform a system
25 impact and facilities study to provide a detailed
26 breakdown of the non-binding costs of operation and an

1 estimate that individually itemizes operational costs,
2 including: (i) equipment by type or model, (ii) labor,
3 (iii) operation and maintenance, (iv) engineering and
4 design, (v) permitting, (vi) easements and rights-of-way,
5 (vii) direct overhead, and (viii) indirect overhead;

6 (5) prohibit electric utilities from recovering from
7 an interconnection customer more than 125% of the
8 non-binding cost estimate in the system impact and
9 facilities study described in paragraph (4). An electric
10 utility with a Multi-Year Rate Plan may recover prudent
11 and reasonable costs of interconnection that are not
12 recoverable from the interconnection customer under this
13 paragraph (5) from all customers through its Multi-Year
14 Rate Plan;

15 (6) open a proceeding, not to exceed 240 days in
16 duration, to create a uniform standard for cost-sharing of
17 interconnections. As used in this paragraph, "cost-sharing
18 of interconnections" means a system under which an
19 electric utility assigns the costs of upgrades to a
20 distribution-voltage substation that exceeds \$5,000,000
21 between the interconnection customer that initially causes
22 the upgrade and interconnection customers subsequent in
23 the interconnection queue, not to exceed 10 customers,
24 that directly benefit from the increased hosting capacity
25 from the upgrade, including applicants that subsequently
26 enter the queue;

1 (7) adopt rules, in addition to dispute resolution
2 provisions under the Commission's rules authorized by
3 subsection (h) of this Section, providing that upon
4 complaint by an electric utility, an interconnection
5 customer, or an interconnection applicant, the
6 Ombudsperson, or his or her designee, shall provide a
7 recommended resolution of any dispute within 5 business
8 days after receiving the complaint. The electric utility,
9 the interconnection customer, the interconnection
10 applicant, or any other party authorized to initiate
11 dispute resolution under the Commission's rules authorized
12 by subsection (h) of this Section may include the
13 Ombudsperson's recommendation in any dispute resolution.
14 Nothing in this paragraph (7) prohibits the Ombudsperson
15 from taking part in a dispute as required by this Section
16 or the Commission's rules;

17 (8) require each electric utility to offer flexible
18 interconnection. An interconnection applicant may propose
19 flexible interconnection options and an electric utility
20 shall not unreasonably deny the proposal. If curtailment
21 is expected under the flexible interconnection option, the
22 electric utility shall provide an analysis of the expected
23 rate of curtailment, inclusive of calculations, as well as
24 load, generation, contingency, and system limit
25 assumptions used. Each study of interconnection costs with
26 a cost exceeding \$0.30 per watt shall include an

1 evaluation of flexible interconnection options. As used in
2 this paragraph, "flexible interconnection" means active or
3 passive hardware, software, or other controls allowing
4 curtailment of distributed energy resources during grid
5 conditions that might otherwise impact safety or
6 reliability of the distribution system;

7 (9) prohibit any electric utility from requiring a
8 deposit for construction of interconnection facilities or
9 distribution upgrades of greater than \$1,000,000 and
10 making a payment of more than 25% of the amount before 20
11 business days before the engineering, procurement, and
12 construction of the interconnection facilities or
13 distribution upgrades;

14 (10) require all electric utilities, in studying
15 potential interconnection of distributed energy resources,
16 to present a proposed scope of upgrades and non-binding
17 cost estimate for the native feeder as well as the
18 non-binding cost estimate and scope of upgrades for any
19 other feeders proposed by the utility if different. The
20 interconnection customer shall be entitled to choose
21 between the 2 or more options presented by the electric
22 utility. In addition, the electric utility shall present a
23 separate proposed scope and non-binding cost estimate for
24 exceeding any distributed energy resource capacity limits
25 imposed by the electric utility;

26 (11) prohibit the electric utility from conditioning

1 study of an interconnection application on study, deposit,
2 or approval of any other distributed energy resource ahead
3 in queue, however nothing prohibits an electric utility
4 from identifying contingent upgrades for applicants lower
5 in queue. In such case, the electric utility shall
6 identify the projects ahead of the applicant in the queue
7 to the applicant or interconnection customer;

8 (12) require facilities study, as defined under the
9 Commission's rules adopted pursuant to subsection (h) of
10 this Section, to include analysis of required easements,
11 including the PIN of each parcel on which
12 customer-acquired easements are needed. The electric
13 utility shall allow use of the electric utility's
14 easements for interconnection facilities and distribution
15 upgrades, including interconnection facilities and
16 distribution upgrades constructed by the applicant,
17 interconnection customer, or a third party on their
18 behalf;

19 (13) require each electric utility to provide guidance
20 to applicants lower in queue on how contingent upgrade
21 costs will flow through the interconnection queue,
22 inclusive of the order of projects on which those upgrades
23 will fall, the allowable timelines for the electric
24 distribution utilities to notify the next project
25 following the withdrawal of the responsible project, and
26 establishing timelines for projects on which these

1 contingent upgrades fall to either pay the additional
2 deposit amount or withdraw their project;

3 (14) require each utility to maintain a public queue
4 with project-specific information including nameplate
5 capacity, energy storage nameplate capacity, if any,
6 contingent upgrades, if any, and estimated non-binding
7 interconnection cost provided by the electric utility to
8 the applicant or interconnection customer. The Commission
9 may require additional information be provided under this
10 paragraph (14); and

11 (15) require each electric utility serving more than
12 100,000 customers on January 1, 2023, to the extent not
13 provided in its multi-year grid plan, to submit to the
14 Commission a plan to implement public dynamic hosting
15 capacity maps not later than January 1, 2026. For the
16 purposes of this paragraph (15), "dynamic hosting capacity
17 maps" means public-facing hosting capacity maps that are
18 updated in real time or not less frequently than daily,
19 based on information received or provided by the electric
20 utility.

21 (i) All electricity providers shall begin to offer net
22 metering no later than April 1, 2008.

23 (j) An electricity provider shall provide net metering to
24 eligible customers according to subsections (d), (d-5), and
25 (e). Eligible renewable electrical generating facilities for
26 which eligible customers registered for net metering before

1 January 1, 2025 shall continue to receive net metering
2 services according to subsections (d), (d-5), and (e) of this
3 Section for the lifetime of the system, regardless of whether
4 those retail customers change electricity providers or whether
5 the retail customer benefiting from the system changes. On and
6 after January 1, 2025, any eligible customer that applies for
7 net metering and previously would have qualified under
8 subsections (d), (d-5), or (e) shall only be eligible for net
9 metering as described in subsection (n).

10 (k) Each electricity provider shall maintain records and
11 report annually to the Commission the total number of net
12 metering customers served by the provider, as well as the
13 type, capacity, and energy sources of the generating systems
14 used by the net metering customers. Nothing in this Section
15 shall limit the ability of an electricity provider to request
16 the redaction of information deemed by the Commission to be
17 confidential business information.

18 (l)(1) Notwithstanding the definition of "eligible
19 customer" in item (ii) of subsection (b) of this Section, each
20 electricity provider shall allow net metering as set forth in
21 this subsection (l) and for the following projects, provided
22 that only electric utilities serving more than 200,000
23 customers as of January 1, 2021 shall provide net metering for
24 projects that are eligible for subparagraph (C) of this
25 paragraph (1) and have energized after the effective date of
26 this amendatory Act of the 102nd General Assembly:

1 (A) properties owned or leased by multiple customers
2 that contribute to the operation of an eligible renewable
3 electrical generating facility through an ownership or
4 leasehold interest of at least 200 watts in such facility,
5 such as a community-owned wind project, a community-owned
6 biomass project, a community-owned solar project, or a
7 community methane digester processing livestock waste from
8 multiple sources, provided that the facility is also
9 located within the utility's service territory;

10 (B) individual units, apartments, or properties
11 located in a single building that are owned or leased by
12 multiple customers and collectively served by a common
13 eligible renewable electrical generating facility, such as
14 an office or apartment building, a shopping center or
15 strip mall served by photovoltaic panels on the roof; and

16 (C) subscriptions to community renewable generation
17 projects, including community renewable generation
18 projects on the customer's side of the billing meter of a
19 host facility and partially used for the customer's own
20 load.

21 In addition, the nameplate capacity of the eligible
22 renewable electric generating facility that serves the demand
23 of the properties, units, or apartments identified in
24 paragraphs (1) and (2) of this subsection (1) shall not exceed
25 5,000 kilowatts in nameplate capacity in total. Any eligible
26 renewable electrical generating facility or community

1 renewable generation project that is powered by photovoltaic
2 electric energy and installed after the effective date of this
3 amendatory Act of the 99th General Assembly must be installed
4 by a qualified person in compliance with the requirements of
5 Section 16-128A of the Public Utilities Act and any rules or
6 regulations adopted thereunder.

7 (2) Notwithstanding anything to the contrary, an
8 electricity provider shall provide credits for the electricity
9 produced by the projects described in paragraph (1) of this
10 subsection (1). The electricity provider shall provide credits
11 that include at least energy supply, capacity, transmission,
12 and, if applicable, the purchased energy adjustment on the
13 subscriber's monthly bill equal to the subscriber's share of
14 the production of electricity from the project, as determined
15 by paragraph (3) of this subsection (1). For customers with
16 transmission or capacity charges not charged on a
17 kilowatt-hour basis, the electricity provider shall prepare a
18 reasonable approximation of the kilowatt-hour equivalent value
19 and provide that value as a monetary credit. The electricity
20 provider shall submit these approximation methodologies to the
21 Commission for review, modification, and approval.
22 Notwithstanding anything to the contrary, customers on payment
23 plans or participating in budget billing programs shall have
24 credits applied on a monthly basis.

25 (3) Notwithstanding anything to the contrary and
26 regardless of whether a subscriber to an eligible community

1 renewable generation project receives power and energy service
2 from the electric utility or an alternative retail electric
3 supplier, for projects eligible under paragraph (C) of
4 subparagraph (1) of this subsection (1), electric utilities
5 serving more than 200,000 customers as of January 1, 2021
6 shall provide the monetary credits to a subscriber's
7 subsequent bill for the electricity produced by community
8 renewable generation projects. The electric utility shall
9 provide monetary credits to a subscriber's subsequent bill at
10 the utility's total price to compare equal to the subscriber's
11 share of the production of electricity from the project, as
12 determined by paragraph (5) of this subsection (1). For the
13 purposes of this subsection, "total price to compare" means
14 the rate or rates published by the Illinois Commerce
15 Commission for energy supply for eligible customers receiving
16 supply service from the electric utility, and shall include
17 energy, capacity, transmission, and the purchased energy
18 adjustment. Notwithstanding anything to the contrary,
19 customers on payment plans or participating in budget billing
20 programs shall have credits applied on a monthly basis. Any
21 applicable credit or reduction in load obligation from the
22 production of the community renewable generating projects
23 receiving a credit under this subsection shall be credited to
24 the electric utility to offset the cost of providing the
25 credit. To the extent that the credit or load obligation
26 reduction does not completely offset the cost of providing the

1 credit to subscribers of community renewable generation
2 projects as described in this subsection, the electric utility
3 may recover the remaining costs through its Multi-Year Rate
4 Plan. All electric utilities serving 200,000 or fewer
5 customers as of January 1, 2021 shall only provide the
6 monetary credits to a subscriber's subsequent bill for the
7 electricity produced by community renewable generation
8 projects if the subscriber receives power and energy service
9 from the electric utility. Alternative retail electric
10 suppliers providing power and energy service to a subscriber
11 located within the service territory of an electric utility
12 not subject to Sections 16-108.18 and 16-118 shall provide the
13 monetary credits to the subscriber's subsequent bill for the
14 electricity produced by community renewable generation
15 projects.

16 (4) If requested by the owner or operator of a community
17 renewable generating project, an electric utility serving more
18 than 200,000 customers as of January 1, 2021 shall enter into a
19 net crediting agreement with the owner or operator to include
20 a subscriber's subscription fee on the subscriber's monthly
21 electric bill and provide the subscriber with a net credit
22 equivalent to the total bill credit value for that generation
23 period minus the subscription fee, provided the subscription
24 fee is structured as a fixed percentage of bill credit value.
25 The net crediting agreement shall set forth payment terms from
26 the electric utility to the owner or operator of the community

1 renewable generating project, and the electric utility may
2 charge a net crediting fee to the owner or operator of a
3 community renewable generating project that may not exceed 1%
4 ~~2%~~ of the subscription fee bill credit value. Notwithstanding
5 anything to the contrary, an electric utility serving 200,000
6 customers or fewer as of January 1, 2021 shall not be obligated
7 to enter into a net crediting agreement with the owner or
8 operator of a community renewable generating project. For the
9 purposes of this paragraph (4), "net crediting" means a
10 program offered by an electric utility under which the
11 electric utility, upon authorization by or on behalf of a
12 subscriber, remits the cash value of the subscription fee to
13 the owner or operator of the community renewable generation
14 facility, without regard to whether or not the subscriber has
15 paid the subscriber's monthly electric bill, and places the
16 cash value of the remaining bill credit on the subscriber's
17 bill. The utility shall use the same net crediting format for
18 subscribers on payment plans or participating in budget
19 billing programs.

20 (5) For the purposes of facilitating net metering, the
21 owner or operator of the eligible renewable electrical
22 generating facility or community renewable generation project
23 shall be responsible for determining the amount of the credit
24 that each customer or subscriber participating in a project
25 under this subsection (1) is to receive in the following
26 manner:

1 (A) The owner or operator shall, on a monthly basis,
2 provide to the electric utility the kilowatthours of
3 generation attributable to each of the utility's retail
4 customers and subscribers participating in projects under
5 this subsection (1) in accordance with the customer's or
6 subscriber's share of the eligible renewable electric
7 generating facility's or community renewable generation
8 project's output of power and energy for such month. The
9 owner or operator shall electronically transmit such
10 calculations and associated documentation to the electric
11 utility, in a format or method set forth in the applicable
12 tariff, on a monthly basis so that the electric utility
13 can reflect the monetary credits on customers' and
14 subscribers' electric utility bills. The electric utility
15 shall be permitted to revise its tariffs to implement the
16 provisions of this amendatory Act of the 102nd General
17 Assembly. The owner or operator shall separately provide
18 the electric utility with the documentation detailing the
19 calculations supporting the credit in the manner set forth
20 in the applicable tariff.

21 (B) For those participating customers and subscribers
22 who receive their energy supply from an alternative retail
23 electric supplier, the electric utility shall remit to the
24 applicable alternative retail electric supplier the
25 information provided under subparagraph (A) of this
26 paragraph (3) for such customers and subscribers in a

1 manner set forth in such alternative retail electric
2 supplier's net metering program, or as otherwise agreed
3 between the utility and the alternative retail electric
4 supplier. The alternative retail electric supplier shall
5 then submit to the utility the amount of the charges for
6 power and energy to be applied to such customers and
7 subscribers, including the amount of the credit associated
8 with net metering.

9 (C) A participating customer or subscriber may provide
10 authorization as required by applicable law that directs
11 the electric utility to submit information to the owner or
12 operator of the eligible renewable electrical generating
13 facility or community renewable generation project to
14 which the customer or subscriber has an ownership or
15 leasehold interest or a subscription. Such information
16 shall be limited to the components of the net metering
17 credit calculated under this subsection (1), including the
18 bill credit rate, total kilowatthours, and total monetary
19 credit value applied to the customer's or subscriber's
20 bill for the monthly billing period.

21 (1-5) Within 90 days after the effective date of this
22 amendatory Act of the 102nd General Assembly, each electric
23 utility subject to this Section shall file a tariff or tariffs
24 to implement the provisions of subsection (1) of this Section,
25 which shall, consistent with the provisions of subsection (1),
26 describe the terms and conditions under which owners or

1 operators of qualifying properties, units, or apartments may
2 participate in net metering. The Commission shall approve, or
3 approve with modification, the tariff within 120 days after
4 the effective date of this amendatory Act of the 102nd General
5 Assembly.

6 (m) Nothing in this Section shall affect the right of an
7 electricity provider to continue to provide, or the right of a
8 retail customer to continue to receive service pursuant to a
9 contract for electric service between the electricity provider
10 and the retail customer in accordance with the prices, terms,
11 and conditions provided for in that contract. Either the
12 electricity provider or the customer may require compliance
13 with the prices, terms, and conditions of the contract.

14 (n) On and after January 1, 2025, the net metering
15 services described in subsections (d), (d-5), and (e) of this
16 Section shall no longer be offered, except as to those
17 eligible renewable electrical generating facilities for which
18 retail customers are receiving net metering service under
19 these subsections at the time the net metering services under
20 those subsections are no longer offered; those systems shall
21 continue to receive net metering services described in
22 subsections (d), (d-5), and (e) of this Section for the
23 lifetime of the system, regardless of if those retail
24 customers change electricity providers or whether the retail
25 customer benefiting from the system changes. The electric
26 utility serving more than 200,000 customers as of January 1,

1 2021 is responsible for ensuring the billing credits continue
2 without lapse for the lifetime of systems, as required in
3 subsection (o). Those retail customers that begin taking net
4 metering service after the date that net metering services are
5 no longer offered under such subsections shall be subject to
6 the provisions set forth in the following paragraphs (1)
7 through (3) of this subsection (n):

8 (1) An electricity provider shall charge or credit for
9 the net electricity supplied to eligible customers or
10 provided by eligible customers whose electric supply
11 service is not provided based on hourly pricing in the
12 following manner:

13 (A) If the amount of electricity used by the
14 customer during the monthly billing period exceeds the
15 amount of electricity produced by the customer, then
16 the electricity provider shall charge the customer for
17 the net kilowatt-hour based electricity charges
18 reflected in the customer's electric service rate
19 supplied to and used by the customer as provided in
20 paragraph (3) of this subsection (n).

21 (B) If the amount of electricity produced by a
22 customer during the monthly billing period exceeds the
23 amount of electricity used by the customer during that
24 billing period, then the electricity provider
25 supplying that customer shall apply a 1:1
26 kilowatt-hour energy or monetary credit kilowatt-hour

1 supply charges to the customer's subsequent bill. The
2 customer shall choose between 1:1 kilowatt-hour or
3 monetary credit at the time of application. For the
4 purposes of this subsection, "kilowatt-hour supply
5 charges" means the kilowatt-hour equivalent values for
6 energy, capacity, transmission, and the purchased
7 energy adjustment, if applicable. Notwithstanding
8 anything to the contrary, customers on payment plans
9 or participating in budget billing programs shall have
10 credits applied on a monthly basis. The electricity
11 provider shall continue to carry over any excess
12 kilowatt-hour or monetary energy credits earned and
13 apply those credits to subsequent billing periods. For
14 customers with transmission or capacity charges not
15 charged on a kilowatt-hour basis, the electricity
16 provider shall prepare a reasonable approximation of
17 the kilowatt-hour equivalent value and provide that
18 value as a monetary credit. The electricity provider
19 shall submit these approximation methodologies to the
20 Commission for review, modification, and approval.

21 (C) (Blank).

22 (2) An electricity provider shall charge or credit for
23 the net electricity supplied to eligible customers or
24 provided by eligible customers whose electric supply
25 service is provided based on hourly pricing in the
26 following manner:

1 (A) If the amount of electricity used by the
2 customer during any hourly period exceeds the amount
3 of electricity produced by the customer, then the
4 electricity provider shall charge the customer for the
5 net electricity supplied to and used by the customer
6 as provided in paragraph (3) of this subsection (n).

7 (B) If the amount of electricity produced by a
8 customer during any hourly period exceeds the amount
9 of electricity used by the customer during that hourly
10 period, the energy provider shall calculate an energy
11 credit for the net kilowatt-hours produced in such
12 period, and shall apply that credit as a monetary
13 credit to the customer's subsequent bill. The value of
14 the energy credit shall be calculated using the same
15 price per kilowatt-hour as the electric service
16 provider would charge for kilowatt-hour energy sales
17 during that same hourly period and shall also include
18 values for capacity and transmission. For customers
19 with transmission or capacity charges not charged on a
20 kilowatt-hour basis, the electricity provider shall
21 prepare a reasonable approximation of the
22 kilowatt-hour equivalent value and provide that value
23 as a monetary credit. The electricity provider shall
24 submit these approximation methodologies to the
25 Commission for review, modification, and approval.
26 Notwithstanding anything to the contrary, customers on

1 payment plans or participating in budget billing
2 programs shall have credits applied on a monthly
3 basis.

4 (3) An electricity provider shall provide electric
5 service to eligible customers who utilize net metering at
6 non-discriminatory rates that are identical, with respect
7 to rate structure, retail rate components, and any monthly
8 charges, to the rates that the customer would be charged
9 if not a net metering customer. An electricity provider
10 shall charge the customer for the net electricity supplied
11 to and used by the customer according to the terms of the
12 contract or tariff to which the same customer would be
13 assigned or be eligible for if the customer was not a net
14 metering customer. An electricity provider shall not
15 charge net metering customers any fee or charge or require
16 additional equipment, insurance, or any other requirements
17 not specifically authorized by interconnection standards
18 authorized by the Commission, unless the fee, charge, or
19 other requirement would apply to other similarly situated
20 customers who are not net metering customers. The customer
21 remains responsible for the gross amount of delivery
22 services charges, supply-related charges that are kilowatt
23 based, and all taxes and fees related to such charges. The
24 customer also remains responsible for all taxes and fees
25 that would otherwise be applicable to the net amount of
26 electricity used by the customer. Paragraphs (1) and (2)

1 of this subsection (n) shall not be construed to prevent
2 an arms-length agreement between an electricity provider
3 and an eligible customer that sets forth different prices,
4 terms, and conditions for the provision of net metering
5 service, including, but not limited to, the provision of
6 the appropriate metering equipment for non-residential
7 customers. Nothing in this paragraph (3) shall be
8 interpreted to mandate that a utility that is only
9 required to provide delivery services to a given customer
10 must also sell electricity to such customer.

11 (o) Within 90 days after the effective date of this
12 amendatory Act of the 102nd General Assembly, each electric
13 utility subject to this Section shall file a tariff, which
14 shall, consistent with the provisions of this Section, propose
15 the terms and conditions under which a customer may
16 participate in net metering. The tariff for electric utilities
17 serving more than 200,000 customers as of January 1, 2021
18 shall also provide a streamlined and transparent bill
19 crediting system for net metering to be managed by the
20 electric utilities. The terms and conditions shall include,
21 but are not limited to, that an electric utility shall manage
22 and maintain billing of net metering credits and charges
23 regardless of if the eligible customer takes net metering
24 under an electric utility or alternative retail electric
25 supplier. The electric utility serving more than 200,000
26 customers as of January 1, 2021 shall process and approve all

1 net metering applications, even if an eligible customer is
2 served by an alternative retail electric supplier; and the
3 utility shall forward application approval to the appropriate
4 alternative retail electric supplier. Eligibility for net
5 metering shall remain with the owner of the utility billing
6 address such that, if an eligible renewable electrical
7 generating facility changes ownership, the net metering
8 eligibility transfers to the new owner. The electric utility
9 serving more than 200,000 customers as of January 1, 2021
10 shall manage net metering billing for eligible customers to
11 ensure full crediting occurs on electricity bills, including,
12 but not limited to, ensuring net metering crediting begins
13 upon commercial operation date, net metering billing transfers
14 immediately if an eligible customer switches from an electric
15 utility to alternative retail electric supplier or vice versa,
16 and net metering billing transfers between ownership of a
17 valid billing address. All transfers referenced in the
18 preceding sentence shall include transfer of all banked
19 credits. All electric utilities serving 200,000 or fewer
20 customers as of January 1, 2021 shall manage net metering
21 billing for eligible customers receiving power and energy
22 service from the electric utility to ensure full crediting
23 occurs on electricity bills, ensuring net metering crediting
24 begins upon commercial operation date, net metering billing
25 transfers immediately if an eligible customer switches from an
26 electric utility to alternative retail electric supplier or

1 vice versa, and net metering billing transfers between
2 ownership of a valid billing address. Alternative retail
3 electric suppliers providing power and energy service to
4 eligible customers located within the service territory of an
5 electric utility serving 200,000 or fewer customers as of
6 January 1, 2021 shall manage net metering billing for eligible
7 customers to ensure full crediting occurs on electricity
8 bills, including, but not limited to, ensuring net metering
9 crediting begins upon commercial operation date, net metering
10 billing transfers immediately if an eligible customer switches
11 from an electric utility to alternative retail electric
12 supplier or vice versa, and net metering billing transfers
13 between ownership of a valid billing address.

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

15 (220 ILCS 5/16-107.6)

16 Sec. 16-107.6. Distributed generation rebate.

17 (a) In this Section:

18 "Additive services" means the services that distributed
19 energy resources provide to the energy system and society that
20 are not (1) already included in the base rebates for
21 system-wide grid services; or (2) otherwise already
22 compensated. Additive services may reflect, but shall not be
23 limited to, any geographic, time-based, performance-based, and
24 other benefits of distributed energy resources, as well as the
25 present and future technological capabilities of distributed

1 energy resources and present and future grid needs.

2 "Distributed energy resource" means a wide range of
3 technologies that are located on the customer side of the
4 customer's electric meter, including, but not limited to,
5 distributed generation, energy storage, electric vehicles, and
6 demand response technologies.

7 "Energy storage system" means commercially available
8 technology that is capable of absorbing energy and storing it
9 for a period of time for use at a later time, including, but
10 not limited to, electrochemical, thermal, and
11 electromechanical technologies, and may be interconnected
12 behind the customer's meter or interconnected behind its own
13 meter.

14 "Smart inverter" means a device that converts direct
15 current into alternating current and meets the IEEE 1547-2018
16 equipment standards. Until devices that meet the IEEE
17 1547-2018 standard are available, devices that meet the UL
18 1741 SA standard are acceptable.

19 "Subscriber" has the meaning set forth in Section 1-10 of
20 the Illinois Power Agency Act.

21 "Subscription" has the meaning set forth in Section 1-10
22 of the Illinois Power Agency Act.

23 "System-wide grid services" means the benefits that a
24 distributed energy resource provides to the distribution grid
25 for a period of no less than 25 years. System-wide grid
26 services do not vary by location, time, or the performance

1 characteristics of the distributed energy resource.
2 System-wide grid services include, but are not limited to,
3 avoided or deferred distribution capacity costs, resilience
4 and reliability benefits, avoided or deferred distribution
5 operation and maintenance costs, distribution voltage and
6 power quality benefits, and line loss reductions.

7 "Threshold date" means December 31, 2024 or the date on
8 which the utility's tariff or tariffs setting the new
9 compensation values established under subsection (e) take
10 effect, whichever is later.

11 (b) An electric utility that serves more than 200,000
12 customers in the State shall file a petition with the
13 Commission requesting approval of the utility's tariff to
14 provide a rebate to the owner or operator of distributed
15 generation, including third-party owned systems, that meets
16 the following criteria:

17 (1) has a nameplate generating capacity no greater
18 than 5,000 kilowatts and is primarily used to offset a
19 customer's electricity load;

20 (2) is located on the customer's side of the billing
21 meter and for the customer's own use;

22 (3) is interconnected to electric distribution
23 facilities owned by the electric utility under rules
24 adopted by the Commission by means of the inverter or
25 smart inverter required by this Section, as applicable.

26 For purposes of this Section, "distributed generation"

1 shall satisfy the definition of distributed renewable energy
2 generation device set forth in Section 1-10 of the Illinois
3 Power Agency Act to the extent such definition is consistent
4 with the requirements of this Section.

5 In addition, any new photovoltaic distributed generation
6 that is installed after June 1, 2017 (the effective date of
7 Public Act 99-906) must be installed by a qualified person, as
8 defined by subsection (i) of Section 1-56 of the Illinois
9 Power Agency Act.

10 The tariff shall include a base rebate that compensates
11 distributed generation for the system-wide grid services
12 associated with distributed generation and, after the
13 proceeding described in subsection (e) of this Section, an
14 additional payment or payments for the additive services. The
15 tariff shall provide that the smart inverter associated with
16 the distributed generation shall provide autonomous response
17 to grid conditions through its default settings as approved by
18 the Commission. Default settings may not be changed after the
19 execution of the interconnection agreement except by mutual
20 agreement between the utility and the owner or operator of the
21 distributed generation. Nothing in this Section shall negate
22 or supersede Institute of Electrical and Electronics Engineers
23 equipment standards or other similar standards or
24 requirements. The tariff shall not limit the ability of the
25 smart inverter or other distributed energy resource to provide
26 wholesale market products such as regulation, demand response,

1 or other services, or limit the ability of the owner of the
2 smart inverter or the other distributed energy resource to
3 receive compensation for providing those wholesale market
4 products or services.

5 (b-5) Within 30 days after the effective date of this
6 amendatory Act of the 102nd General Assembly, each electric
7 public utility with 3,000,000 or more retail customers shall
8 file a tariff with the Commission that further compensates any
9 retail customer that installs or has installed photovoltaic
10 facilities paired with energy storage facilities on or
11 adjacent to its premises for the benefits the facilities
12 provide to the distribution grid. The tariff shall provide
13 that, in addition to the other rebates identified in this
14 Section, the electric utility shall rebate to such retail
15 customer (i) the previously incurred and future costs of
16 installing interconnection facilities and related
17 infrastructure to enable full participation in the PJM
18 Interconnection, LLC or its successor organization frequency
19 regulation market; and (ii) all wholesale demand charges
20 incurred after the effective date of this amendatory Act of
21 the 102nd General Assembly. The Commission shall approve, or
22 approve with modification, the tariff within 120 days after
23 the utility's filing.

24 (c) The proposed tariff authorized by subsection (b) of
25 this Section shall include the following participation terms
26 for rebates to be applied under this Section for distributed

1 generation that satisfies the criteria set forth in subsection
2 (b) of this Section:

3 (1) The owner or operator of distributed generation
4 that services customers not eligible for net metering
5 under subsection (d), (d-5), or (e) of Section 16-107.5 of
6 this Act may apply for a rebate as provided for in this
7 Section. Until the threshold date, the value of the rebate
8 shall be \$250 per kilowatt of nameplate generating
9 capacity, measured as nominal DC power output, of that
10 customer's distributed generation. To the extent the
11 distributed generation also has an associated energy
12 storage, then the energy storage system shall be
13 separately compensated with a base rebate of \$250 per
14 kilowatt-hour of nameplate capacity. Any distributed
15 generation device that is compensated for storage in this
16 subsection (1) before the threshold date shall participate
17 in one or more programs determined through the Multi-Year
18 Integrated Grid Planning process that are designed to meet
19 peak reduction and flexibility, the virtual power plant
20 program described in Section 16-107.9, or the peak
21 remediation program described in Section 16-107.10. After
22 the threshold date, the value of the base rebate and
23 additional compensation for any additive services shall be
24 as determined by the Commission in the proceeding
25 described in subsection (e) of this Section, provided that
26 the value of the base rebate for system-wide grid services

1 shall not be lower than \$250 per kilowatt of nameplate
2 generating capacity of distributed generation or community
3 renewable generation project.

4 (2) The owner or operator of distributed generation
5 that, before the threshold date, would have been eligible
6 for net metering under subsection (d), (d-5), or (e) of
7 Section 16-107.5 of this Act and that has not previously
8 received a distributed generation rebate, may apply for a
9 rebate as provided for in this Section. Until the
10 threshold date, the value of the base rebate shall be \$300
11 per kilowatt of nameplate generating capacity, measured as
12 nominal DC power output, of the distributed generation.
13 The owner or operator of distributed generation that,
14 before the threshold date, is eligible for net metering
15 under subsection (d), (d-5), or (e) of Section 16-107.5 of
16 this Act may apply for a base rebate for an energy storage
17 device that uses the same smart inverter as the
18 distributed generation, regardless of whether the
19 distributed generation applies for a rebate for the
20 distributed generation device. The energy storage system
21 shall be separately compensated at a base payment of \$300
22 per kilowatt-hour of nameplate capacity. Any distributed
23 generation device that is compensated for storage in this
24 subsection (2) before the threshold date shall participate
25 in the virtual power plant program described in Section
26 16-107.9, or at least one demand response a peak time

1 ~~rebate~~ program, hourly pricing program, or time-of-use
2 ~~rate~~ program that is offered by the applicable electric
3 utility, an alternative retail electric supplier, or an
4 entity qualified to offer demand response that is not an
5 alternative retail electric supplier. After the threshold
6 date, the value of the base rebate and additional
7 compensation for any additive services shall be as
8 determined by the Commission in the proceeding described
9 in subsection (e) of this Section, provided that, prior to
10 December 31, 2029, the value of the base rebate for
11 system-wide services shall not be lower than \$300 per
12 kilowatt of nameplate generating capacity of distributed
13 generation, after which it shall not be lower than \$250
14 per kilowatt of nameplate capacity.

15 (3) Upon approval of a rebate application submitted
16 under this subsection (c), the retail customer shall no
17 longer be entitled to receive any delivery service credits
18 for the excess electricity generated by its facility and
19 shall be subject to the provisions of subsection (n) of
20 Section 16-107.5 of this Act unless the owner or operator
21 receives a rebate only for an energy storage device and
22 not for the distributed generation device.

23 (4) To be eligible for a rebate described in this
24 subsection (c), the owner or operator of the distributed
25 generation must have a smart inverter installed and in
26 operation on the distributed generation.

1 (d) The Commission shall review the proposed tariff
2 authorized by subsection (b) of this Section and may make
3 changes to the tariff that are consistent with this Section
4 and with the Commission's authority under Article IX of this
5 Act, subject to notice and hearing. Following notice and
6 hearing, the Commission shall issue an order approving, or
7 approving with modification, such tariff no later than 240
8 days after the utility files its tariff. Upon the effective
9 date of this amendatory Act of the 102nd General Assembly, an
10 electric utility shall file a petition with the Commission to
11 amend and update any existing tariffs to comply with
12 subsections (b) and (c).

13 (e) By no later than June 30, 2023, the Commission shall
14 open an independent, statewide investigation into the value
15 of, and compensation for, distributed energy resources. The
16 Commission shall conduct the investigation, but may arrange
17 for experts or consultants independent of the utilities and
18 selected by the Commission to assist with the investigation.
19 The cost of the investigation shall be shared by the utilities
20 filing tariffs under subsection (b) of this Section but may be
21 recovered as an expense through normal ratemaking procedures.

22 (1) The Commission shall ensure that the investigation
23 includes, at minimum, diverse sets of stakeholders; a
24 review of best practices in calculating the value of
25 distributed energy resource benefits; a review of the full
26 value of the distributed energy resources and the manner

1 in which each component of that value is or is not
2 otherwise compensated; and assessments of how the value of
3 distributed energy resources may evolve based on the
4 present and future technological capabilities of
5 distributed energy resources and based on present and
6 future grid needs.

7 (2) The Commission's final order concluding this
8 investigation shall establish an annual process and
9 formula for the compensation of distributed generation and
10 energy storage systems, and an initial set of inputs for
11 that formula. The Commission's final order concluding this
12 investigation shall establish base rebates that compensate
13 distributed generation, community renewable generation
14 projects and energy storage systems for the system-wide
15 grid services that they provide. Those base rebate values
16 shall be consistent across the state, and shall not vary
17 by customer, customer class, customer location, or any
18 other variable. With respect to rebates for distributed
19 generation or community renewable generation projects,
20 that rebate shall not be lower than \$250 per kilowatt of
21 nameplate generating capacity of the distributed
22 generation or community renewable generation project. The
23 Commission's final order concluding this proceeding shall
24 also direct the utilities to update the formula, on an
25 annual basis, with inputs derived from their integrated
26 grid plans developed pursuant to Section 16-105.17. The

1 base rebate shall be updated annually based on the annual
2 updates to the formula inputs, but, with respect to
3 rebates for distributed generation or community renewable
4 generation projects, shall be no lower than \$250 per
5 kilowatt of nameplate generating capacity of the
6 distributed generation or community renewable generation
7 project.

8 (3) The Commission shall also determine, as a part of
9 its investigation under this subsection, whether
10 distributed energy resources can provide any additive
11 services. Those additive services may include services
12 that are provided through utility-controlled responses to
13 grid conditions. If the Commission determines that
14 distributed energy resources can provide additive grid
15 services, the Commission shall determine the terms and
16 conditions for the operation and compensation of those
17 services. That compensation shall be above and beyond the
18 base rebate that the distributed energy generation,
19 community renewable generation project and energy storage
20 system receives. Compensation for additive services may
21 vary by location, time, performance characteristics,
22 technology types, or other variables.

23 (4) The Commission shall ensure that compensation for
24 distributed energy resources, including base rebates and
25 any payments for additive services, shall reflect all
26 reasonably known and measurable values of the distributed

1 generation over its full expected useful life.
2 Compensation for additive services shall reflect, but
3 shall not be limited to, any geographic, time-based,
4 performance-based, and other benefits of distributed
5 generation, as well as the present and future
6 technological capabilities of distributed energy resources
7 and present and future grid needs.

8 (5) The Commission shall consider the electric
9 utility's integrated grid plan developed pursuant to
10 Section 16-105.17 of this Act to help identify the value
11 of distributed energy resources for the purpose of
12 calculating the compensation described in this subsection.

13 (6) The Commission shall determine additional
14 compensation for distributed energy resources that creates
15 savings and value on the distribution system by being
16 co-located or in close proximity to electric vehicle
17 charging infrastructure in use by medium-duty and
18 heavy-duty vehicles, primarily serving environmental
19 justice communities, as outlined in the utility integrated
20 grid planning process under Section 16-105.17 of this Act.

21 No later than 60 days after the Commission enters its
22 final order under this subsection (e), each utility shall file
23 its updated tariff or tariffs in compliance with the order,
24 including new tariffs for the recovery of costs incurred under
25 this subsection (e) that shall provide for volumetric-based
26 cost recovery, and the Commission shall approve, or approve

1 with modification, the tariff or tariffs within 240 days after
2 the utility's filing.

3 (f) Notwithstanding any provision of this Act to the
4 contrary, the owner or operator of a community renewable
5 generation project as defined in Section 1-10 of the Illinois
6 Power Agency Act shall also be eligible to apply for the rebate
7 described in this Section. The owner or operator of the
8 community renewable generation project may apply for a rebate
9 only if the owner or operator, or previous owner or operator,
10 of the community renewable generation project has not already
11 submitted an application, and, regardless of whether the
12 subscriber is a residential or non-residential customer, may
13 be allowed the amount identified in paragraph (1) of
14 subsection (c) applicable on the date that the application is
15 submitted.

16 (g) The owner of the distributed generation or community
17 renewable generation project may apply for the rebate or
18 rebates approved under this Section at the time of execution
19 of an interconnection agreement with the distribution utility
20 and shall receive the value available at that time of
21 execution of the interconnection agreement, provided the
22 project reaches mechanical completion within 24 months after
23 execution of the interconnection agreement. If the project has
24 not reached mechanical completion within 24 months after
25 execution, the owner may reapply for the rebate or rebates
26 approved under this Section available at the time of

1 application and shall receive the value available at the time
2 of application. The utility shall issue the rebate no later
3 than 60 days after the project is energized. In the event the
4 application is incomplete or the utility is otherwise unable
5 to calculate the payment based on the information provided by
6 the owner, the utility shall issue the payment no later than 60
7 days after the application is complete or all requested
8 information is received.

9 (h) An electric utility shall recover from its retail
10 customers all of the costs of the rebates made under a tariff
11 or tariffs approved under subsection (d) of this Section,
12 including, but not limited to, the value of the rebates and all
13 costs incurred by the utility to comply with and implement
14 subsections (b) and (c) of this Section, but not including
15 costs incurred by the utility to comply with and implement
16 subsection (e) of this Section, consistent with the following
17 provisions:

18 (1) The utility shall defer the full amount of its
19 costs as a regulatory asset. The total costs deferred as a
20 regulatory asset shall be amortized over a 15-year period.
21 The unamortized balance shall be recognized as of December
22 31 for a given year. The utility shall also earn a return
23 on the total of the unamortized balance of the regulatory
24 assets, less any deferred taxes related to the unamortized
25 balance, at an annual rate equal to the utility's weighted
26 average cost of capital that includes, based on a year-end

1 capital structure, the utility's actual cost of debt for
2 the applicable calendar year and a cost of equity, which
3 shall be calculated as the sum of (i) the average for the
4 applicable calendar year of the monthly average yields of
5 30-year U.S. Treasury bonds published by the Board of
6 Governors of the Federal Reserve System in its weekly H.15
7 Statistical Release or successor publication; and (ii) 580
8 basis points, including a revenue conversion factor
9 calculated to recover or refund all additional income
10 taxes that may be payable or receivable as a result of that
11 return.

12 When an electric utility creates a regulatory asset
13 under the provisions of this paragraph (1) of subsection
14 (h), the costs are recovered over a period during which
15 customers also receive a benefit, which is in the public
16 interest. Accordingly, it is the intent of the General
17 Assembly that an electric utility that elects to create a
18 regulatory asset under the provisions of this paragraph
19 (1) shall recover all of the associated costs, including,
20 but not limited to, its cost of capital as set forth in
21 this paragraph (1). After the Commission has approved the
22 prudence and reasonableness of the costs that comprise the
23 regulatory asset, the electric utility shall be permitted
24 to recover all such costs, and the value and
25 recoverability through rates of the associated regulatory
26 asset shall not be limited, altered, impaired, or reduced.

1 To enable the financing of the incremental capital
2 expenditures, including regulatory assets, for electric
3 utilities that serve less than 3,000,000 retail customers
4 but more than 500,000 retail customers in the State, the
5 utility's actual year-end capital structure that includes
6 a common equity ratio, excluding goodwill, of up to and
7 including 50% of the total capital structure shall be
8 deemed reasonable and used to set rates.

9 (2) The utility, at its election, may recover all of
10 the costs as part of a filing for a general increase in
11 rates under Article IX of this Act, as part of an annual
12 filing to update a performance-based formula rate under
13 subsection (d) of Section 16-108.5 of this Act, or through
14 an automatic adjustment clause tariff, provided that
15 nothing in this paragraph (2) permits the double recovery
16 of such costs from customers. If the utility elects to
17 recover the costs it incurs under subsections (b) and (c)
18 through an automatic adjustment clause tariff, the utility
19 may file its proposed tariff together with the tariff it
20 files under subsection (b) of this Section or at a later
21 time. The proposed tariff shall provide for an annual
22 reconciliation, less any deferred taxes related to the
23 reconciliation, with interest at an annual rate of return
24 equal to the utility's weighted average cost of capital as
25 calculated under paragraph (1) of this subsection (h),
26 including a revenue conversion factor calculated to

1 recover or refund all additional income taxes that may be
2 payable or receivable as a result of that return, of the
3 revenue requirement reflected in rates for each calendar
4 year, beginning with the calendar year in which the
5 utility files its automatic adjustment clause tariff under
6 this subsection (h), with what the revenue requirement
7 would have been had the actual cost information for the
8 applicable calendar year been available at the filing
9 date. The Commission shall review the proposed tariff and
10 may make changes to the tariff that are consistent with
11 this Section and with the Commission's authority under
12 Article IX of this Act, subject to notice and hearing.
13 Following notice and hearing, the Commission shall issue
14 an order approving, or approving with modification, such
15 tariff no later than 240 days after the utility files its
16 tariff.

17 (i) An electric utility shall recover from its retail
18 customers, on a volumetric basis, all of the costs of the
19 rebates made under a tariff or tariffs placed into effect
20 under subsection (e) of this Section, including, but not
21 limited to, the value of the rebates and all costs incurred by
22 the utility to comply with and implement subsection (e) of
23 this Section, consistent with the following provisions:

24 (1) The utility may defer a portion of its costs as a
25 regulatory asset. The Commission shall determine the
26 portion that may be appropriately deferred as a regulatory

1 asset. Factors that the Commission shall consider in
2 determining the portion of costs that shall be deferred as
3 a regulatory asset include, but are not limited to: (i)
4 whether and the extent to which a cost effectively
5 deferred or avoided other distribution system operating
6 costs or capital expenditures; (ii) the extent to which a
7 cost provides environmental benefits; (iii) the extent to
8 which a cost improves system reliability or resilience;
9 (iv) the electric utility's distribution system plan
10 developed pursuant to Section 16-105.17 of this Act; (v)
11 the extent to which a cost advances equity principles; and
12 (vi) such other factors as the Commission deems
13 appropriate. The remainder of costs shall be deemed an
14 operating expense and shall be recoverable if found
15 prudent and reasonable by the Commission.

16 The total costs deferred as a regulatory asset shall
17 be amortized over a 15-year period. The unamortized
18 balance shall be recognized as of December 31 for a given
19 year. The utility shall also earn a return on the total of
20 the unamortized balance of the regulatory assets, less any
21 deferred taxes related to the unamortized balance, at an
22 annual rate equal to the utility's weighted average cost
23 of capital that includes, based on a year-end capital
24 structure, the utility's actual cost of debt for the
25 applicable calendar year and a cost of equity, which shall
26 be calculated as the sum of: (I) the average for the

1 applicable calendar year of the monthly average yields of
2 30-year U.S. Treasury bonds published by the Board of
3 Governors of the Federal Reserve System in its weekly H.15
4 Statistical Release or successor publication; and (II) 580
5 basis points, including a revenue conversion factor
6 calculated to recover or refund all additional income
7 taxes that may be payable or receivable as a result of that
8 return.

9 (2) The utility may recover all of the costs through
10 an automatic adjustment clause tariff, on a volumetric
11 basis. The utility may file its proposed cost-recovery
12 tariff together with the tariff it files under subsection
13 (e) of this Section or at a later time. The proposed tariff
14 shall provide for an annual reconciliation, less any
15 deferred taxes related to the reconciliation, with
16 interest at an annual rate of return equal to the
17 utility's weighted average cost of capital as calculated
18 under paragraph (1) of this subsection (i), including a
19 revenue conversion factor calculated to recover or refund
20 all additional income taxes that may be payable or
21 receivable as a result of that return, of the revenue
22 requirement reflected in rates for each calendar year,
23 beginning with the calendar year in which the utility
24 files its automatic adjustment clause tariff under this
25 subsection (i), with what the revenue requirement would
26 have been had the actual cost information for the

1 applicable calendar year been available at the filing
2 date. The Commission shall review the proposed tariff and
3 may make changes to the tariff that are consistent with
4 this Section and with the Commission's authority under
5 Article IX of this Act, subject to notice and hearing.
6 Following notice and hearing, the Commission shall issue
7 an order approving, or approving with modification, such
8 tariff no later than 240 days after the utility files its
9 tariff.

10 (j) No later than 90 days after the Commission enters an
11 order, or order on rehearing, whichever is later, approving an
12 electric utility's proposed tariff under this Section, the
13 electric utility shall provide notice of the availability of
14 rebates under this Section.

15 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

16 (220 ILCS 5/16-107.9 new)

17 Sec. 16-107.9. Virtual power plant program.

18 (a) In this Section:

19 "Aggregator" means a party, other than the electric
20 utility or its affiliate, that (i) represents and aggregates
21 the load of participating customers who collectively have the
22 ability to deploy 100 kilowatts or more of deployment of
23 eligible devices and (ii) is responsible for performance of
24 the aggregation in the program.

25 "Distributed energy resources management system" or

1 "DERMS" means a platform that may be used by distribution
2 system operators or utilities to integrate grid resources such
3 as distributed energy resources into system operations.

4 "Distributed renewable energy generation device" has the
5 meaning set forth in Section 1-10 of the Illinois Power Agency
6 Act.

7 "Eligible devices" means a distributed renewable energy
8 device paired with one or more energy storage systems.

9 "Energy storage system" has the meaning set forth in
10 subsection (a) of Section 16-107.6.

11 "Participating customer" means a retail customer as
12 defined in Section 16-102 with one or more eligible devices,
13 including a community renewable generation project.

14 "Smart inverter" has the meaning set forth in subsection
15 (a) of Section 16-107.6.

16 (b) The General Assembly finds that when eligible devices
17 commit to deployment at times of stress on the grid and in
18 wholesale energy markets, the actual deployment benefits all
19 customers of the utility with enhanced reliability and
20 protection from wholesale price increases and that those
21 socialized goods should be encouraged and compensated.

22 (c) Within 60 days after the effective date of this
23 amendatory Act of the 103rd General Assembly, each electric
24 utility serving more than 300,000 customers as of January 1,
25 2023, shall propose an initial tariff. The initial tariff
26 shall be consistent with the following:

1 (1) Each request by the utility for an aggregator or
2 participating customer to deploy eligible devices to the
3 level identified in advance by the aggregator or
4 participating customer shall be an event.

5 (2) In exchange for an aggregator facilitating the
6 dispatch of eligible systems during hours identified by
7 the utility under this tariff or a participating customer
8 not using an aggregator dispatching, with each time period
9 being an event, not to exceed 60 hours in a calendar year
10 and not to exceed 2 consecutive hours, the utility shall,
11 at the end of each delivery year during which an
12 aggregator participates, compensate the aggregator in an
13 amount per kilowatt multiplied by the average number of
14 kilowatts discharged during events in a delivery year by
15 those eligible systems enrolled with the aggregator, with
16 the amount per kilowatt to be determined by the
17 Commission. Discharge shall be measured by the total power
18 and energy measured by the inverter of the eligible device
19 and shall not distinguish between power and energy from
20 the distributed renewable energy generation device or the
21 energy storage system. In determining the value of the
22 performance payment, the Commission shall, at minimum,
23 consider the benefits to the utility and ratepayers of
24 peak remediation, reduced capacity and transmission
25 allocations to the applicable regional transmission
26 organization zone, and a reasonable estimation of the

1 value of reduced transmission investment and other grid
2 services not compensated by tariffs authorized under
3 Section 16-107.6. The value shall be set to encourage
4 robust participation and shall be for a term of no less
5 than 5 years. At no time shall the compensation per
6 average kilowatt of demand reduction delivered be less
7 than \$250.

8 (3) An aggregator or participating customer applying
9 individually must represent that it has identified for
10 participation one or more eligible devices with an
11 aggregate export capacity of at least 100 kilowatts or any
12 greater amount. Nothing in the tariff shall require a
13 particular participating customer using an aggregator
14 deploy at any particular time.

15 (4) The utility shall not send or receive signals
16 directly to or from any participating customer represented
17 by an aggregator for an event under the virtual power
18 plant program described in this Section.

19 (5) The aggregator may have capabilities to receive
20 dispatch signals from utilities or utility-contracted
21 DERMS providers through communication protocols, such as
22 IEEE 2030.5 or OpenADR, or through other protocols as the
23 Commission may approve. To facilitate adoption and
24 participation, the utility must also provide dispatch
25 signals in the form of an email or mutually agreeable
26 implementation.

1 (6) Notwithstanding anything to the contrary, nothing
2 prohibits a participating customer from simultaneously
3 being a participating customer and taking service under
4 tariffs authorized by Section 16-107.5 or 16-107.6.

5 (7) A participating customer may enroll in the virtual
6 power plant program directly if eligible or through an
7 aggregator for one or more years, and the electric utility
8 shall not set a minimum or maximum length of participation
9 for an eligible system represented by an aggregator. The
10 utility shall not limit the number of participating
11 customers nor shall any customer be prohibited from
12 participating due to its rate class.

13 (8) The electric utility may include reasonable
14 requirements for participation consistent with this
15 subsection except that the utility may not require
16 collateral from a participating customer or an aggregator
17 and neither the utility nor entities with which the
18 utility shares a common parent may be an aggregator. In no
19 event may the electric utility call an event with less
20 than 24 hours' prior notice and in no event may one or more
21 events on a single calendar day total more than 2 hours.
22 The electric utility shall not penalize a participating
23 customer or aggregator for a participating customer
24 exporting during an event and the electric utility shall
25 not require preapproval for customer export during an
26 event.

1 (9) The utility shall recover the costs of the virtual
2 power plant program through delivery rates, including
3 delivery rates authorized by the Multi-Year Rate Plan.

4 (d) The Commission shall approve, or approve with
5 modifications, the tariff filed by each utility pursuant to
6 subsection (c) within 240 days after its filing by the
7 utility. At any time, the utility may propose revisions to the
8 initial tariff or any revisions thereto, and the Commission
9 shall approve such revisions if, in addition to requirements
10 under Article IX, such revisions are consistent with the
11 requirements of this Section.

12 (e) Not more than 6 months after 2 full delivery years of
13 operation of the tariffs authorized in this Section, the
14 Commission shall issue a report to the General Assembly
15 assessing the value and efficacy of the virtual power plant
16 program, including proposals for expansions or modifications.

17 (f) Nothing in the virtual power plant program shall
18 either prevent the participating customer from participating,
19 directly or through a third-party aggregator, in any other
20 program, including any program required or authorized by
21 Section 16-107.5 or 16-107.6, or impair the entitlement of any
22 participating customer to benefits authorized to the
23 participating customer by Section 16-107.5.

24 (g) The Commission may consider providing compensation to
25 aggregators or participating customers not using an aggregator
26 to the extent that the aggregators' participating customers or

1 participating customers not using an aggregator are located in
2 equity investment eligible communities, as that term is
3 defined in Section 1-10 of the Illinois Power Agency Act.

4 (h) The tariffs approved by the Commission shall not
5 reflect any additional charges, fees, or insurance
6 requirements imposed on those owning or operating distributed
7 renewable energy generation devices, distributed energy
8 resources, or energy storage systems beyond those imposed on
9 similarly situated customers that do not own or operate these
10 resources.

11 (i) If a utility issuing a tariff under this Section
12 conducts measurement and verification prescribed by the
13 Commission, notwithstanding anything to the contrary all
14 discharge from distributed renewable generation devices taking
15 service under the tariff shall be counted toward the utility's
16 peak load reduction performance metric authorized by item (ii)
17 of subparagraph (A) of paragraph (2) of subsection (e) of
18 Section 16-108.18. The Commission shall not require an
19 eligible system to participate in any capacity or demand
20 response markets or programs as a condition of the load
21 reduction attributable to participating systems to count
22 toward the utility's peak load reduction performance metric.

23 (220 ILCS 5/16-107.10 new)

24 Sec. 16-107.10. Peak remediation program.

25 (a) In this Section:

1 "Community renewable generation project" has the meaning
2 set forth in Section 1-10 of the Illinois Power Agency Act.

3 "Defined discharge hours" means the defined hours in the
4 initial tariff or subsequent tariffs that an eligible device
5 is eligible to receive a peak discharge payment per
6 kilowatt-hour of energy discharged.

7 "Eligible device" means a community renewable generation
8 project paired with one or more energy storage systems.

9 "Energy storage system" has the meaning set forth in
10 subsection (a) of Section 16-107.6.

11 "Nameplate capacity" has the meaning set forth in Section
12 1-10 of the Illinois Power Agency Act.

13 "Peak discharge payment" means a price per kilowatt-hour
14 paid for energy discharged from an eligible device during the
15 defined discharge hours.

16 "Threshold date" has the meaning set forth in subsection
17 (a) of Section 16-107.6.

18 (b) The General Assembly finds that the electric grid sees
19 high demand for electricity but fewer renewable resources
20 available to meet that high demand. The General Assembly
21 further finds that all ratepayers benefit from deployment of
22 energy storage in a way that alleviates stress on the grid and
23 reduces the costs for ratepayers frequently allocated during
24 those peak hours.

25 (c) Within 90 days after the effective date of this
26 amendatory Act of the 103rd General Assembly, each electric

1 utility serving more than 300,000 retail customers as of
2 January 1, 2023 shall propose an initial tariff. The initial
3 tariff shall be consistent with the following:

4 (1) The utility shall compensate eligible devices with
5 a nameplate capacity of at least 100 kilowatts but no more
6 than 5,000 kilowatts for discharging into the grid during
7 defined discharge hours.

8 (2) The defined discharge hours shall be the hours of
9 4 p.m. through 8 p.m. on days during the months of June,
10 July, August, and September.

11 (3) In exchange for generating and providing through
12 its meter to the utility's distribution system at least 50
13 kilowatts during defined discharge hours, the utility
14 shall compensate the owner or operator of the eligible
15 device or a third party designated by the owner or
16 operator of the eligible device a peak discharge payment
17 in an amount to be determined by the Commission in
18 proportion to the average discharge during the hours
19 according to a predefined per kilowatt average discharge
20 payment. Discharge shall be measured by the total power
21 and energy measured by the inverter of the eligible device
22 and shall not distinguish between power and energy from
23 the distributed renewable energy generation device or the
24 energy storage system.

25 (4) In determining the value of the peak discharge
26 payment for each participating utility, the Commission

1 shall, at minimum, consider the benefits to the utility
2 and ratepayers of peak remediation, reduced capacity, and
3 transmission allocations to the applicable regional
4 transmission organization zone, and a reasonable
5 estimation of the value of reduced transmission investment
6 and other grid services not compensated by tariffs
7 authorized under Section 16-107.6. The value shall be set
8 to encourage robust participation and shall be for a term
9 of no less than 15 years. The utility shall not limit the
10 number or capacity of participating devices.

11 (5) The electric utility may include reasonable
12 requirements for participation consistent with this
13 subsection (c) except that the utility may not require
14 collateral from the owner or operator of a participating
15 eligible device.

16 (6) Nothing in the tariff or this Section shall
17 separately or independently authorize the utility to
18 control deployment of the storage device.

19 (7) The utility shall recover the costs incurred under
20 the tariff through delivery rates, including delivery
21 rates authorized by the Multi-Year Rate Plan.

22 (d) The Commission shall approve, or approve with
23 modifications, the initial tariff filed by each utility
24 pursuant to subsection (c) within 240 days after filing by the
25 utility. At any time, the utility may propose revisions to the
26 initial tariff or any revisions thereto, and the Commission

1 shall approve such revisions if, in addition to requirements
2 under Article IX, such revisions are consistent with the
3 requirements of this Section.

4 (e) After the threshold date, the utility shall file an
5 annual petition to update the initial tariff for eligible
6 systems that begin to take service under the tariff during the
7 annual period. The utility shall be allowed to update the peak
8 discharge payment and defined discharge hours, which shall not
9 begin earlier than 4 p.m., but must otherwise meet all the
10 requirements under subsection (c). The Commission shall
11 approve the petition to update the initial tariff within 90
12 days after the petition is filed.

13 (f) Nothing in this Section, including any rule,
14 regulation, or tariff authorized by this Section, shall
15 prevent the eligible device or any component of the eligible
16 device from participating in any program required or
17 authorized by Section 16-107.6, nor shall it impair the
18 entitlement of any participating customer to benefits
19 authorized by Section 16-107.5.

20 (g) The tariffs approved by the Commission shall not
21 reflect any additional charges, fees, or insurance
22 requirements imposed on those owning or operating distributed
23 renewable energy generation devices, distributed energy
24 resources, or energy storage systems beyond those imposed on
25 similarly situated customers that do not own or operate these
26 resources.

1 (h) If a utility issuing a tariff under this Section
2 conducts measurement and verification prescribed by the
3 Commission, notwithstanding anything to the contrary, all
4 discharge from community renewable generation projects taking
5 service under the tariff shall be counted toward the utility's
6 peak load reduction performance metric authorized by item (ii)
7 of subparagraph (A) of paragraph (2) of subsection (e) of
8 Section 16-108.18. The Commission shall not require an
9 eligible system to participate in any capacity or demand
10 response markets or programs as a condition of the load
11 reduction attributable to participating systems to count
12 toward the utility's peak load reduction performance metric.

13 (220 ILCS 5/16-107.11 new)

14 Sec. 16-107.11. Stand-alone energy storage distribution
15 deployment program.

16 (a) In this Section:

17 "Eligible device" means a stand-alone energy storage
18 system.

19 "Paired" means an energy storage system is charged with
20 electricity generated by a distribution generation device or
21 community renewable generation project.

22 "Program" means the stand-alone energy storage
23 distribution deployment program.

24 "Stand-alone energy storage system" means an energy
25 storage system that is not paired with a distributed

1 generation device or a community renewable generation project
2 and may be interconnected on the customer's side or the
3 utility's side of a customer's meter, but shall be
4 interconnected under adopted under subsection (h) of Section
5 16-107.5.

6 (b) The General Assembly finds that energy storage devices
7 interconnected to the distribution grid, including behind
8 customer meters, can provide unique values and benefits to
9 electric ratepayers in Illinois. Energy storage does not need
10 to be paired with a renewable generation device to provide
11 values and benefits. Vulnerable urban areas may be less able
12 to support renewable generation deployments, due to land,
13 roof, or other constraints. A well-designed stand-alone energy
14 storage deployment program can benefit electric customers in
15 the following by alleviating stress on distribution grid
16 infrastructure, deferring or avoiding costly distribution grid
17 investments, increasing the resilience and reliability of the
18 electric distribution grid, reducing outages, avoiding health
19 and welfare risks to vulnerable populations, and providing
20 energy and capacity during times of high demand, resulting in
21 lower costs overall.

22 (c) Within 60 days after the effective date of this
23 amendatory Act of the 103rd General Assembly, the Commission
24 shall establish a working group with relevant stakeholders to
25 develop a stand-alone energy storage distribution deployment
26 program. The program shall be designed to compensate

1 front-of-meter and behind-of-meter energy storage devices
2 deployed on the distribution grid for the value the storage
3 devices provide for Illinois ratepayers.

4 (d) Each utility serving more than 100,000 retail
5 customers on January 1, 2023 shall file with the Commission,
6 no more than 210 days after the effective date of this
7 amendatory Act of the 103rd General Assembly, a tariff
8 implementing the requirements of this subsection. The
9 Commission shall consider the final report of the working
10 group pursuant described in subsection (c) and modify the
11 tariffs so that they comply with this Section and the working
12 group's report. A tariff for compensation of stand-alone
13 energy storage systems shall be made available for no less
14 than 20 years and shall allow for stacked revenues to reflect
15 the spectrum of values provided by participating devices. The
16 resulting revenue model shall be financeable and provide for
17 robust deployment in locations that improve reliability in
18 vulnerable urban, suburban, and rural communities throughout
19 the State. The compensation structure for deploying
20 stand-alone energy storage systems shall include, but not be
21 limited to, capacity and transmission value, energy value,
22 system-wide resilience and reliability benefits, and
23 distribution value, including the value equivalent to the
24 location's marginal cost of distribution service, that shall
25 include avoided future distribution grid capital investments
26 and operation and maintenance costs and shall be updated at

1 least annually. The compensation structure shall consider
2 additional benefits to the distribution grid in specific
3 locations where the grid and communities are particularly
4 vulnerable to disruptions, including location-specific
5 reliability and resilience benefits, distribution voltage, and
6 power quality benefits. The values shall be examined on a
7 substation and feeder level. For purposes of subsection (d),
8 "vulnerable communities" means communities that suffer from
9 lower-than-average electric reliability indicators,
10 including, but not limited to, SAFI, CADI, and CEMI, as
11 identified by the Commission, in consultation with the
12 utilities.

13 (e) Each tariff applies to stand-alone energy storage
14 systems interconnected to the distribution grid and purchasing
15 certain services from the utility.

16 (f) The tariffs shall account for operational parameters
17 of participating systems and advantage off-peak charging
18 through dynamic pricing. Distribution rates shall be
19 non-discriminatory and designed to recoup the distribution
20 company's net costs in a manner similar to how they are
21 incurred by the distribution company, in consideration of
22 project sponsor-funded interconnection upgrades and without
23 unduly impeding the participation of energy storage systems.

24 (g) To the extent required, each utility filing a tariff
25 under this Section shall provide the Commission with notice of
26 its intent to promptly file with the Federal Energy Regulatory

1 Commission a wholesale distribution service rate schedule to
2 apply to stand-alone energy storage systems that are
3 interconnected to their distribution network but are
4 transacting in PJM or MISO's wholesale electricity markets, as
5 applicable.

6 (h) Participation in the program shall not prohibit an
7 energy storage system from selling non-duplicative products
8 and services in a wholesale market.

9 (220 ILCS 5/16-108)

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

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

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

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

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

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

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

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

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

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

26 (i) the cogeneration or self-generation facilities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 Beginning on June 1, 2024, the electric utility shall be
18 entitled to recover through tariffed charges all of the costs
19 associated with the purchase of energy storage credits to meet
20 the energy storage standards of Section 1-93 of the Illinois
21 Power Agency Act under procurement plans approved in
22 accordance with that Section and Section 16-111.5. The costs
23 shall include the costs of procuring the energy storage
24 credits and the reasonable costs that the utility incurs as
25 part of the procurement processes and implementing and
26 complying with plans and processes approved by the Commission.

1 The costs associated with the purchase of energy storage
2 credits shall be allocated across all retail customers in
3 proportion to the amount of energy storage credits the
4 electric utility procures for the customers through a single,
5 uniform cents per kilowatt-hour charge applicable to the
6 retail customers, that shall appear as a separate line item on
7 each customer's bill.

8 Notwithstanding whether the Commission has approved the
9 initial long-term renewable resources procurement plan as of
10 June 1, 2017, an electric utility shall place new tariffed
11 charges into effect beginning with the June 2017 monthly
12 billing period, to the extent practicable, to begin recovering
13 the costs of procuring renewable energy resources, as those
14 charges are calculated under the limitations described in
15 subparagraph (E) of paragraph (1) of subsection (c) of Section
16 1-75 of the Illinois Power Agency Act. Notwithstanding the
17 date on which the utility places such new tariffed charges
18 into effect, the utility shall be permitted to collect the
19 charges under such tariff as if the tariff had been in effect
20 beginning with the first day of the June 2017 monthly billing
21 period. For the delivery years commencing June 1, 2017, June
22 1, 2018, June 1, 2019, and each delivery year thereafter, the
23 electric utility shall deposit into a separate interest
24 bearing account of a financial institution the monies
25 collected under the tariffed charges. Money collected from
26 customers for the procurement of renewable energy resources in

1 a given delivery year may be spent by the utility for the
2 procurement of renewable resources over any of the following 5
3 delivery years, after which unspent money shall be credited
4 back to retail customers. The electric utility shall spend all
5 money collected in earlier delivery years that has not yet
6 been returned to customers, first, before spending money
7 collected in later delivery years. Any interest earned shall
8 be credited back to retail customers under the reconciliation
9 proceeding provided for in this subsection (k), provided that
10 the electric utility shall first be reimbursed from the
11 interest for the administrative costs that it incurs to
12 administer and manage the account. Any taxes due on the funds
13 in the account, or interest earned on it, will be paid from the
14 account or, if insufficient monies are available in the
15 account, from the monies collected under the tariffed charges
16 to recover the costs of procuring renewable energy resources.
17 Monies deposited in the account shall be subject to the
18 review, reconciliation, and true-up process described in this
19 subsection (k) that is applicable to the funds collected and
20 costs incurred for the procurement of renewable energy
21 resources.

22 The electric utility shall be entitled to recover all of
23 the costs identified in this subsection (k) through automatic
24 adjustment clause tariffs applicable to all of the utility's
25 retail customers that allow the electric utility to adjust its
26 tariffed charges consistent with this subsection (k). The

1 determination as to whether any excess funds were collected
2 during a given delivery year for the purchase of renewable
3 energy resources, and the crediting of any excess funds back
4 to retail customers, shall not be made until after the close of
5 the delivery year, which will ensure that the maximum amount
6 of funds is available to implement the approved long-term
7 renewable resources procurement plan during a given delivery
8 year. The amount of excess funds eligible to be credited back
9 to retail customers shall be reduced by an amount equal to the
10 payment obligations required by any contracts entered into by
11 an electric utility under contracts described in subsection
12 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
13 Illinois Power Agency Act, even if such payments have not yet
14 been made and regardless of the delivery year in which those
15 payment obligations were incurred. Notwithstanding anything to
16 the contrary, including in tariffs authorized by this
17 subsection (k) in effect before the effective date of this
18 amendatory Act of the 102nd General Assembly, all unspent
19 funds as of May 31, 2021, excluding any funds credited to
20 customers during any utility billing cycle that commences
21 prior to the effective date of this amendatory Act of the 102nd
22 General Assembly, shall remain in the utility account and
23 shall on a first in, first out basis be used toward utility
24 payment obligations under contracts described in subsection
25 (b) of Section 1-56 and subsection (c) of Section 1-75 of the
26 Illinois Power Agency Act. The electric utility's collections

1 under such automatic adjustment clause tariffs to recover the
2 costs of renewable energy resources, zero emission credits
3 from zero emission facilities, and carbon mitigation credits
4 from carbon-free energy resources shall be subject to separate
5 annual review, reconciliation, and true-up against actual
6 costs by the Commission under a procedure that shall be
7 specified in the electric utility's automatic adjustment
8 clause tariffs and that shall be approved by the Commission in
9 connection with its approval of such tariffs. The procedure
10 shall provide that any difference between the electric
11 utility's collections for zero emission credits and carbon
12 mitigation credits under the automatic adjustment charges for
13 an annual period and the electric utility's actual costs of
14 zero emission credits from zero emission facilities and carbon
15 mitigation credits from carbon-free energy resources for that
16 same annual period shall be refunded to or collected from, as
17 applicable, the electric utility's retail customers in
18 subsequent periods.

19 Nothing in this subsection (k) is intended to affect,
20 limit, or change the right of the electric utility to recover
21 the costs associated with the procurement of renewable energy
22 resources for periods commencing before, on, or after June 1,
23 2017, as otherwise provided in the Illinois Power Agency Act.

24 The funding available under this subsection (k), if any,
25 for the programs described under subsection (b) of Section
26 1-56 of the Illinois Power Agency Act shall not reduce the

1 amount of funding for the programs described in subparagraph
2 (O) of paragraph (1) of subsection (c) of Section 1-75 of the
3 Illinois Power Agency Act. If funding is available under this
4 subsection (k) for programs described under subsection (b) of
5 Section 1-56 of the Illinois Power Agency Act, then the
6 long-term renewable resources plan shall provide for the
7 Agency to procure contracts in an amount that does not exceed
8 the funding, and the contracts approved by the Commission
9 shall be executed by the applicable utility or utilities.

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

17 (m)(1) An electric utility that recovers its costs of
18 procuring zero emission credits from zero emission facilities
19 through a cents-per-kilowatthour charge under subsection (k)
20 of this Section shall be subject to the requirements of this
21 subsection (m). Notwithstanding anything to the contrary, such
22 electric utility shall, beginning on April 30, 2018, and each
23 April 30 thereafter until April 30, 2026, calculate whether
24 any reduction must be applied to such cents-per-kilowatthour
25 charge that is paid by retail customers of the electric
26 utility that have opted out of subsections (a) through (j) of

1 Section 8-103B of this Act under subsection (l) of Section
2 8-103B. Such charge shall be reduced for such customers for
3 the next delivery year commencing on June 1 based on the amount
4 necessary, if any, to limit the annual estimated average net
5 increase for the prior calendar year due to the future energy
6 investment costs to no more than 1.3% of 5.98 cents per
7 kilowatt-hour, which is the average amount paid per
8 kilowatthour for electric service during the year ending
9 December 31, 2015 by Illinois industrial retail customers, as
10 reported to the Edison Electric Institute.

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

14 (2) For purposes of this Section, "future energy
15 investment costs" shall be calculated by subtracting the
16 cents-per-kilowatthour charge identified in subparagraph (A)
17 of this paragraph (2) from the sum of the
18 cents-per-kilowatthour charges identified in subparagraph (B)
19 of this paragraph (2):

20 (A) The cents-per-kilowatthour charge identified in
21 the electric utility's tariff placed into effect under
22 Section 8-103 of the Public Utilities Act that, on
23 December 1, 2016, was applicable to those retail customers
24 that have opted out of subsections (a) through (j) of
25 Section 8-103B of this Act under subsection (l) of Section
26 8-103B.

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

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

17 (ii) the cents-per-kilowatthour charge to recover
18 the costs incurred by the utility under Section
19 16-107.6 of the Public Utilities Act.

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

23 (3) If a reduction is required by the calculation
24 performed under this subsection (m), then the amount of the
25 reduction shall be multiplied by the number of years reflected
26 in the averages calculated under subparagraph (B) of paragraph

1 (2) of this subsection (m). Such reduction shall be applied to
2 the cents-per-kilowatthour charge that is applicable to those
3 retail customers that have opted out of subsections (a)
4 through (j) of Section 8-103B of this Act under subsection (l)
5 of Section 8-103B beginning with the next delivery year
6 commencing after the date of the calculation required by this
7 subsection (m).

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

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

19 (220 ILCS 5/16-111.5)

20 Sec. 16-111.5. Provisions relating to procurement.

21 (a) An electric utility that on December 31, 2005 served
22 at least 100,000 customers in Illinois shall procure power and
23 energy for its eligible retail customers in accordance with
24 the applicable provisions set forth in Section 1-75 of the
25 Illinois Power Agency Act and this Section. Beginning with the

1 delivery year commencing on June 1, 2024, an electric utility
2 serving over 100,000 customers in Illinois shall also procure
3 energy storage credits in accordance with the applicable
4 provisions of Sections 1-75 and 1-93 of the Illinois Power
5 Agency Act and this Section. Beginning with the delivery year
6 commencing on June 1, 2017, such electric utility shall also
7 procure zero emission credits from zero emission facilities in
8 accordance with the applicable provisions set forth in Section
9 1-75 of the Illinois Power Agency Act, and, for years
10 beginning on or after June 1, 2017, the utility shall procure
11 renewable energy resources in accordance with the applicable
12 provisions set forth in Section 1-75 of the Illinois Power
13 Agency Act and this Section. Beginning with the delivery year
14 commencing on June 1, 2022, an electric utility serving over
15 3,000,000 customers shall also procure carbon mitigation
16 credits from carbon-free energy resources in accordance with
17 the applicable provisions set forth in Section 1-75 of the
18 Illinois Power Agency Act and this Section. A small
19 multi-jurisdictional electric utility that on December 31,
20 2005 served less than 100,000 customers in Illinois may elect
21 to procure power and energy for all or a portion of its
22 eligible Illinois retail customers in accordance with the
23 applicable provisions set forth in this Section and Section
24 1-75 of the Illinois Power Agency Act. This Section shall not
25 apply to a small multi-jurisdictional utility until such time
26 as a small multi-jurisdictional utility requests the Illinois

1 Power Agency to prepare a procurement plan for its eligible
2 retail customers. "Eligible retail customers" for the purposes
3 of this Section means those retail customers that purchase
4 power and energy from the electric utility under fixed-price
5 bundled service tariffs, other than those retail customers
6 whose service is declared or deemed competitive under Section
7 16-113 and those other customer groups specified in this
8 Section, including self-generating customers, customers
9 electing hourly pricing, or those customers who are otherwise
10 ineligible for fixed-price bundled tariff service. For those
11 customers that are excluded from the procurement plan's
12 electric supply service requirements, and the utility shall
13 procure any supply requirements, including capacity, ancillary
14 services, and hourly priced energy, in the applicable markets
15 as needed to serve those customers, provided that the utility
16 may include in its procurement plan load requirements for the
17 load that is associated with those retail customers whose
18 service has been declared or deemed competitive pursuant to
19 Section 16-113 of this Act to the extent that those customers
20 are purchasing power and energy during one of the transition
21 periods identified in subsection (b) of Section 16-113 of this
22 Act.

23 (b) A procurement plan shall be prepared for each electric
24 utility consistent with the applicable requirements of the
25 Illinois Power Agency Act and this Section. For purposes of
26 this Section, Illinois electric utilities that are affiliated

1 by virtue of a common parent company are considered to be a
2 single electric utility. Small multi-jurisdictional utilities
3 may request a procurement plan for a portion of or all of its
4 Illinois load. Each procurement plan shall analyze the
5 projected balance of supply and demand for those retail
6 customers to be included in the plan's electric supply service
7 requirements over a 5-year period, with the first planning
8 year beginning on June 1 of the year following the year in
9 which the plan is filed. The plan shall specifically identify
10 the wholesale products to be procured following plan approval,
11 and shall follow all the requirements set forth in the Public
12 Utilities Act and all applicable State and federal laws,
13 statutes, rules, or regulations, as well as Commission orders.
14 Nothing in this Section precludes consideration of contracts
15 longer than 5 years and related forecast data. Unless
16 specified otherwise in this Section, in the procurement plan
17 or in the implementing tariff, any procurement occurring in
18 accordance with this plan shall be competitively bid through a
19 request for proposals process. Approval and implementation of
20 the procurement plan shall be subject to review and approval
21 by the Commission according to the provisions set forth in
22 this Section. A procurement plan shall include each of the
23 following components:

24 (1) Hourly load analysis. This analysis shall include:

25 (i) multi-year historical analysis of hourly
26 loads;

1 (ii) switching trends and competitive retail
2 market analysis;

3 (iii) known or projected changes to future loads;
4 ~~and~~

5 (iv) growth forecasts by customer class; ~~and~~

6 (v) the impact of load reduction and peak load
7 reduction through programs authorized by Sections
8 16-107.9, 16-107.10, and 16-107.11.

9 (2) Analysis of the impact of any demand side and
10 renewable energy initiatives. This analysis shall include:

11 (i) the impact of demand response programs and
12 energy efficiency programs, both current and
13 projected; for small multi-jurisdictional utilities,
14 the impact of demand response and energy efficiency
15 programs approved pursuant to Section 8-408 of this
16 Act, both current and projected; and

17 (ii) supply side needs that are projected to be
18 offset by purchases of renewable energy resources, if
19 any.

20 (3) A plan for meeting the expected load requirements
21 that will not be met through preexisting contracts. This
22 plan shall include:

23 (i) definitions of the different Illinois retail
24 customer classes for which supply is being purchased;

25 (ii) the proposed mix of demand-response products
26 for which contracts will be executed during the next

1 year. For small multi-jurisdictional electric
2 utilities that on December 31, 2005 served fewer than
3 100,000 customers in Illinois, these shall be defined
4 as demand-response products offered in an energy
5 efficiency plan approved pursuant to Section 8-408 of
6 this Act. The cost-effective demand-response measures
7 shall be procured whenever the cost is lower than
8 procuring comparable capacity products, provided that
9 such products shall:

10 (A) be procured by a demand-response provider
11 from those retail customers included in the plan's
12 electric supply service requirements;

13 (B) at least satisfy the demand-response
14 requirements of the regional transmission
15 organization market in which the utility's service
16 territory is located, including, but not limited
17 to, any applicable capacity or dispatch
18 requirements;

19 (C) provide for customers' participation in
20 the stream of benefits produced by the
21 demand-response products;

22 (D) provide for reimbursement by the
23 demand-response provider of the utility for any
24 costs incurred as a result of the failure of the
25 supplier of such products to perform its
26 obligations thereunder; and

1 (E) meet the same credit requirements as apply
2 to suppliers of capacity, in the applicable
3 regional transmission organization market;

4 (iii) monthly forecasted system supply
5 requirements, including expected minimum, maximum, and
6 average values for the planning period;

7 (iv) the proposed mix and selection of standard
8 wholesale products for which contracts will be
9 executed during the next year, separately or in
10 combination, to meet that portion of its load
11 requirements not met through pre-existing contracts,
12 including but not limited to monthly 5 x 16 peak period
13 block energy, monthly off-peak wrap energy, monthly 7
14 x 24 energy, annual 5 x 16 energy, other standardized
15 energy or capacity products designed to provide
16 eligible retail customer benefits from commercially
17 deployed advanced technologies including but not
18 limited to high voltage direct current converter
19 stations, as such term is defined in Section 1-10 of
20 the Illinois Power Agency Act, whether or not such
21 product is currently available in wholesale markets,
22 annual off-peak wrap energy, annual 7 x 24 energy,
23 monthly capacity, annual capacity, peak load capacity
24 obligations, capacity purchase plan, and ancillary
25 services;

26 (v) proposed term structures for each wholesale

1 product type included in the proposed procurement plan
2 portfolio of products; and

3 (vi) an assessment of the price risk, load
4 uncertainty, and other factors that are associated
5 with the proposed procurement plan; this assessment,
6 to the extent possible, shall include an analysis of
7 the following factors: contract terms, time frames for
8 securing products or services, fuel costs, weather
9 patterns, transmission costs, market conditions, and
10 the governmental regulatory environment; the proposed
11 procurement plan shall also identify alternatives for
12 those portfolio measures that are identified as having
13 significant price risk and mitigation in the form of
14 additional retail customer and ratepayer price,
15 reliability, and environmental benefits from
16 standardized energy products delivered from
17 commercially deployed advanced technologies,
18 including, but not limited to, high voltage direct
19 current converter stations, as such term is defined in
20 Section 1-10 of the Illinois Power Agency Act, whether
21 or not such product is currently available in
22 wholesale markets.

23 (4) Proposed procedures for balancing loads. The
24 procurement plan shall include, for load requirements
25 included in the procurement plan, the process for (i)
26 hourly balancing of supply and demand and (ii) the

1 criteria for portfolio re-balancing in the event of
2 significant shifts in load.

3 (5) Long-Term Renewable Resources Procurement Plan.
4 The Agency shall prepare a long-term renewable resources
5 procurement plan for the procurement of renewable energy
6 credits under Sections 1-56 and 1-75 of the Illinois Power
7 Agency Act for delivery beginning in the 2017 delivery
8 year.

9 (i) The initial long-term renewable resources
10 procurement plan and all subsequent revisions shall be
11 subject to review and approval by the Commission. For
12 the purposes of this Section, "delivery year" has the
13 same meaning as in Section 1-10 of the Illinois Power
14 Agency Act. For purposes of this Section, "Agency"
15 shall mean the Illinois Power Agency.

16 (ii) The long-term renewable resources planning
17 process shall be conducted as follows:

18 (A) Electric utilities shall provide a range
19 of load forecasts to the Illinois Power Agency
20 within 45 days of the Agency's request for
21 forecasts, which request shall specify the length
22 and conditions for the forecasts including, but
23 not limited to, the quantity of distributed
24 generation expected to be interconnected for each
25 year.

26 (B) The Agency shall publish for comment the

1 initial long-term renewable resources procurement
2 plan no later than 120 days after the effective
3 date of this amendatory Act of the 99th General
4 Assembly and shall review, and may revise, the
5 plan at least every 2 years thereafter. To the
6 extent practicable, the Agency shall review and
7 propose any revisions to the long-term renewable
8 energy resources procurement plan in conjunction
9 with the Agency's other planning and approval
10 processes conducted under this Section. The
11 initial long-term renewable resources procurement
12 plan shall:

13 (aa) Identify the procurement programs and
14 competitive procurement events consistent with
15 the applicable requirements of the Illinois
16 Power Agency Act and shall be designed to
17 achieve the goals set forth in subsection (c)
18 of Section 1-75 of that Act.

19 (bb) Include a schedule for procurements
20 for renewable energy credits from
21 utility-scale wind projects, utility-scale
22 solar projects, and brownfield site
23 photovoltaic projects consistent with
24 subparagraph (G) of paragraph (1) of
25 subsection (c) of Section 1-75 of the Illinois
26 Power Agency Act.

1 (cc) Identify the process whereby the
2 Agency will submit to the Commission for
3 review and approval the proposed contracts to
4 implement the programs required by such plan.

5 Copies of the initial long-term renewable
6 resources procurement plan and all subsequent
7 revisions shall be posted and made publicly
8 available on the Agency's and Commission's
9 websites, and copies shall also be provided to
10 each affected electric utility. An affected
11 utility and other interested parties shall have 45
12 days following the date of posting to provide
13 comment to the Agency on the initial long-term
14 renewable resources procurement plan and all
15 subsequent revisions. All comments submitted to
16 the Agency shall be specific, supported by data or
17 other detailed analyses, and, if objecting to all
18 or a portion of the procurement plan, accompanied
19 by specific alternative wording or proposals. All
20 comments shall be posted on the Agency's and
21 Commission's websites. During this 45-day comment
22 period, the Agency shall hold at least one public
23 hearing within each utility's service area that is
24 subject to the requirements of this paragraph (5)
25 for the purpose of receiving public comment.
26 Within 21 days following the end of the 45-day

1 review period, the Agency may revise the long-term
2 renewable resources procurement plan based on the
3 comments received and shall file the plan with the
4 Commission for review and approval.

5 (C) Within 14 days after the filing of the
6 initial long-term renewable resources procurement
7 plan or any subsequent revisions, any person
8 objecting to the plan may file an objection with
9 the Commission. Within 21 days after the filing of
10 the plan, the Commission shall determine whether a
11 hearing is necessary. The Commission shall enter
12 its order confirming or modifying the initial
13 long-term renewable resources procurement plan or
14 any subsequent revisions within 120 days after the
15 filing of the plan by the Illinois Power Agency.

16 (D) The Commission shall approve the initial
17 long-term renewable resources procurement plan and
18 any subsequent revisions, including expressly the
19 forecast used in the plan and taking into account
20 that funding will be limited to the amount of
21 revenues actually collected by the utilities, if
22 the Commission determines that the plan will
23 reasonably and prudently accomplish the
24 requirements of Section 1-56 and subsection (c) of
25 Section 1-75 of the Illinois Power Agency Act. The
26 Commission shall also approve the process for the

1 submission, review, and approval of the proposed
2 contracts to procure renewable energy credits or
3 implement the programs authorized by the
4 Commission pursuant to a long-term renewable
5 resources procurement plan approved under this
6 Section.

7 In approving any long-term renewable resources
8 procurement plan after the effective date of this
9 amendatory Act of the 102nd General Assembly, the
10 Commission shall approve or modify the Agency's
11 proposal for minimum equity standards pursuant to
12 subsection (c-10) of Section 1-75 of the Illinois
13 Power Agency Act. The Commission shall consider
14 any analysis performed by the Agency in developing
15 its proposal, including past performance,
16 availability of equity eligible contractors, and
17 availability of equity eligible persons at the
18 time the long-term renewable resources procurement
19 plan is approved.

20 (iii) The Agency or third parties contracted by
21 the Agency shall implement all programs authorized by
22 the Commission in an approved long-term renewable
23 resources procurement plan without further review and
24 approval by the Commission. Third parties shall not
25 begin implementing any programs or receive any payment
26 under this Section until the Commission has approved

1 the contract or contracts under the process authorized
2 by the Commission in item (D) of subparagraph (ii) of
3 paragraph (5) of this subsection (b) and the third
4 party and the Agency or utility, as applicable, have
5 executed the contract. For those renewable energy
6 credits subject to procurement through a competitive
7 bid process under the plan or under the initial
8 forward procurements for wind and solar resources
9 described in subparagraph (G) of paragraph (1) of
10 subsection (c) of Section 1-75 of the Illinois Power
11 Agency Act, the Agency shall follow the procurement
12 process specified in the provisions relating to
13 electricity procurement in subsections (e) through (i)
14 of this Section.

15 (iv) An electric utility shall recover its costs
16 associated with the procurement of renewable energy
17 credits under this Section and pursuant to subsection
18 (c-5) of Section 1-75 of the Illinois Power Agency Act
19 through an automatic adjustment clause tariff under
20 subsection (k) or a tariff pursuant to subsection
21 (i-5), as applicable, of Section 16-108 of this Act. A
22 utility shall not be required to advance any payment
23 or pay any amounts under this Section that exceed the
24 actual amount of revenues collected by the utility
25 under paragraph (6) of subsection (c) of Section 1-75
26 of the Illinois Power Agency Act, subsection (c-5) of

1 Section 1-75 of the Illinois Power Agency Act, and
2 subsection (k) or subsection (i-5), as applicable, of
3 Section 16-108 of this Act, and contracts executed
4 under this Section shall expressly incorporate this
5 limitation.

6 (v) For the public interest, safety, and welfare,
7 the Agency and the Commission may adopt rules to carry
8 out the provisions of this Section on an emergency
9 basis immediately following the effective date of this
10 amendatory Act of the 99th General Assembly.

11 (vi) On or before July 1 of each year, the
12 Commission shall hold an informal hearing for the
13 purpose of receiving comments on the prior year's
14 procurement process and any recommendations for
15 change.

16 (6) Long-term energy storage resources procurement
17 plan. The Agency shall prepare an energy storage resources
18 procurement plan for the procurement of energy storage
19 credits in compliance with this Section and Section 1-93
20 of the Illinois Power Agency Act.

21 (i) The initial energy storage resources
22 procurement plan and all subsequent revisions shall be
23 subject to review and approval by the Commission. For
24 purposes of this Section, "delivery year" has the same
25 meaning as in Section 1-10 of the Illinois Power
26 Agency Act. In this paragraph, "Agency" means the

1 Illinois Power Agency.

2 (ii) The energy storage resources planning process
3 shall be conducted as follows:

4 (A) The Agency shall publish for comment the
5 initial energy storage resources procurement plan
6 no later than 180 days after the effective date of
7 this amendatory Act of the 103rd General Assembly
8 and shall review, and may revise, the plan at
9 least every 2 years thereafter. To the extent
10 practicable, the Agency shall review and propose
11 any revisions to the energy storage resources
12 procurement plan in conjunction with the Agency's
13 other planning and approval processes conducted
14 under this Section. The initial energy storage
15 resources procurement plan shall:

16 (aa) include a schedule for procurements
17 for energy storage credits from qualified
18 energy storage systems consistent with Section
19 1-93 of the Illinois Power Agency Act,
20 including proposals for allocation between
21 indexed credits and tolling agreements;

22 (bb) identify the process whereby the
23 Agency will submit to the Commission for
24 review and approval the proposed contracts to
25 implement the programs required by the plan.
26 Copies of the initial energy storage resources

1 procurement plan and all subsequent revisions
2 shall be posted and made publicly available on
3 the Agency's and Commission's websites, and
4 copies shall also be provided to each affected
5 electric utility. An affected utility and
6 other interested parties shall have 45 days
7 following the date of posting to provide
8 comment to the Agency on the initial energy
9 storage resources procurement plan and all
10 subsequent revisions. All comments shall be
11 posted on the Agency's and Commission's
12 websites; and

13 (cc) upon solicitation from stakeholders,
14 consider additional procurement approaches
15 that would result in the electric utilities
16 contracting for energy storage to achieve the
17 requirements described in subsection (a); and

18 (B) The Commission shall approve the initial
19 energy storage resources procurement plan and any
20 subsequent revisions if the Commission determines
21 that the plan will reasonably and prudently
22 accomplish the requirements of Section 1-93 of the
23 Illinois Power Agency Act. The Commission shall
24 also approve the process for the submission,
25 review, and approval of the proposed contracts to
26 procure energy storage credits or implement the

1 programs authorized by the Commission pursuant to
2 a long-term energy storage resources procurement
3 plan approved under this Section.

4 In approving any long-term energy storage
5 procurement plan after the effective date of this
6 amendatory Act of the 103rd General Assembly, the
7 Commission shall approve or modify the Agency's
8 proposal for minimum equity standards pursuant to
9 subsection (c-10) of Section 1-75 of the Illinois
10 Power Agency Act. The Commission shall consider
11 any analysis performed by the Agency in developing
12 its proposal, including past performance,
13 availability of equity eligible contractors, and
14 availability of equity eligible persons at the
15 time the long-term renewable resources procurement
16 plan is approved.

17 (iii) The Agency or third parties contracted by
18 the Agency shall implement all programs authorized by
19 the Commission in an approved long-term energy storage
20 procurement plan without further review and approval
21 by the Commission. Third parties shall not begin
22 implementing any programs or receive any payment under
23 this Section until the Commission has approved the
24 long-term storage contract.

25 (iv) An electric utility shall recover its costs
26 associated with the procurement of energy storage

1 credits under this Section and pursuant to Section
2 1-93 of the Illinois Power Agency Act through an
3 automatic adjustment clause tariff under subsection
4 (k) or a tariff pursuant to subsection (i-5), as
5 applicable, of Section 16-108.

6 (b-5) An electric utility that as of January 1, 2019
7 served more than 300,000 retail customers in this State shall
8 purchase renewable energy credits from new renewable energy
9 facilities constructed at or adjacent to the sites of
10 coal-fueled electric generating facilities in this State in
11 accordance with subsection (c-5) of Section 1-75 of the
12 Illinois Power Agency Act. Except as expressly provided in
13 this Section, the plans and procedures for such procurements
14 shall not be included in the procurement plans provided for in
15 this Section, but rather shall be conducted and implemented
16 solely in accordance with subsection (c-5) of Section 1-75 of
17 the Illinois Power Agency Act.

18 (c) The provisions of this subsection (c) shall not apply
19 to procurements conducted pursuant to subsection (c-5) of
20 Section 1-75 of the Illinois Power Agency Act. However, the
21 Agency may retain a procurement administrator to assist the
22 Agency in planning and carrying out the procurement events and
23 implementing the other requirements specified in such
24 subsection (c-5) of Section 1-75 of the Illinois Power Agency
25 Act, with the costs incurred by the Agency for the procurement
26 administrator to be recovered through fees charged to

1 applicants for selection to sell and deliver renewable energy
2 credits to electric utilities pursuant to subsection (c-5) of
3 Section 1-75 of the Illinois Power Agency Act. The procurement
4 process set forth in Section 1-75 of the Illinois Power Agency
5 Act and subsection (e) of this Section shall be administered
6 by a procurement administrator and monitored by a procurement
7 monitor.

8 (1) The procurement administrator shall:

9 (i) design the final procurement process in
10 accordance with Section 1-75 of the Illinois Power
11 Agency Act and subsection (e) of this Section
12 following Commission approval of the procurement plan;

13 (ii) develop benchmarks in accordance with
14 subsection (e)(3) to be used to evaluate bids; these
15 benchmarks shall be submitted to the Commission for
16 review and approval on a confidential basis prior to
17 the procurement event;

18 (iii) serve as the interface between the electric
19 utility and suppliers;

20 (iv) manage the bidder pre-qualification and
21 registration process;

22 (v) obtain the electric utilities' agreement to
23 the final form of all supply contracts and credit
24 collateral agreements;

25 (vi) administer the request for proposals process;

26 (vii) have the discretion to negotiate to

1 determine whether bidders are willing to lower the
2 price of bids that meet the benchmarks approved by the
3 Commission; any post-bid negotiations with bidders
4 shall be limited to price only and shall be completed
5 within 24 hours after opening the sealed bids and
6 shall be conducted in a fair and unbiased manner; in
7 conducting the negotiations, there shall be no
8 disclosure of any information derived from proposals
9 submitted by competing bidders; if information is
10 disclosed to any bidder, it shall be provided to all
11 competing bidders;

12 (viii) maintain confidentiality of supplier and
13 bidding information in a manner consistent with all
14 applicable laws, rules, regulations, and tariffs;

15 (ix) submit a confidential report to the
16 Commission recommending acceptance or rejection of
17 bids;

18 (x) notify the utility of contract counterparties
19 and contract specifics; and

20 (xi) administer related contingency procurement
21 events.

22 (2) The procurement monitor, who shall be retained by
23 the Commission, shall:

24 (i) monitor interactions among the procurement
25 administrator, suppliers, and utility;

26 (ii) monitor and report to the Commission on the

1 progress of the procurement process;

2 (iii) provide an independent confidential report
3 to the Commission regarding the results of the
4 procurement event;

5 (iv) assess compliance with the procurement plans
6 approved by the Commission for each utility that on
7 December 31, 2005 provided electric service to at
8 least 100,000 customers in Illinois and for each small
9 multi-jurisdictional utility that on December 31, 2005
10 served less than 100,000 customers in Illinois;

11 (v) preserve the confidentiality of supplier and
12 bidding information in a manner consistent with all
13 applicable laws, rules, regulations, and tariffs;

14 (vi) provide expert advice to the Commission and
15 consult with the procurement administrator regarding
16 issues related to procurement process design, rules,
17 protocols, and policy-related matters; and

18 (vii) consult with the procurement administrator
19 regarding the development and use of benchmark
20 criteria, standard form contracts, credit policies,
21 and bid documents.

22 (d) Except as provided in subsection (j), the planning
23 process shall be conducted as follows:

24 (1) Beginning in 2008, each Illinois utility procuring
25 power pursuant to this Section shall annually provide a
26 range of load forecasts to the Illinois Power Agency by

1 July 15 of each year, or such other date as may be required
2 by the Commission or Agency. The load forecasts shall
3 cover the 5-year procurement planning period for the next
4 procurement plan and shall include hourly data
5 representing a high-load, low-load, and expected-load
6 scenario for the load of those retail customers included
7 in the plan's electric supply service requirements. The
8 utility shall provide supporting data and assumptions for
9 each of the scenarios.

10 (2) Beginning in 2008, the Illinois Power Agency shall
11 prepare a procurement plan by August 15th of each year, or
12 such other date as may be required by the Commission. The
13 procurement plan shall identify the portfolio of
14 demand-response and power and energy products to be
15 procured. Cost-effective demand-response measures shall be
16 procured as set forth in item (iii) of subsection (b) of
17 this Section. Copies of the procurement plan shall be
18 posted and made publicly available on the Agency's and
19 Commission's websites, and copies shall also be provided
20 to each affected electric utility. An affected utility
21 shall have 30 days following the date of posting to
22 provide comment to the Agency on the procurement plan.
23 Other interested entities also may comment on the
24 procurement plan. All comments submitted to the Agency
25 shall be specific, supported by data or other detailed
26 analyses, and, if objecting to all or a portion of the

1 procurement plan, accompanied by specific alternative
2 wording or proposals. All comments shall be posted on the
3 Agency's and Commission's websites. During this 30-day
4 comment period, the Agency shall hold at least one public
5 hearing within each utility's service area for the purpose
6 of receiving public comment on the procurement plan.
7 Within 14 days following the end of the 30-day review
8 period, the Agency shall revise the procurement plan as
9 necessary based on the comments received and file the
10 procurement plan with the Commission and post the
11 procurement plan on the websites.

12 (3) Within 5 days after the filing of the procurement
13 plan, any person objecting to the procurement plan shall
14 file an objection with the Commission. Within 10 days
15 after the filing, the Commission shall determine whether a
16 hearing is necessary. The Commission shall enter its order
17 confirming or modifying the procurement plan within 90
18 days after the filing of the procurement plan by the
19 Illinois Power Agency.

20 (4) The Commission shall approve the procurement plan,
21 including expressly the forecast used in the procurement
22 plan, if the Commission determines that it will ensure
23 adequate, reliable, affordable, efficient, and
24 environmentally sustainable electric service at the lowest
25 total cost over time, taking into account any benefits of
26 price stability.

1 (4.5) The Commission shall review the Agency's
2 recommendations for the selection of applicants to enter
3 into long-term contracts for the sale and delivery of
4 renewable energy credits from new renewable energy
5 facilities to be constructed at or adjacent to the sites
6 of coal-fueled electric generating facilities in this
7 State in accordance with the provisions of subsection
8 (c-5) of Section 1-75 of the Illinois Power Agency Act,
9 and shall approve the Agency's recommendations if the
10 Commission determines that the applicants recommended by
11 the Agency for selection, the proposed new renewable
12 energy facilities to be constructed, the amounts of
13 renewable energy credits to be delivered pursuant to the
14 contracts, and the other terms of the contracts, are
15 consistent with the requirements of subsection (c-5) of
16 Section 1-75 of the Illinois Power Agency Act.

17 (e) The procurement process shall include each of the
18 following components:

19 (1) Solicitation, pre-qualification, and registration
20 of bidders. The procurement administrator shall
21 disseminate information to potential bidders to promote a
22 procurement event, notify potential bidders that the
23 procurement administrator may enter into a post-bid price
24 negotiation with bidders that meet the applicable
25 benchmarks, provide supply requirements, and otherwise
26 explain the competitive procurement process. In addition

1 to such other publication as the procurement administrator
2 determines is appropriate, this information shall be
3 posted on the Illinois Power Agency's and the Commission's
4 websites. The procurement administrator shall also
5 administer the prequalification process, including
6 evaluation of credit worthiness, compliance with
7 procurement rules, and agreement to the standard form
8 contract developed pursuant to paragraph (2) of this
9 subsection (e). The procurement administrator shall then
10 identify and register bidders to participate in the
11 procurement event.

12 (2) Standard contract forms and credit terms and
13 instruments. The procurement administrator, in
14 consultation with the utilities, the Commission, and other
15 interested parties and subject to Commission oversight,
16 shall develop and provide standard contract forms for the
17 supplier contracts that meet generally accepted industry
18 practices. Standard credit terms and instruments that meet
19 generally accepted industry practices shall be similarly
20 developed. The procurement administrator shall make
21 available to the Commission all written comments it
22 receives on the contract forms, credit terms, or
23 instruments. If the procurement administrator cannot reach
24 agreement with the applicable electric utility as to the
25 contract terms and conditions, the procurement
26 administrator must notify the Commission of any disputed

1 terms and the Commission shall resolve the dispute. Except
2 as provided under item (vi) of subparagraph (G) of
3 paragraph (1) of subsection (c) of Section 1-75 of the
4 Illinois Power Agency Act, the ~~The~~ terms of the contracts
5 shall not be subject to negotiation by winning bidders,
6 and the bidders must agree to the terms of the contract in
7 advance so that winning bids are selected solely on the
8 basis of price.

9 (3) Establishment of a market-based price benchmark.
10 As part of the development of the procurement process, the
11 procurement administrator, in consultation with the
12 Commission staff, Agency staff, and the procurement
13 monitor, shall establish benchmarks for evaluating the
14 final prices in the contracts for each of the products
15 that will be procured through the procurement process. The
16 benchmarks shall be based on price data for similar
17 products for the same delivery period and same delivery
18 hub, or other delivery hubs after adjusting for that
19 difference. The price benchmarks may also be adjusted to
20 take into account differences between the information
21 reflected in the underlying data sources and the specific
22 products and procurement process being used to procure
23 power for the Illinois utilities. The benchmarks shall be
24 confidential but shall be provided to, and will be subject
25 to Commission review and approval, prior to a procurement
26 event.

1 (4) Request for proposals competitive procurement
2 process. The procurement administrator shall design and
3 issue a request for proposals to supply electricity in
4 accordance with each utility's procurement plan, as
5 approved by the Commission. The request for proposals
6 shall set forth a procedure for sealed, binding commitment
7 bidding with pay-as-bid settlement, and provision for
8 selection of bids on the basis of price.

9 (5) A plan for implementing contingencies in the event
10 of supplier default or failure of the procurement process
11 to fully meet the expected load requirement due to
12 insufficient supplier participation, Commission rejection
13 of results, or any other cause.

14 (i) Event of supplier default: In the event of
15 supplier default, the utility shall review the
16 contract of the defaulting supplier to determine if
17 the amount of supply is 200 megawatts or greater, and
18 if there are more than 60 days remaining of the
19 contract term. If both of these conditions are met,
20 and the default results in termination of the
21 contract, the utility shall immediately notify the
22 Illinois Power Agency that a request for proposals
23 must be issued to procure replacement power, and the
24 procurement administrator shall run an additional
25 procurement event. If the contracted supply of the
26 defaulting supplier is less than 200 megawatts or

1 there are less than 60 days remaining of the contract
2 term, the utility shall procure power and energy from
3 the applicable regional transmission organization
4 market, including ancillary services, capacity, and
5 day-ahead or real time energy, or both, for the
6 duration of the contract term to replace the
7 contracted supply; provided, however, that if a needed
8 product is not available through the regional
9 transmission organization market it shall be purchased
10 from the wholesale market.

11 (ii) Failure of the procurement process to fully
12 meet the expected load requirement: If the procurement
13 process fails to fully meet the expected load
14 requirement due to insufficient supplier participation
15 or due to a Commission rejection of the procurement
16 results, the procurement administrator, the
17 procurement monitor, and the Commission staff shall
18 meet within 10 days to analyze potential causes of low
19 supplier interest or causes for the Commission
20 decision. If changes are identified that would likely
21 result in increased supplier participation, or that
22 would address concerns causing the Commission to
23 reject the results of the prior procurement event, the
24 procurement administrator may implement those changes
25 and rerun the request for proposals process according
26 to a schedule determined by those parties and

1 consistent with Section 1-75 of the Illinois Power
2 Agency Act and this subsection. In any event, a new
3 request for proposals process shall be implemented by
4 the procurement administrator within 90 days after the
5 determination that the procurement process has failed
6 to fully meet the expected load requirement.

7 (iii) In all cases where there is insufficient
8 supply provided under contracts awarded through the
9 procurement process to fully meet the electric
10 utility's load requirement, the utility shall meet the
11 load requirement by procuring power and energy from
12 the applicable regional transmission organization
13 market, including ancillary services, capacity, and
14 day-ahead or real time energy, or both; provided,
15 however, that if a needed product is not available
16 through the regional transmission organization market
17 it shall be purchased from the wholesale market.

18 (6) The procurement processes described in this
19 subsection and in subsection (c-5) of Section 1-75 of the
20 Illinois Power Agency Act are exempt from the requirements
21 of the Illinois Procurement Code, pursuant to Section
22 20-10 of that Code.

23 (f) Within 2 business days after opening the sealed bids,
24 the procurement administrator shall submit a confidential
25 report to the Commission. The report shall contain the results
26 of the bidding for each of the products along with the

1 procurement administrator's recommendation for the acceptance
2 and rejection of bids based on the price benchmark criteria
3 and other factors observed in the process. The procurement
4 monitor also shall submit a confidential report to the
5 Commission within 2 business days after opening the sealed
6 bids. The report shall contain the procurement monitor's
7 assessment of bidder behavior in the process as well as an
8 assessment of the procurement administrator's compliance with
9 the procurement process and rules. The Commission shall review
10 the confidential reports submitted by the procurement
11 administrator and procurement monitor, and shall accept or
12 reject the recommendations of the procurement administrator
13 within 2 business days after receipt of the reports.

14 (g) Within 3 business days after the Commission decision
15 approving the results of a procurement event, the utility
16 shall enter into binding contractual arrangements with the
17 winning suppliers using the standard form contracts; except
18 that the utility shall not be required either directly or
19 indirectly to execute the contracts if a tariff that is
20 consistent with subsection (1) of this Section has not been
21 approved and placed into effect for that utility.

22 (h) For the procurement of standard wholesale products and
23 energy storage capacity, the names of the successful bidders
24 and the load weighted average of the winning bid prices for
25 each contract type and for each contract term shall be made
26 available to the public at the time of Commission approval of a

1 procurement event. For procurements conducted to meet the
2 requirements of subsection (b) of Section 1-56 or subsection
3 (c) of Section 1-75 of the Illinois Power Agency Act governed
4 by the provisions of this Section, the address and nameplate
5 capacity of the new renewable energy generating facility
6 proposed by a winning bidder shall also be made available to
7 the public at the time of Commission approval of a procurement
8 event, along with the business address and contact information
9 for any winning bidder. An estimate or approximation of the
10 nameplate capacity of the new renewable energy generating
11 facility may be disclosed if necessary to protect the
12 confidentiality of individual bid prices.

13 The Commission, the procurement monitor, the procurement
14 administrator, the Illinois Power Agency, and all participants
15 in the procurement process shall maintain the confidentiality
16 of all other supplier and bidding information in a manner
17 consistent with all applicable laws, rules, regulations, and
18 tariffs. Confidential information, including the confidential
19 reports submitted by the procurement administrator and
20 procurement monitor pursuant to subsection (f) of this
21 Section, shall not be made publicly available and shall not be
22 discoverable by any party in any proceeding, absent a
23 compelling demonstration of need, nor shall those reports be
24 admissible in any proceeding other than one for law
25 enforcement purposes.

26 (h-5) For procurements conducted to meet the requirements

1 of subsection (b) of Section 1-56 or subsection (c) of Section
2 1-75 of the Illinois Power Agency Act, the Illinois Power
3 Agency shall release aggregated information related to
4 participation levels across product types and the basis of
5 rejection for non-accepted bids if the Commission, the
6 procurement monitor, the procurement administrator, and the
7 Illinois Power Agency determine that the release of this
8 information would not result in the disclosure of confidential
9 bid information or negatively impact the competitiveness of
10 future renewable energy credit procurements.

11 (i) Within 2 business days after a Commission decision
12 approving the results of a procurement event or such other
13 date as may be required by the Commission from time to time,
14 the utility shall file for informational purposes with the
15 Commission its actual or estimated retail supply charges, as
16 applicable, by customer supply group reflecting the costs
17 associated with the procurement and computed in accordance
18 with the tariffs filed pursuant to subsection (l) of this
19 Section and approved by the Commission.

20 (j) Within 60 days following August 28, 2007 (the
21 effective date of Public Act 95-481), each electric utility
22 that on December 31, 2005 provided electric service to at
23 least 100,000 customers in Illinois shall prepare and file
24 with the Commission an initial procurement plan, which shall
25 conform in all material respects to the requirements of the
26 procurement plan set forth in subsection (b); provided,

1 however, that the Illinois Power Agency Act shall not apply to
2 the initial procurement plan prepared pursuant to this
3 subsection. The initial procurement plan shall identify the
4 portfolio of power and energy products to be procured and
5 delivered for the period June 2008 through May 2009, and shall
6 identify the proposed procurement administrator, who shall
7 have the same experience and expertise as is required of a
8 procurement administrator hired pursuant to Section 1-75 of
9 the Illinois Power Agency Act. Copies of the procurement plan
10 shall be posted and made publicly available on the
11 Commission's website. The initial procurement plan may include
12 contracts for renewable resources that extend beyond May 2009.

13 (i) Within 14 days following filing of the initial
14 procurement plan, any person may file a detailed objection
15 with the Commission contesting the procurement plan
16 submitted by the electric utility. All objections to the
17 electric utility's plan shall be specific, supported by
18 data or other detailed analyses. The electric utility may
19 file a response to any objections to its procurement plan
20 within 7 days after the date objections are due to be
21 filed. Within 7 days after the date the utility's response
22 is due, the Commission shall determine whether a hearing
23 is necessary. If it determines that a hearing is
24 necessary, it shall require the hearing to be completed
25 and issue an order on the procurement plan within 60 days
26 after the filing of the procurement plan by the electric

1 utility.

2 (ii) The order shall approve or modify the procurement
3 plan, approve an independent procurement administrator,
4 and approve or modify the electric utility's tariffs that
5 are proposed with the initial procurement plan. The
6 Commission shall approve the procurement plan if the
7 Commission determines that it will ensure adequate,
8 reliable, affordable, efficient, and environmentally
9 sustainable electric service at the lowest total cost over
10 time, taking into account any benefits of price stability.

11 (k) (Blank).

12 (k-5) (Blank).

13 (l) An electric utility shall recover its costs incurred
14 under this Section and subsection (c-5) of Section 1-75 of the
15 Illinois Power Agency Act, including, but not limited to, the
16 costs of procuring power and energy demand-response resources
17 under this Section and its costs for purchasing renewable
18 energy credits pursuant to subsection (c-5) of Section 1-75 of
19 the Illinois Power Agency Act. The utility shall file with the
20 initial procurement plan its proposed tariffs through which
21 its costs of procuring power that are incurred pursuant to a
22 Commission-approved procurement plan and those other costs
23 identified in this subsection (l), will be recovered. The
24 tariffs shall include a formula rate or charge designed to
25 pass through both the costs incurred by the utility in
26 procuring a supply of electric power and energy for the

1 applicable customer classes with no mark-up or return on the
2 price paid by the utility for that supply, plus any just and
3 reasonable costs that the utility incurs in arranging and
4 providing for the supply of electric power and energy. The
5 formula rate or charge shall also contain provisions that
6 ensure that its application does not result in over or under
7 recovery due to changes in customer usage and demand patterns,
8 and that provide for the correction, on at least an annual
9 basis, of any accounting errors that may occur. A utility
10 shall recover through the tariff all reasonable costs incurred
11 to implement or comply with any procurement plan that is
12 developed and put into effect pursuant to Section 1-75 of the
13 Illinois Power Agency Act and this Section, and for the
14 procurement of renewable energy credits pursuant to subsection
15 (c-5) of Section 1-75 of the Illinois Power Agency Act,
16 including any fees assessed by the Illinois Power Agency,
17 costs associated with load balancing, and contingency plan
18 costs. The electric utility shall also recover its full costs
19 of procuring electric supply for which it contracted before
20 the effective date of this Section in conjunction with the
21 provision of full requirements service under fixed-price
22 bundled service tariffs subsequent to December 31, 2006. All
23 such costs shall be deemed to have been prudently incurred.
24 The pass-through tariffs that are filed and approved pursuant
25 to this Section shall not be subject to review under, or in any
26 way limited by, Section 16-111(i) of this Act. All of the costs

1 incurred by the electric utility associated with the purchase
2 of zero emission credits in accordance with subsection (d-5)
3 of Section 1-75 of the Illinois Power Agency Act, all costs
4 incurred by the electric utility associated with the purchase
5 of carbon mitigation credits in accordance with subsection
6 (d-10) of Section 1-75 of the Illinois Power Agency Act, and,
7 beginning June 1, 2017, all of the costs incurred by the
8 electric utility associated with the purchase of renewable
9 energy resources in accordance with Sections 1-56 and 1-75 of
10 the Illinois Power Agency Act, ~~and~~ all of the costs incurred by
11 the electric utility in purchasing renewable energy credits in
12 accordance with subsection (c-5) of Section 1-75 of the
13 Illinois Power Agency Act, and all costs incurred by the
14 electric utility in purchasing energy storage credits in
15 accordance with Section 1-93 of the Illinois Power Agency Act
16 shall be recovered through the electric utility's tariffed
17 charges applicable to all of its retail customers, as
18 specified in subsection (k) or subsection (i-5), as
19 applicable, of Section 16-108 of this Act, and shall not be
20 recovered through the electric utility's tariffed charges for
21 electric power and energy supply to its eligible retail
22 customers.

23 (m) The Commission has the authority to adopt rules to
24 carry out the provisions of this Section. For the public
25 interest, safety, and welfare, the Commission also has
26 authority to adopt rules to carry out the provisions of this

1 Section on an emergency basis immediately following August 28,
2 2007 (the effective date of Public Act 95-481).

3 (n) Notwithstanding any other provision of this Act, any
4 affiliated electric utilities that submit a single procurement
5 plan covering their combined needs may procure for those
6 combined needs in conjunction with that plan, and may enter
7 jointly into power supply contracts, purchases, and other
8 procurement arrangements, and allocate capacity and energy and
9 cost responsibility therefor among themselves in proportion to
10 their requirements.

11 (o) On or before June 1 of each year, the Commission shall
12 hold an informal hearing for the purpose of receiving comments
13 on the prior year's procurement process and any
14 recommendations for change.

15 (p) An electric utility subject to this Section may
16 propose to invest, lease, own, or operate an electric
17 generation facility as part of its procurement plan, provided
18 the utility demonstrates that such facility is the least-cost
19 option to provide electric service to those retail customers
20 included in the plan's electric supply service requirements.
21 If the facility is shown to be the least-cost option and is
22 included in a procurement plan prepared in accordance with
23 Section 1-75 of the Illinois Power Agency Act and this
24 Section, then the electric utility shall make a filing
25 pursuant to Section 8-406 of this Act, and may request of the
26 Commission any statutory relief required thereunder. If the

1 Commission grants all of the necessary approvals for the
2 proposed facility, such supply shall thereafter be considered
3 as a pre-existing contract under subsection (b) of this
4 Section. The Commission shall in any order approving a
5 proposal under this subsection specify how the utility will
6 recover the prudently incurred costs of investing in, leasing,
7 owning, or operating such generation facility through just and
8 reasonable rates charged to those retail customers included in
9 the plan's electric supply service requirements. Cost recovery
10 for facilities included in the utility's procurement plan
11 pursuant to this subsection shall not be subject to review
12 under or in any way limited by the provisions of Section
13 16-111(i) of this Act. Nothing in this Section is intended to
14 prohibit a utility from filing for a fuel adjustment clause as
15 is otherwise permitted under Section 9-220 of this Act.

16 (q) If the Illinois Power Agency filed with the
17 Commission, under Section 16-111.5 of this Act, its proposed
18 procurement plan for the period commencing June 1, 2017, and
19 the Commission has not yet entered its final order approving
20 the plan on or before the effective date of this amendatory Act
21 of the 99th General Assembly, then the Illinois Power Agency
22 shall file a notice of withdrawal with the Commission, after
23 the effective date of this amendatory Act of the 99th General
24 Assembly, to withdraw the proposed procurement of renewable
25 energy resources to be approved under the plan, other than the
26 procurement of renewable energy credits from distributed

1 renewable energy generation devices using funds previously
2 collected from electric utilities' retail customers that take
3 service pursuant to electric utilities' hourly pricing tariff
4 or tariffs and, for an electric utility that serves less than
5 100,000 retail customers in the State, other than the
6 procurement of renewable energy credits from distributed
7 renewable energy generation devices. Upon receipt of the
8 notice, the Commission shall enter an order that approves the
9 withdrawal of the proposed procurement of renewable energy
10 resources from the plan. The initially proposed procurement of
11 renewable energy resources shall not be approved or be the
12 subject of any further hearing, investigation, proceeding, or
13 order of any kind.

14 This amendatory Act of the 99th General Assembly preempts
15 and supersedes any order entered by the Commission that
16 approved the Illinois Power Agency's procurement plan for the
17 period commencing June 1, 2017, to the extent it is
18 inconsistent with the provisions of this amendatory Act of the
19 99th General Assembly. To the extent any previously entered
20 order approved the procurement of renewable energy resources,
21 the portion of that order approving the procurement shall be
22 void, other than the procurement of renewable energy credits
23 from distributed renewable energy generation devices using
24 funds previously collected from electric utilities' retail
25 customers that take service under electric utilities' hourly
26 pricing tariff or tariffs and, for an electric utility that

1 serves less than 100,000 retail customers in the State, other
2 than the procurement of renewable energy credits for
3 distributed renewable energy generation devices.

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

5 (220 ILCS 5/Art. XXIII heading new)

6 ARTICLE XXIII. OFFICE OF INTERCONNECTION AND RENEWABLE
7 DEVELOPMENT

8 (220 ILCS 5/23-101 new)

9 Sec. 23-101. Findings and intent. The General Assembly
10 finds and declares:

11 (1) The ability of the Commission and the Illinois
12 Power Agency to ensure long-term benefits from community
13 renewable generation projects and distributed renewable
14 energy generation devices is limited. For Illinois
15 consumers to continue to receive the substantial financial
16 and environmental benefits of deployment of distributed
17 renewable generation resources, including devices paired
18 with energy storage, the Commission must gather additional
19 data and proactively identify barriers.

20 (2) To date, as a result of the Future Energy Jobs Act
21 and the Climate and Equitable Jobs Act, tens of thousands
22 of Illinois retail customers of all sizes have experienced
23 the benefits of new renewable generation.

24 (3) However, as renewable generation deployment

1 increases, but remains short of the goals set by the
2 Climate and Equitable Jobs Act, it is critical that the
3 Commission proactively identify and address barriers to
4 achieving those goals.

5 (4) The Illinois Commerce Commission should promote
6 the efficient deployment of distributed renewable
7 generation resources.

8 (220 ILCS 5/23-105 new)

9 Sec. 23-105. Definitions. In this Article:

10 "Director" means the Director of the Office of
11 Interconnection and Renewable Development.

12 "Distributed renewable energy resources" means a community
13 renewable generation device or a distributed renewable energy
14 generation device as those terms are defined in Section 1-10
15 of the Illinois Power Agency Act. "Distributed renewable
16 energy resource" includes storage paired with a community
17 renewable generation device or a distributed renewable energy
18 generation device.

19 "Energy storage system" shall have the meaning given in
20 Section 1-10 of the Illinois Power Agency Act.

21 "Office" means the Office of Interconnection and Renewable
22 Development.

23 "Utility-scale solar project" and "utility-scale wind
24 project" have the meanings given to those terms in Section
25 1-10 of the Illinois Power Agency Act.

1 (220 ILCS 5/23-110 new)

2 Sec. 23-110. Office of Interconnection and Renewable
3 Development.

4 (a) Within 90 days after the effective date of this
5 amendatory Act of the 103rd General Assembly, subject to
6 appropriation, the Commission shall establish an Office of
7 Interconnection and Renewable Development and employ a
8 Director of Interconnection and Renewable Development to
9 oversee the Office. The Director shall have authority to
10 employ or otherwise retain at least 3 professionals dedicated
11 to the task of actively seeking out ways to identify barriers
12 to deployment of distributed renewable energy resources.

13 (b) The Office shall actively seek input from all
14 interested parties and shall develop a thorough understanding
15 and critical analyses of the tools and techniques used to
16 promote development and remove barriers to development of the
17 projects and devices. The Office shall take these steps for
18 interconnections involving distributed renewable energy
19 resources, energy storage systems, utility-scale wind
20 projects, and utility-scale solar projects, including
21 interconnections to a distribution system or a transmission
22 system.

23 (c) The Office shall monitor interconnection between
24 electric utilities and applicants for interconnection and
25 interconnection customers. The Office shall request, and

1 electric utilities shall promptly provide, information and
2 records related to pending, successful, and terminated
3 interconnections. The Office shall include at least one
4 employee with a background in engineering of distribution
5 interconnections. The Office shall take these steps for
6 interconnections involving distributed renewable energy
7 resources, energy storage systems, utility-scale wind
8 projects, and utility-scale solar projects, including
9 interconnections to a distribution system or a transmission
10 system.

11 (d) The Office shall employ an Ombudsperson who, in
12 addition to the roles described in paragraph (2) of subsection
13 (h-5) of Section 16-107.5, is responsible for oversight of all
14 utility's compliance with the rules adopted under subsection
15 (h) of Section 16-107.5 and any utility interconnection
16 policies or procedures. The Ombudsperson may request, and each
17 electric utility shall timely provide, records and information
18 as the Ombudsperson may request from time to time to carry out
19 his or her duties under this subsection or subsection (m) of
20 Section 1-93 of the Illinois Power Agency Act. At any time, the
21 Ombudsperson may issue a report to the Commission detailing
22 any suspected violations of this Act or rules adopted by the
23 Commission under this Act concerning interconnection processes
24 or a particular interconnection.

1 Sec. 23-115. Annual report. The Office shall collect and
2 annually report to the Commission information about net
3 metering under Section 16-107.5. The Office shall quantify the
4 totality of retail customer benefits from net metering,
5 including an assessment of customer value from net metering
6 and net metering offered under subsection (l) of Section
7 16-107.5. The Office shall include information about
8 distributed renewable energy resources outside of Illinois
9 Power Agency programs and procurements identified in Sections
10 1-56 and 1-75 of the Illinois Power Agency Act.

11 (220 ILCS 5/23-120 new)

12 Sec. 23-120. Interconnection Working Group.

13 (a) The Ombudsperson shall provide to the Commission with
14 a biennial update on consensus and non-consensus items
15 addressed in the Interconnection Working Group. The
16 Ombudsperson shall provide recommendations for Commission
17 actions and the proposed timing of the actions based on the
18 findings of the Interconnection Working Group.

19 (b) In collaboration with the Ethics Officer of the
20 Commission, the Office shall develop policies and procedures
21 to facilitate employees of the Office in leading the
22 Interconnection Working Group described in subsection (h-5) of
23 Section 16-107.5 without interference with docketed
24 proceedings. The policies and procedures developed under this
25 subsection shall be designed to allow the Interconnection

1 Working Group to work without interruption.

1 INDEX

2 Statutes amended in order of appearance

- 3 20 ILCS 3855/1-5
- 4 20 ILCS 3855/1-10
- 5 20 ILCS 3855/1-20
- 6 20 ILCS 3855/1-75
- 7 20 ILCS 3855/1-93 new
- 8 20 ILCS 3855/1-94 new
- 9 220 ILCS 5/8-513 new
- 10 220 ILCS 5/16-107.5
- 11 220 ILCS 5/16-107.6
- 12 220 ILCS 5/16-107.9 new
- 13 220 ILCS 5/16-107.10 new
- 14 220 ILCS 5/16-107.11 new
- 15 220 ILCS 5/16-108
- 16 220 ILCS 5/16-111.5
- 17 220 ILCS 5/Art. XXIII
- 18 heading new
- 19 220 ILCS 5/23-101 new
- 20 220 ILCS 5/23-105 new
- 21 220 ILCS 5/23-110 new
- 22 220 ILCS 5/23-115 new
- 23 220 ILCS 5/23-120 new