



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5928

Introduced 1/4/2025, by Rep. Robyn Gabel

#### SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Enterprise Zone Act. Provides that a business that intends to construct a new battery energy storage solution facility or a new high voltage direct current converter station at a designated location in Illinois may be designated as a High Impact Business. Defines "new battery energy storage solution facility" and "high voltage direct current converter station". Amends the Illinois Power Agency Act. Makes changes to the definition of "total resource cost test". In a provision concerning the Illinois Solar for All Program, directs the area median income to be revised every year (rather than every 5 years) for purposes of identifying households that qualify as low-income households. Requires the Agency's Planning and Procurement Bureau to develop plans and processes for the procurement of energy storage. Authorizes the procurement of renewable energy credits that are delivered from repowered wind projects and retooled hydropower facilities to be included in the long-term renewable resources procurement plan developed by the Agency. Authorizes the Agency to propose adjustments to the percentages of renewable energy credits procured from different sources and to consider and propose various approaches, in addition to competitive procurements, to procure renewable energy credits from repowered wind projects. Sets out additional requirements for the energy storage procurement plan to be developed by the Agency. Amends the Public Utilities Act. Makes changes in provisions concerning energy efficiency and demand-response measures and distributed generation rebates. In a provision concerning distributed generation rebates, makes changes concerning inverters. Amends the Prevailing Wage Act. Provides that the term "public works" includes the construction of a new battery energy storage solution facility or a high voltage direct current converter station by a business designated as a High Impact Business under the Illinois Enterprise Zone Act. Makes technical changes. Effective immediately.

LRB103 43688 LNS 77046 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 Enterprise Zone Act is amended by  
5 changing Section 5.5 as follows:

6 (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

7 Sec. 5.5. High Impact Business.

8 (a) In order to respond to unique opportunities to assist  
9 in the encouragement, development, growth, and expansion of  
10 the private sector through large scale investment and  
11 development projects, the Department is authorized to receive  
12 and approve applications for the designation of "High Impact  
13 Businesses" in Illinois, for an initial term of 20 years with  
14 an option for renewal for a term not to exceed 20 years,  
15 subject to the following conditions:

16 (1) such applications may be submitted at any time  
17 during the year;

18 (2) such business is not located, at the time of  
19 designation, in an enterprise zone designated pursuant to  
20 this Act, except for grocery stores, as defined in the  
21 Grocery Initiative Act, and a new battery energy storage  
22 solution facility, as defined by subparagraph (I) of  
23 paragraph (3) of this subsection (a);

1           (3) the business intends to do, commits to do, or is  
2 one or more of the following:

3           (A) the business intends to make a minimum  
4 investment of \$12,000,000 which will be placed in  
5 service in qualified property and intends to create  
6 500 full-time equivalent jobs at a designated location  
7 in Illinois or intends to make a minimum investment of  
8 \$30,000,000 which will be placed in service in  
9 qualified property and intends to retain 1,500  
10 full-time retained jobs at a designated location in  
11 Illinois. The terms "placed in service" and "qualified  
12 property" have the same meanings as described in  
13 subsection (h) of Section 201 of the Illinois Income  
14 Tax Act; or

15           (B) the business intends to establish a new  
16 electric generating facility at a designated location  
17 in Illinois. "New electric generating facility", for  
18 purposes of this Section, means a newly constructed  
19 electric generation plant or a newly constructed  
20 generation capacity expansion at an existing electric  
21 generation plant, including the transmission lines and  
22 associated equipment that transfers electricity from  
23 points of supply to points of delivery, and for which  
24 such new foundation construction commenced not sooner  
25 than July 1, 2001. Such facility shall be designed to  
26 provide baseload electric generation and shall operate

1 on a continuous basis throughout the year; and (i)  
2 shall have an aggregate rated generating capacity of  
3 at least 1,000 megawatts for all new units at one site  
4 if it uses natural gas as its primary fuel and  
5 foundation construction of the facility is commenced  
6 on or before December 31, 2004, or shall have an  
7 aggregate rated generating capacity of at least 400  
8 megawatts for all new units at one site if it uses coal  
9 or gases derived from coal as its primary fuel and  
10 shall support the creation of at least 150 new  
11 Illinois coal mining jobs, or (ii) shall be funded  
12 through a federal Department of Energy grant before  
13 December 31, 2010 and shall support the creation of  
14 Illinois coal mining jobs, or (iii) shall use coal  
15 gasification or integrated gasification-combined cycle  
16 units that generate electricity or chemicals, or both,  
17 and shall support the creation of Illinois coal mining  
18 jobs. The term "placed in service" has the same  
19 meaning as described in subsection (h) of Section 201  
20 of the Illinois Income Tax Act; or

21 (B-5) the business intends to establish a new  
22 gasification facility at a designated location in  
23 Illinois. As used in this Section, "new gasification  
24 facility" means a newly constructed coal gasification  
25 facility that generates chemical feedstocks or  
26 transportation fuels derived from coal (which may

1 include, but are not limited to, methane, methanol,  
2 and nitrogen fertilizer), that supports the creation  
3 or retention of Illinois coal mining jobs, and that  
4 qualifies for financial assistance from the Department  
5 before December 31, 2010. A new gasification facility  
6 does not include a pilot project located within  
7 Jefferson County or within a county adjacent to  
8 Jefferson County for synthetic natural gas from coal;  
9 or

10 (C) the business intends to establish production  
11 operations at a new coal mine, re-establish production  
12 operations at a closed coal mine, or expand production  
13 at an existing coal mine at a designated location in  
14 Illinois not sooner than July 1, 2001; provided that  
15 the production operations result in the creation of  
16 150 new Illinois coal mining jobs as described in  
17 subdivision (a)(3)(B) of this Section, and further  
18 provided that the coal extracted from such mine is  
19 utilized as the predominant source for a new electric  
20 generating facility. The term "placed in service" has  
21 the same meaning as described in subsection (h) of  
22 Section 201 of the Illinois Income Tax Act; or

23 (D) the business intends to construct new  
24 transmission facilities or upgrade existing  
25 transmission facilities at designated locations in  
26 Illinois, for which construction commenced not sooner

1 than July 1, 2001. For the purposes of this Section,  
2 "transmission facilities" means transmission lines  
3 with a voltage rating of 115 kilovolts or above,  
4 including associated equipment, that transfer  
5 electricity from points of supply to points of  
6 delivery and that transmit a majority of the  
7 electricity generated by a new electric generating  
8 facility designated as a High Impact Business in  
9 accordance with this Section. The term "placed in  
10 service" has the same meaning as described in  
11 subsection (h) of Section 201 of the Illinois Income  
12 Tax Act; or

13 (E) the business intends to establish a new wind  
14 power facility at a designated location in Illinois.  
15 For purposes of this Section, "new wind power  
16 facility" means a newly constructed electric  
17 generation facility, a newly constructed expansion of  
18 an existing electric generation facility, or the  
19 replacement of an existing electric generation  
20 facility, including the demolition and removal of an  
21 electric generation facility irrespective of whether  
22 it will be replaced, placed in service or replaced on  
23 or after July 1, 2009, that generates electricity  
24 using wind energy devices, and such facility shall be  
25 deemed to include any permanent structures associated  
26 with the electric generation facility and all

1 associated transmission lines, substations, and other  
2 equipment related to the generation of electricity  
3 from wind energy devices. For purposes of this  
4 Section, "wind energy device" means any device, with a  
5 nameplate capacity of at least 0.5 megawatts, that is  
6 used in the process of converting kinetic energy from  
7 the wind to generate electricity; or

8 (E-5) the business intends to establish a new  
9 utility-scale solar facility at a designated location  
10 in Illinois. For purposes of this Section, "new  
11 utility-scale solar power facility" means a newly  
12 constructed electric generation facility, or a newly  
13 constructed expansion of an existing electric  
14 generation facility, placed in service on or after  
15 July 1, 2021, that (i) generates electricity using  
16 photovoltaic cells and (ii) has a nameplate capacity  
17 that is greater than 5,000 kilowatts, and such  
18 facility shall be deemed to include all associated  
19 transmission lines, substations, energy storage  
20 facilities, and other equipment related to the  
21 generation and storage of electricity from  
22 photovoltaic cells; or

23 (F) the business commits to (i) make a minimum  
24 investment of \$500,000,000, which will be placed in  
25 service in a qualified property, (ii) create 125  
26 full-time equivalent jobs at a designated location in

1 Illinois, (iii) establish a fertilizer plant at a  
2 designated location in Illinois that complies with the  
3 set-back standards as described in Table 1: Initial  
4 Isolation and Protective Action Distances in the 2012  
5 Emergency Response Guidebook published by the United  
6 States Department of Transportation, (iv) pay a  
7 prevailing wage for employees at that location who are  
8 engaged in construction activities, and (v) secure an  
9 appropriate level of general liability insurance to  
10 protect against catastrophic failure of the fertilizer  
11 plant or any of its constituent systems; in addition,  
12 the business must agree to enter into a construction  
13 project labor agreement including provisions  
14 establishing wages, benefits, and other compensation  
15 for employees performing work under the project labor  
16 agreement at that location; for the purposes of this  
17 Section, "fertilizer plant" means a newly constructed  
18 or upgraded plant utilizing gas used in the production  
19 of anhydrous ammonia and downstream nitrogen  
20 fertilizer products for resale; for the purposes of  
21 this Section, "prevailing wage" means the hourly cash  
22 wages plus fringe benefits for training and  
23 apprenticeship programs approved by the U.S.  
24 Department of Labor, Bureau of Apprenticeship and  
25 Training, health and welfare, insurance, vacations and  
26 pensions paid generally, in the locality in which the



1 work is being performed, to employees engaged in work  
2 of a similar character on public works; this paragraph  
3 (F) applies only to businesses that submit an  
4 application to the Department within 60 days after  
5 July 25, 2013 (the effective date of Public Act  
6 98-109); or

7 (G) the business intends to establish a new  
8 cultured cell material food production facility at a  
9 designated location in Illinois. As used in this  
10 paragraph (G):

11 "Cultured cell material food production facility"  
12 means a facility (i) at which cultured animal cell  
13 food is developed using animal cell culture  
14 technology, (ii) at which production processes occur  
15 that include the establishment of cell lines and cell  
16 banks, manufacturing controls, and all components and  
17 inputs, and (iii) that complies with all existing  
18 registrations, inspections, licensing, and approvals  
19 from all applicable and participating State and  
20 federal food agencies, including the Department of  
21 Agriculture, the Department of Public Health, and the  
22 United States Food and Drug Administration, to ensure  
23 that all food production is safe and lawful under  
24 provisions of the Federal Food, Drug and Cosmetic Act  
25 related to the development, production, and storage of  
26 cultured animal cell food.

1 "New cultured cell material food production  
2 facility" means a newly constructed cultured cell  
3 material food production facility that is placed in  
4 service on or after June 7, 2023 (the effective date of  
5 Public Act 103-9) or a newly constructed expansion of  
6 an existing cultured cell material food production  
7 facility, in a controlled environment, when the  
8 improvements are placed in service on or after June 7,  
9 2023 (the effective date of Public Act 103-9); ~~or~~

10 (H) the business is an existing or planned grocery  
11 store, as that term is defined in Section 5 of the  
12 Grocery Initiative Act, and receives financial support  
13 under that Act within the 10 years before submitting  
14 its application under this Act; or ~~and~~

15 (I) the business intends to establish a new  
16 battery energy storage solution facility at a  
17 designated location in Illinois. As used in this  
18 paragraph (I):

19 "New battery energy storage solution facility"  
20 means a newly constructed battery energy storage  
21 facility, a newly constructed expansion of an existing  
22 battery energy storage facility, or the replacement of  
23 an existing battery energy storage facility that  
24 stores electricity using battery devices and other  
25 means. "New battery energy storage solution facility"  
26 includes any permanent structures associated with the

1 new battery energy storage facility and all associated  
2 transmission lines, substations, and other equipment  
3 that is related to the storage and transmission of  
4 electric power and that has a capacity of not less than  
5 100 megawatt and storage capability of not less than  
6 200 megawatt hours of energy; or

7 (J) the business intends to construct a new high  
8 voltage direct current converter station at a  
9 designated location in Illinois. As used in this  
10 paragraph, "high voltage direct current converter  
11 station" has the same meaning given to that term in  
12 Section 1-10 of the Illinois Power Act; and

13 (4) no later than 90 days after an application is  
14 submitted, the Department shall notify the applicant of  
15 the Department's determination of the qualification of the  
16 proposed High Impact Business under this Section.

17 (b) Businesses designated as High Impact Businesses  
18 pursuant to subdivision (a)(3)(A) of this Section shall  
19 qualify for the credits and exemptions described in the  
20 following Acts: Section 9-222 and Section 9-222.1A of the  
21 Public Utilities Act, subsection (h) of Section 201 of the  
22 Illinois Income Tax Act, and Section 1d of the Retailers'  
23 Occupation Tax Act; provided that these credits and exemptions  
24 described in these Acts shall not be authorized until the  
25 minimum investments set forth in subdivision (a)(3)(A) of this  
26 Section have been placed in service in qualified properties

1 and, in the case of the exemptions described in the Public  
2 Utilities Act and Section 1d of the Retailers' Occupation Tax  
3 Act, the minimum full-time equivalent jobs or full-time  
4 retained jobs set forth in subdivision (a)(3)(A) of this  
5 Section have been created or retained. Businesses designated  
6 as High Impact Businesses under this Section shall also  
7 qualify for the exemption described in Section 51 of the  
8 Retailers' Occupation Tax Act. The credit provided in  
9 subsection (h) of Section 201 of the Illinois Income Tax Act  
10 shall be applicable to investments in qualified property as  
11 set forth in subdivision (a)(3)(A) of this Section.

12 (b-5) Businesses designated as High Impact Businesses  
13 pursuant to subdivisions (a)(3)(B), (a)(3)(B-5), (a)(3)(C),  
14 (a)(3)(D), (a)(3)(G), and (a)(3)(H) of this Section shall  
15 qualify for the credits and exemptions described in the  
16 following Acts: Section 51 of the Retailers' Occupation Tax  
17 Act, Section 9-222 and Section 9-222.1A of the Public  
18 Utilities Act, and subsection (h) of Section 201 of the  
19 Illinois Income Tax Act; however, the credits and exemptions  
20 authorized under Section 9-222 and Section 9-222.1A of the  
21 Public Utilities Act, and subsection (h) of Section 201 of the  
22 Illinois Income Tax Act shall not be authorized until the new  
23 electric generating facility, the new gasification facility,  
24 the new transmission facility, the new, expanded, or reopened  
25 coal mine, the new cultured cell material food production  
26 facility, or the existing or planned grocery store is

1 operational, except that a new electric generating facility  
2 whose primary fuel source is natural gas is eligible only for  
3 the exemption under Section 51 of the Retailers' Occupation  
4 Tax Act.

5 (b-6) Businesses designated as High Impact Businesses  
6 pursuant to subdivision (a) (3) (E), ~~or~~ (a) (3) (E-5), (A) (3) (I),  
7 or (a) (3) (J) of this Section shall qualify for the exemptions  
8 described in Section 51 of the Retailers' Occupation Tax Act;  
9 any business so designated as a High Impact Business being,  
10 for purposes of this Section, a "Wind Energy Business".

11 (b-7) Beginning on January 1, 2021, businesses designated  
12 as High Impact Businesses by the Department shall qualify for  
13 the High Impact Business construction jobs credit under  
14 subsection (h-5) of Section 201 of the Illinois Income Tax Act  
15 if the business meets the criteria set forth in subsection (i)  
16 of this Section. The total aggregate amount of credits awarded  
17 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)  
18 shall not exceed \$20,000,000 in any State fiscal year.

19 (c) High Impact Businesses located in federally designated  
20 foreign trade zones or sub-zones are also eligible for  
21 additional credits, exemptions and deductions as described in  
22 the following Acts: Section 9-221 and Section 9-222.1 of the  
23 Public Utilities Act; and subsection (g) of Section 201, and  
24 Section 203 of the Illinois Income Tax Act.

25 (d) Except for businesses contemplated under subdivision  
26 (a) (3) (E), (a) (3) (E-5), (a) (3) (G), ~~or~~ (a) (3) (H), (A) (3) (I), or

1 (a) (3) (J) of this Section, existing Illinois businesses which  
2 apply for designation as a High Impact Business must provide  
3 the Department with the prospective plan for which 1,500  
4 full-time retained jobs would be eliminated in the event that  
5 the business is not designated.

6 (e) Except for new businesses contemplated under  
7 subdivision (a) (3) (E), subdivision (a) (3) (G), ~~or~~ subdivision  
8 (a) (3) (H), or subdivision (a) (3) (J) of this Section, new  
9 proposed facilities which apply for designation as High Impact  
10 Business must provide the Department with proof of alternative  
11 non-Illinois sites which would receive the proposed investment  
12 and job creation in the event that the business is not  
13 designated as a High Impact Business.

14 (f) Except for businesses contemplated under subdivision  
15 (a) (3) (E), subdivision (a) (3) (G), ~~or~~ subdivision (a) (3) (H), or  
16 subdivision (a) (3) (J) of this Section, in the event that a  
17 business is designated a High Impact Business and it is later  
18 determined after reasonable notice and an opportunity for a  
19 hearing as provided under the Illinois Administrative  
20 Procedure Act, that the business would have placed in service  
21 in qualified property the investments and created or retained  
22 the requisite number of jobs without the benefits of the High  
23 Impact Business designation, the Department shall be required  
24 to immediately revoke the designation and notify the Director  
25 of the Department of Revenue who shall begin proceedings to  
26 recover all wrongfully exempted State taxes with interest. The

1 business shall also be ineligible for all State funded  
2 Department programs for a period of 10 years.

3 (g) The Department shall revoke a High Impact Business  
4 designation if the participating business fails to comply with  
5 the terms and conditions of the designation.

6 (h) Prior to designating a business, the Department shall  
7 provide the members of the General Assembly and Commission on  
8 Government Forecasting and Accountability with a report  
9 setting forth the terms and conditions of the designation and  
10 guarantees that have been received by the Department in  
11 relation to the proposed business being designated.

12 (i) High Impact Business construction jobs credit.  
13 Beginning on January 1, 2021, a High Impact Business may  
14 receive a tax credit against the tax imposed under subsections  
15 (a) and (b) of Section 201 of the Illinois Income Tax Act in an  
16 amount equal to 50% of the amount of the incremental income tax  
17 attributable to High Impact Business construction jobs credit  
18 employees employed in the course of completing a High Impact  
19 Business construction jobs project. However, the High Impact  
20 Business construction jobs credit may equal 75% of the amount  
21 of the incremental income tax attributable to High Impact  
22 Business construction jobs credit employees if the High Impact  
23 Business construction jobs credit project is located in an  
24 underserved area.

25 The Department shall certify to the Department of Revenue:

26 (1) the identity of taxpayers that are eligible for the High

1 Impact Business construction jobs credit; and (2) the amount  
2 of High Impact Business construction jobs credits that are  
3 claimed pursuant to subsection (h-5) of Section 201 of the  
4 Illinois Income Tax Act in each taxable year.

5 As used in this subsection (i):

6 "High Impact Business construction jobs credit" means an  
7 amount equal to 50% (or 75% if the High Impact Business  
8 construction project is located in an underserved area) of the  
9 incremental income tax attributable to High Impact Business  
10 construction job employees. The total aggregate amount of  
11 credits awarded under the Blue Collar Jobs Act (Article 20 of  
12 Public Act 101-9) shall not exceed \$20,000,000 in any State  
13 fiscal year

14 "High Impact Business construction job employee" means a  
15 laborer or worker who is employed by a contractor or  
16 subcontractor in the actual construction work on the site of a  
17 High Impact Business construction job project.

18 "High Impact Business construction jobs project" means  
19 building a structure or building or making improvements of any  
20 kind to real property, undertaken and commissioned by a  
21 business that was designated as a High Impact Business by the  
22 Department. The term "High Impact Business construction jobs  
23 project" does not include the routine operation, routine  
24 repair, or routine maintenance of existing structures,  
25 buildings, or real property.

26 "Incremental income tax" means the total amount withheld



1 during the taxable year from the compensation of High Impact  
2 Business construction job employees.

3 "Underserved area" means a geographic area that meets one  
4 or more of the following conditions:

5 (1) the area has a poverty rate of at least 20%  
6 according to the latest American Community Survey;

7 (2) 35% or more of the families with children in the  
8 area are living below 130% of the poverty line, according  
9 to the latest American Community Survey;

10 (3) at least 20% of the households in the area receive  
11 assistance under the Supplemental Nutrition Assistance  
12 Program (SNAP); or

13 (4) the area has an average unemployment rate, as  
14 determined by the Illinois Department of Employment  
15 Security, that is more than 120% of the national  
16 unemployment average, as determined by the U.S. Department  
17 of Labor, for a period of at least 2 consecutive calendar  
18 years preceding the date of the application.

19 (j) (Blank).

20 (j-5) Annually, until construction is completed, a company  
21 seeking High Impact Business Construction Job credits shall  
22 submit a report that, at a minimum, describes the projected  
23 project scope, timeline, and anticipated budget. Once the  
24 project has commenced, the annual report shall include actual  
25 data for the prior year as well as projections for each  
26 additional year through completion of the project. The

1 Department shall issue detailed reporting guidelines  
2 prescribing the requirements of construction-related reports.

3 In order to receive credit for construction expenses, the  
4 company must provide the Department with evidence that a  
5 certified third-party executed an Agreed-Upon Procedure (AUP)  
6 verifying the construction expenses or accept the standard  
7 construction wage expense estimated by the Department.

8 Upon review of the final project scope, timeline, budget,  
9 and AUP, the Department shall issue a tax credit certificate  
10 reflecting a percentage of the total construction job wages  
11 paid throughout the completion of the project.

12 (k) Upon 7 business days' notice, each taxpayer shall make  
13 available to each State agency and to federal, State, or local  
14 law enforcement agencies and prosecutors for inspection and  
15 copying at a location within this State during reasonable  
16 hours, the report under subsection (j-5).

17 (l) The changes made to this Section by Public Act  
18 102-1125, other than the changes in subsection (a), apply to  
19 High Impact Businesses that submit applications on or after  
20 February 3, 2023 (the effective date of Public Act 102-1125).

21 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;  
22 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.  
23 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,  
24 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;  
25 103-605, eff. 7-1-24.)

1 Section 10. The Illinois Power Agency Act is amended by  
2 changing Sections 1-10, 1-56, and 1-75 as follows:

3 (20 ILCS 3855/1-10)

4 Sec. 1-10. Definitions.

5 "Agency" means the Illinois Power Agency.

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

14 "Authority" means the Illinois Finance Authority.

15 "Brownfield site photovoltaic project" means photovoltaics  
16 that are either:

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

24 (A) the United States Environmental Protection  
25 Agency under the federal Comprehensive Environmental

1 Response, Compensation, and Liability Act of 1980, as  
2 amended;

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

7 (C) the Illinois Environmental Protection Agency  
8 under the Illinois Site Remediation Program; or

9 (D) the Illinois Environmental Protection Agency  
10 under the Illinois Solid Waste Program; or

11 (2) located at the site of a coal mine that has  
12 permanently ceased coal production, permanently halted any  
13 re-mining operations, and is no longer accepting any coal  
14 combustion residues; has both completed all clean-up and  
15 remediation obligations under the federal Surface Mining  
16 and Reclamation Act of 1977 and all applicable Illinois  
17 rules and any other clean-up, remediation, or ongoing  
18 monitoring to safeguard the health and well-being of the  
19 people of the State of Illinois, as well as demonstrated  
20 compliance with all applicable federal and State  
21 environmental rules and regulations, including, but not  
22 limited, to 35 Ill. Adm. Code Part 845 and any rules for  
23 historic fill of coal combustion residuals, including any  
24 rules finalized in Subdocket A of Illinois Pollution  
25 Control Board docket R2020-019.

26 "Clean coal facility" means an electric generating

1 facility that uses primarily coal as a feedstock and that  
2 captures and sequesters carbon dioxide emissions at the  
3 following levels: at least 50% of the total carbon dioxide  
4 emissions that the facility would otherwise emit if, at the  
5 time construction commences, the facility is scheduled to  
6 commence operation before 2016, at least 70% of the total  
7 carbon dioxide emissions that the facility would otherwise  
8 emit if, at the time construction commences, the facility is  
9 scheduled to commence operation during 2016 or 2017, and at  
10 least 90% of the total carbon dioxide emissions that the  
11 facility would otherwise emit if, at the time construction  
12 commences, the facility is scheduled to commence operation  
13 after 2017. The power block of the clean coal facility shall  
14 not exceed allowable emission rates for sulfur dioxide,  
15 nitrogen oxides, carbon monoxide, particulates and mercury for  
16 a natural gas-fired combined-cycle facility the same size as  
17 and in the same location as the clean coal facility at the time  
18 the clean coal facility obtains an approved air permit. All  
19 coal used by a clean coal facility shall have high volatile  
20 bituminous rank and greater than 1.7 pounds of sulfur per  
21 million Btu content, unless the clean coal facility does not  
22 use gasification technology and was operating as a  
23 conventional coal-fired electric generating facility on June  
24 1, 2009 (the effective date of Public Act 95-1027).

25 "Clean coal SNG brownfield facility" means a facility that  
26 (1) has commenced construction by July 1, 2015 on an urban

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

15 "Clean coal SNG facility" means a facility that uses a  
16 gasification process to produce substitute natural gas, that  
17 sequesters at least 90% of the total carbon dioxide emissions  
18 that the facility would otherwise emit, that uses at least 90%  
19 coal as a feedstock, with all such coal having a high  
20 bituminous rank and greater than 1.7 pounds of sulfur per  
21 million Btu content, and that has a valid and effective permit  
22 to construct emission sources and air pollution control  
23 equipment and approval with respect to the federal regulations  
24 for Prevention of Significant Deterioration of Air Quality  
25 (PSD) for the plant pursuant to the federal Clean Air Act;  
26 provided, however, a clean coal SNG brownfield facility shall

1 not be a clean coal SNG facility.

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

4 "Commission" means the Illinois Commerce Commission.

5 "Community renewable generation project" means an electric  
6 generating facility that:

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

11 (2) is interconnected at the distribution system level  
12 of an electric utility as defined in this Section, a  
13 municipal utility as defined in this Section that owns or  
14 operates electric distribution facilities, a public  
15 utility as defined in Section 3-105 of the Public  
16 Utilities Act, or an electric cooperative, as defined in  
17 Section 3-119 of the Public Utilities Act;

18 (3) credits the value of electricity generated by the  
19 facility to the subscribers of the facility; and

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

22 "Costs incurred in connection with the development and  
23 construction of a facility" means:

24 (1) the cost of acquisition of all real property,  
25 fixtures, and improvements in connection therewith and  
26 equipment, personal property, and other property, rights,

1 and easements acquired that are deemed necessary for the  
2 operation and maintenance of the facility;

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

5 (3) all origination, commitment, utilization,  
6 facility, placement, underwriting, syndication, credit  
7 enhancement, and rating agency fees;

8 (4) engineering, design, procurement, consulting,  
9 legal, accounting, title insurance, survey, appraisal,  
10 escrow, trustee, collateral agency, interest rate hedging,  
11 interest rate swap, capitalized interest, contingency, as  
12 required by lenders, and other financing costs, and other  
13 expenses for professional services; and

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

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

24 "Delivery year" means the consecutive 12-month period  
25 beginning June 1 of a given year and ending May 31 of the  
26 following year.



1 "Department" means the Department of Commerce and Economic  
2 Opportunity.

3 "Director" means the Director of the Illinois Power  
4 Agency.

5 "Demand-response" means measures that decrease peak  
6 electricity demand or shift demand from peak to off-peak  
7 periods.

8 "Distributed renewable energy generation device" means a  
9 device that is:

10 (1) powered by wind, solar thermal energy,  
11 photovoltaic cells or panels, biodiesel, crops and  
12 untreated and unadulterated organic waste biomass, tree  
13 waste, and hydropower that does not involve new  
14 construction of dams, waste heat to power systems, or  
15 qualified combined heat and power systems;

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

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

25 (4) (blank).

26 "Energy efficiency" means measures that reduce the amount

1 of electricity or natural gas consumed in order to achieve a  
2 given end use. "Energy efficiency" includes voltage  
3 optimization measures that optimize the voltage at points on  
4 the electric distribution voltage system and thereby reduce  
5 electricity consumption by electric customers' end use  
6 devices. "Energy efficiency" also includes measures that  
7 reduce the total Btus of electricity, natural gas, and other  
8 fuels needed to meet the end use or uses.

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

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

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

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

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

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

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

15 (3) persons who were formerly incarcerated;

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

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

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

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

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

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

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

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

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

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

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

21 "Indexed renewable energy credit" means a tradable credit  
22 that represents the environmental attributes of one megawatt  
23 hour of energy produced from a renewable energy resource, the  
24 price of which shall be calculated by subtracting the strike  
25 price offered by a new utility-scale wind project or a new  
26 utility-scale photovoltaic project from the index price in a

1 given settlement period.

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

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

8 "Modernized" or "retooled" means the construction, repair,  
9 maintenance, or significant expansion of turbines and existing  
10 hydropower dams.

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

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

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

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

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

25 "Project labor agreement" means a pre-hire collective  
26 bargaining agreement that covers all terms and conditions of

1 employment on a specific construction project and must include  
2 the following:

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

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

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

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

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

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

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

24 "Qualified combined heat and power systems" means systems  
25 that, either simultaneously or sequentially, produce  
26 electricity and useful thermal energy from a single fuel

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

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

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

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



1 landscape waste, railroad crossties, utility poles, or  
2 construction or demolition debris, other than untreated and  
3 unadulterated waste wood. "Renewable energy resources" also  
4 includes high voltage direct current renewable energy credits  
5 and the associated energy converted to alternating current by  
6 a high voltage direct current converter station to the extent  
7 that: (1) the generator of such renewable energy resource  
8 contracted with a third party to transmit the energy over the  
9 high voltage direct current transmission facilities, and (2)  
10 the third-party contracting for delivery of renewable energy  
11 resources over the high voltage direct current transmission  
12 facilities have ownership rights over the unretired associated  
13 high voltage direct current renewable energy credit.

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

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

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

1 facility, clean coal SNG facility, or clean coal SNG  
2 brownfield facility has contracted for such purposes.

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

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

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

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

25 "Subscriber" means a person who (i) takes delivery service  
26 from an electric utility, and (ii) has a subscription of no

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

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

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

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

1 costs associated with reduced use of natural gas or other  
2 fuels, avoided costs associated with reduced water  
3 consumption, and avoided costs associated with reduced  
4 operation and maintenance costs, avoided societal costs  
5 associated with reductions in greenhouse gas emissions, as  
6 well as other quantifiable societal benefits, to the sum of  
7 all incremental costs of end-use measures that are implemented  
8 due to the program (including both utility and participant  
9 contributions), plus costs to administer, deliver, and  
10 evaluate each demand-side program, to quantify the net savings  
11 obtained by substituting the demand-side program for supply  
12 resources. The societal costs associated with greenhouse gas  
13 emissions shall be assumed to be the greater of (i) \$200 per  
14 short ton, expressed in 2024 dollars, or (ii) the most  
15 recently approved estimate developed by the federal government  
16 using a real discount rate consistent with long-term Treasury  
17 bond yields. Changes in greenhouse gas emissions from changes  
18 in electricity consumption shall be estimated using long-run  
19 marginal emissions rates developed by the National Renewable  
20 Energy Laboratory's Cambium model or other Illinois-specific  
21 modeling of comparable analytical rigor. ~~In calculating~~  
22 ~~avoided costs of power and energy that an electric utility~~  
23 ~~would otherwise have had to acquire, reasonable estimates~~  
24 ~~shall be included of financial costs likely to be imposed by~~  
25 ~~future regulations and legislation on emissions of greenhouse~~  
26 ~~gases.~~ In discounting future societal costs and benefits for

1 the purpose of calculating net present values, a societal  
2 discount rate based on actual, long-term Treasury bond yields  
3 should be used. Notwithstanding anything to the contrary, the  
4 TRC test shall not include or take into account a calculation  
5 of market price suppression effects or demand reduction  
6 induced price effects.

7 "Utility-scale solar project" means an electric generating  
8 facility that:

9 (1) generates electricity using photovoltaic cells;

10 and

11 (2) has a nameplate capacity that is greater than  
12 5,000 kilowatts.

13 "Utility-scale wind project" means an electric generating  
14 facility that:

15 (1) generates electricity using wind; and

16 (2) has a nameplate capacity that is greater than  
17 5,000 kilowatts.

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

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

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

1 Operator, Inc., or their successors.

2 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;  
3 103-380, eff. 1-1-24.)

4 (20 ILCS 3855/1-56)

5 Sec. 1-56. Illinois Power Agency Renewable Energy  
6 Resources Fund; Illinois Solar for All Program.

7 (a) The Illinois Power Agency Renewable Energy Resources  
8 Fund is created as a special fund in the State treasury.

9 (b) The Illinois Power Agency Renewable Energy Resources  
10 Fund shall be administered by the Agency as described in this  
11 subsection (b), provided that the changes to this subsection  
12 (b) made by Public Act 99-906 shall not interfere with  
13 existing contracts under this Section.

14 (1) The Illinois Power Agency Renewable Energy  
15 Resources Fund shall be used to purchase renewable energy  
16 credits according to any approved procurement plan  
17 developed by the Agency prior to June 1, 2017.

18 (2) The Illinois Power Agency Renewable Energy  
19 Resources Fund shall also be used to create the Illinois  
20 Solar for All Program, which provides incentives for  
21 low-income distributed generation and community solar  
22 projects, and other associated approved expenditures. The  
23 objectives of the Illinois Solar for All Program are to  
24 bring photovoltaics to low-income communities in this  
25 State in a manner that maximizes the development of new

1 photovoltaic generating facilities, to create a long-term,  
2 low-income solar marketplace throughout this State, to  
3 integrate, through interaction with stakeholders, with  
4 existing energy efficiency initiatives, and to minimize  
5 administrative costs. The Illinois Solar for All Program  
6 shall be implemented in a manner that seeks to minimize  
7 administrative costs, and maximize efficiencies and  
8 synergies available through coordination with similar  
9 initiatives, including the Adjustable Block program  
10 described in subparagraphs (K) through (M) of paragraph  
11 (1) of subsection (c) of Section 1-75, energy efficiency  
12 programs, job training programs, and community action  
13 agencies. The Agency shall strive to ensure that renewable  
14 energy credits procured through the Illinois Solar for All  
15 Program and each of its subprograms are purchased from  
16 projects across the breadth of low-income and  
17 environmental justice communities in Illinois, including  
18 both urban and rural communities, are not concentrated in  
19 a few communities, and do not exclude particular  
20 low-income or environmental justice communities. The  
21 Agency shall include a description of its proposed  
22 approach to the design, administration, implementation and  
23 evaluation of the Illinois Solar for All Program, as part  
24 of the long-term renewable resources procurement plan  
25 authorized by subsection (c) of Section 1-75 of this Act,  
26 and the program shall be designed to grow the low-income

1 solar market. The Agency or utility, as applicable, shall  
2 purchase renewable energy credits from the (i)  
3 photovoltaic distributed renewable energy generation  
4 projects and (ii) community solar projects that are  
5 procured under procurement processes authorized by the  
6 long-term renewable resources procurement plans approved  
7 by the Commission.

8 The Illinois Solar for All Program shall include the  
9 program offerings described in subparagraphs (A) through  
10 (E) of this paragraph (2), which the Agency shall  
11 implement through contracts with third-party providers  
12 and, subject to appropriation, pay the approximate amounts  
13 identified using monies available in the Illinois Power  
14 Agency Renewable Energy Resources Fund. Each contract that  
15 provides for the installation of solar facilities shall  
16 provide that the solar facilities will produce energy and  
17 economic benefits, at a level determined by the Agency to  
18 be reasonable, for the participating low-income customers.  
19 The monies available in the Illinois Power Agency  
20 Renewable Energy Resources Fund and not otherwise  
21 committed to contracts executed under subsection (i) of  
22 this Section, as well as, in the case of the programs  
23 described under subparagraphs (A) through (E) of this  
24 paragraph (2), funding authorized pursuant to subparagraph  
25 (O) of paragraph (1) of subsection (c) of Section 1-75 of  
26 this Act, shall initially be allocated among the programs



1 described in this paragraph (2), as follows: 35% of these  
2 funds shall be allocated to programs described in  
3 subparagraphs (A) and (E) of this paragraph (2), 40% of  
4 these funds shall be allocated to programs described in  
5 subparagraph (B) of this paragraph (2), and 25% of these  
6 funds shall be allocated to programs described in  
7 subparagraph (C) of this paragraph (2). The allocation of  
8 funds among subparagraphs (A), (B), (C), and (E) of this  
9 paragraph (2) may be changed if the Agency, after  
10 receiving input through a stakeholder process, determines  
11 incentives in subparagraphs (A), (B), (C), or (E) of this  
12 paragraph (2) have not been adequately subscribed to fully  
13 utilize available Illinois Solar for All Program funds.

14 Contracts that will be paid with funds in the Illinois  
15 Power Agency Renewable Energy Resources Fund shall be  
16 executed by the Agency. Contracts that will be paid with  
17 funds collected by an electric utility shall be executed  
18 by the electric utility.

19 Contracts under the Illinois Solar for All Program  
20 shall include an approach, as set forth in the long-term  
21 renewable resources procurement plans, to ensure the  
22 wholesale market value of the energy is credited to  
23 participating low-income customers or organizations and to  
24 ensure tangible economic benefits flow directly to program  
25 participants, except in the case of low-income  
26 multi-family housing where the low-income customer does

1 not directly pay for energy. Priority shall be given to  
2 projects that demonstrate meaningful involvement of  
3 low-income community members in designing the initial  
4 proposals. Acceptable proposals to implement projects must  
5 demonstrate the applicant's ability to conduct initial  
6 community outreach, education, and recruitment of  
7 low-income participants in the community. Projects must  
8 include job training opportunities if available, with the  
9 specific level of trainee usage to be determined through  
10 the Agency's long-term renewable resources procurement  
11 plan, and the Illinois Solar for All Program Administrator  
12 shall coordinate with the job training programs described  
13 in paragraph (1) of subsection (a) of Section 16-108.12 of  
14 the Public Utilities Act and in the Energy Transition Act.

15 The Agency shall make every effort to ensure that  
16 small and emerging businesses, particularly those located  
17 in low-income and environmental justice communities, are  
18 able to participate in the Illinois Solar for All Program.  
19 These efforts may include, but shall not be limited to,  
20 proactive support from the program administrator,  
21 different or preferred access to subprograms and  
22 administrator-identified customers or grassroots  
23 education provider-identified customers, and different  
24 incentive levels. The Agency shall report on progress and  
25 barriers to participation of small and emerging businesses  
26 in the Illinois Solar for All Program at least once a year.

1 The report shall be made available on the Agency's website  
2 and, in years when the Agency is updating its long-term  
3 renewable resources procurement plan, included in that  
4 Plan.

5 (A) Low-income single-family and small multifamily  
6 solar incentive. This program will provide incentives  
7 to low-income customers, either directly or through  
8 solar providers, to increase the participation of  
9 low-income households in photovoltaic on-site  
10 distributed generation at residential buildings  
11 containing one to 4 units. Companies participating in  
12 this program that install solar panels shall commit to  
13 hiring job trainees for a portion of their low-income  
14 installations, and an administrator shall facilitate  
15 partnering the companies that install solar panels  
16 with entities that provide solar panel installation  
17 job training. It is a goal of this program that a  
18 minimum of 25% of the incentives for this program be  
19 allocated to projects located within environmental  
20 justice communities. Contracts entered into under this  
21 paragraph may be entered into with an entity that will  
22 develop and administer the program and shall also  
23 include contracts for renewable energy credits from  
24 the photovoltaic distributed generation that is the  
25 subject of the program, as set forth in the long-term  
26 renewable resources procurement plan. Additionally:

1 (i) The Agency shall reserve a portion of this  
2 program for projects that promote energy  
3 sovereignty through ownership of projects by  
4 low-income households, not-for-profit  
5 organizations providing services to low-income  
6 households, affordable housing owners, community  
7 cooperatives, or community-based limited liability  
8 companies providing services to low-income  
9 households. Projects that feature energy ownership  
10 should ensure that local people have control of  
11 the project and reap benefits from the project  
12 over and above energy bill savings. The Agency may  
13 consider the inclusion of projects that promote  
14 ownership over time or that involve partial  
15 project ownership by communities, as promoting  
16 energy sovereignty. Incentives for projects that  
17 promote energy sovereignty may be higher than  
18 incentives for equivalent projects that do not  
19 promote energy sovereignty under this same  
20 program.

21 (ii) Through its long-term renewable resources  
22 procurement plan, the Agency shall consider  
23 additional program and contract requirements to  
24 ensure faithful compliance by applicants  
25 benefiting from preferences for projects  
26 designated to promote energy sovereignty. The

1 Agency shall make every effort to enable solar  
2 providers already participating in the Adjustable  
3 Block Program under subparagraph (K) of paragraph  
4 (1) of subsection (c) of Section 1-75 of this Act,  
5 and particularly solar providers developing  
6 projects under item (i) of subparagraph (K) of  
7 paragraph (1) of subsection (c) of Section 1-75 of  
8 this Act to easily participate in the Low-Income  
9 Distributed Generation Incentive program described  
10 under this subparagraph (A), and vice versa. This  
11 effort may include, but shall not be limited to,  
12 utilizing similar or the same application systems  
13 and processes, similar or the same forms and  
14 formats of communication, and providing active  
15 outreach to companies participating in one program  
16 but not the other. The Agency shall report on  
17 efforts made to encourage this cross-participation  
18 in its long-term renewable resources procurement  
19 plan.

20 (B) Low-Income Community Solar Project Initiative.  
21 Incentives shall be offered to low-income customers,  
22 either directly or through developers, to increase the  
23 participation of low-income subscribers of community  
24 solar projects. The developer of each project shall  
25 identify its partnership with community stakeholders  
26 regarding the location, development, and participation

1 in the project, provided that nothing shall preclude a  
2 project from including an anchor tenant that does not  
3 qualify as low-income. Companies participating in this  
4 program that develop or install solar projects shall  
5 commit to hiring job trainees for a portion of their  
6 low-income installations, and an administrator shall  
7 facilitate partnering the companies that install solar  
8 projects with entities that provide solar installation  
9 and related job training. It is a goal of this program  
10 that a minimum of 25% of the incentives for this  
11 program be allocated to community photovoltaic  
12 projects in environmental justice communities. The  
13 Agency shall reserve a portion of this program for  
14 projects that promote energy sovereignty through  
15 ownership of projects by low-income households,  
16 not-for-profit organizations providing services to  
17 low-income households, affordable housing owners, or  
18 community-based limited liability companies providing  
19 services to low-income households. Projects that  
20 feature energy ownership should ensure that local  
21 people have control of the project and reap benefits  
22 from the project over and above energy bill savings.  
23 The Agency may consider the inclusion of projects that  
24 promote ownership over time or that involve partial  
25 project ownership by communities, as promoting energy  
26 sovereignty. Incentives for projects that promote

1 energy sovereignty may be higher than incentives for  
2 equivalent projects that do not promote energy  
3 sovereignty under this same program. Contracts entered  
4 into under this paragraph may be entered into with  
5 developers and shall also include contracts for  
6 renewable energy credits related to the program.

7 (C) Incentives for non-profits and public  
8 facilities. Under this program funds shall be used to  
9 support on-site photovoltaic distributed renewable  
10 energy generation devices to serve the load associated  
11 with not-for-profit customers and to support  
12 photovoltaic distributed renewable energy generation  
13 that uses photovoltaic technology to serve the load  
14 associated with public sector customers taking service  
15 at public buildings. Companies participating in this  
16 program that develop or install solar projects shall  
17 commit to hiring job trainees for a portion of their  
18 low-income installations, and an administrator shall  
19 facilitate partnering the companies that install solar  
20 projects with entities that provide solar installation  
21 and related job training. Through its long-term  
22 renewable resources procurement plan, the Agency shall  
23 consider additional program and contract requirements  
24 to ensure faithful compliance by applicants benefiting  
25 from preferences for projects designated to promote  
26 energy sovereignty. It is a goal of this program that

1 at least 25% of the incentives for this program be  
2 allocated to projects located in environmental justice  
3 communities. Contracts entered into under this  
4 paragraph may be entered into with an entity that will  
5 develop and administer the program or with developers  
6 and shall also include contracts for renewable energy  
7 credits related to the program.

8 (D) (Blank).

9 (E) Low-income large multifamily solar incentive.  
10 This program shall provide incentives to low-income  
11 customers, either directly or through solar providers,  
12 to increase the participation of low-income households  
13 in photovoltaic on-site distributed generation at  
14 residential buildings with 5 or more units. Companies  
15 participating in this program that develop or install  
16 solar projects shall commit to hiring job trainees for  
17 a portion of their low-income installations, and an  
18 administrator shall facilitate partnering the  
19 companies that install solar projects with entities  
20 that provide solar installation and related job  
21 training. It is a goal of this program that a minimum  
22 of 25% of the incentives for this program be allocated  
23 to projects located within environmental justice  
24 communities. The Agency shall reserve a portion of  
25 this program for projects that promote energy  
26 sovereignty through ownership of projects by



1 low-income households, not-for-profit organizations  
2 providing services to low-income households,  
3 affordable housing owners, or community-based limited  
4 liability companies providing services to low-income  
5 households. Projects that feature energy ownership  
6 should ensure that local people have control of the  
7 project and reap benefits from the project over and  
8 above energy bill savings. The Agency may consider the  
9 inclusion of projects that promote ownership over time  
10 or that involve partial project ownership by  
11 communities, as promoting energy sovereignty.  
12 Incentives for projects that promote energy  
13 sovereignty may be higher than incentives for  
14 equivalent projects that do not promote energy  
15 sovereignty under this same program.

16 The requirement that a qualified person, as defined in  
17 paragraph (1) of subsection (i) of this Section, install  
18 photovoltaic devices does not apply to the Illinois Solar  
19 for All Program described in this subsection (b).

20 In addition to the programs outlined in paragraphs (A)  
21 through (E), the Agency and other parties may propose  
22 additional programs through the Long-Term Renewable  
23 Resources Procurement Plan developed and approved under  
24 paragraph (5) of subsection (b) of Section 16-111.5 of the  
25 Public Utilities Act. Additional programs may target  
26 market segments not specified above and may also include

1 incentives targeted to increase the uptake of  
2 nonphotovoltaic technologies by low-income customers,  
3 including energy storage paired with photovoltaics, if the  
4 Commission determines that the Illinois Solar for All  
5 Program would provide greater benefits to the public  
6 health and well-being of low-income residents through also  
7 supporting that additional program versus supporting  
8 programs already authorized.

9 (3) Costs associated with the Illinois Solar for All  
10 Program and its components described in paragraph (2) of  
11 this subsection (b), including, but not limited to, costs  
12 associated with procuring experts, consultants, and the  
13 program administrator referenced in this subsection (b)  
14 and related incremental costs, costs related to income  
15 verification and facilitating customer participation in  
16 the program, and costs related to the evaluation of the  
17 Illinois Solar for All Program, may be paid for using  
18 monies in the Illinois Power Agency Renewable Energy  
19 Resources Fund, and funds allocated pursuant to  
20 subparagraph (O) of paragraph (1) of subsection (c) of  
21 Section 1-75, but the Agency or program administrator  
22 shall strive to minimize costs in the implementation of  
23 the program. The Agency or contracting electric utility  
24 shall purchase renewable energy credits from generation  
25 that is the subject of a contract under subparagraphs (A)  
26 through (E) of paragraph (2) of this subsection (b), and

1        may pay for such renewable energy credits through an  
2        upfront payment per installed kilowatt of nameplate  
3        capacity paid once the device is interconnected at the  
4        distribution system level of the interconnecting utility  
5        and verified as energized. Payments for renewable energy  
6        credits shall be in exchange for all renewable energy  
7        credits generated by the system during the first 15 years  
8        of operation and shall be structured to overcome barriers  
9        to participation in the solar market by the low-income  
10       community. The incentives provided for in this Section may  
11       be implemented through the pricing of renewable energy  
12       credits where the prices paid for the credits are higher  
13       than the prices from programs offered under subsection (c)  
14       of Section 1-75 of this Act to account for the additional  
15       capital necessary to successfully access targeted market  
16       segments. The Agency or contracting electric utility shall  
17       retire any renewable energy credits purchased under this  
18       program and the credits shall count toward the obligation  
19       under subsection (c) of Section 1-75 of this Act for the  
20       electric utility to which the project is interconnected,  
21       if applicable.

22       The Agency shall direct that up to 5% of the funds  
23       available under the Illinois Solar for All Program to  
24       community-based groups and other qualifying organizations  
25       to assist in community-driven education efforts related to  
26       the Illinois Solar for All Program, including general

1 energy education, job training program outreach efforts,  
2 and other activities deemed to be qualified by the Agency.  
3 Grassroots education funding shall not be used to support  
4 the marketing by solar project development firms and  
5 organizations, unless such education provides equal  
6 opportunities for all applicable firms and organizations.

7 (4) The Agency shall, consistent with the requirements  
8 of this subsection (b), propose the Illinois Solar for All  
9 Program terms, conditions, and requirements, including the  
10 prices to be paid for renewable energy credits, and which  
11 prices may be determined through a formula, through the  
12 development, review, and approval of the Agency's  
13 long-term renewable resources procurement plan described  
14 in subsection (c) of Section 1-75 of this Act and Section  
15 16-111.5 of the Public Utilities Act. In the course of the  
16 Commission proceeding initiated to review and approve the  
17 plan, including the Illinois Solar for All Program  
18 proposed by the Agency, a party may propose an additional  
19 low-income solar or solar incentive program, or  
20 modifications to the programs proposed by the Agency, and  
21 the Commission may approve an additional program, or  
22 modifications to the Agency's proposed program, if the  
23 additional or modified program more effectively maximizes  
24 the benefits to low-income customers after taking into  
25 account all relevant factors, including, but not limited  
26 to, the extent to which a competitive market for

1 low-income solar has developed. Following the Commission's  
2 approval of the Illinois Solar for All Program, the Agency  
3 or a party may propose adjustments to the program terms,  
4 conditions, and requirements, including the price offered  
5 to new systems, to ensure the long-term viability and  
6 success of the program. The Commission shall review and  
7 approve any modifications to the program through the plan  
8 revision process described in Section 16-111.5 of the  
9 Public Utilities Act.

10 (5) The Agency shall issue a request for  
11 qualifications for a third-party program administrator or  
12 administrators to administer all or a portion of the  
13 Illinois Solar for All Program. The third-party program  
14 administrator shall be chosen through a competitive bid  
15 process based on selection criteria and requirements  
16 developed by the Agency, including, but not limited to,  
17 experience in administering low-income energy programs and  
18 overseeing statewide clean energy or energy efficiency  
19 services. If the Agency retains a program administrator or  
20 administrators to implement all or a portion of the  
21 Illinois Solar for All Program, each administrator shall  
22 periodically submit reports to the Agency and Commission  
23 for each program that it administers, at appropriate  
24 intervals to be identified by the Agency in its long-term  
25 renewable resources procurement plan, provided that the  
26 reporting interval is at least quarterly. The third-party

1 program administrator may be, but need not be, the same  
2 administrator as for the Adjustable Block program  
3 described in subparagraphs (K) through (M) of paragraph  
4 (1) of subsection (c) of Section 1-75. The Agency, through  
5 its long-term renewable resources procurement plan  
6 approval process, shall also determine if individual  
7 subprograms of the Illinois Solar for All Program are  
8 better served by a different or separate Program  
9 Administrator.

10 The third-party administrator's responsibilities  
11 shall also include facilitating placement for graduates of  
12 Illinois-based renewable energy-specific job training  
13 programs, including the Clean Jobs Workforce Network  
14 Program and the Illinois Climate Works Preapprenticeship  
15 Program administered by the Department of Commerce and  
16 Economic Opportunity and programs administered under  
17 Section 16-108.12 of the Public Utilities Act. To increase  
18 the uptake of trainees by participating firms, the  
19 administrator shall also develop a web-based clearinghouse  
20 for information available to both job training program  
21 graduates and firms participating, directly or indirectly,  
22 in Illinois solar incentive programs. The program  
23 administrator shall also coordinate its activities with  
24 entities implementing electric and natural gas  
25 income-qualified energy efficiency programs, including  
26 customer referrals to and from such programs, and connect

1 prospective low-income solar customers with any existing  
2 deferred maintenance programs where applicable.

3 (6) The long-term renewable resources procurement plan  
4 shall also provide for an independent evaluation of the  
5 Illinois Solar for All Program. At least every 2 years,  
6 the Agency shall select an independent evaluator to review  
7 and report on the Illinois Solar for All Program and the  
8 performance of the third-party program administrator of  
9 the Illinois Solar for All Program. The evaluation shall  
10 be based on objective criteria developed through a public  
11 stakeholder process. The process shall include feedback  
12 and participation from Illinois Solar for All Program  
13 stakeholders, including participants and organizations in  
14 environmental justice and historically underserved  
15 communities. The report shall include a summary of the  
16 evaluation of the Illinois Solar for All Program based on  
17 the stakeholder developed objective criteria. The report  
18 shall include the number of projects installed; the total  
19 installed capacity in kilowatts; the average cost per  
20 kilowatt of installed capacity to the extent reasonably  
21 obtainable by the Agency; the number of jobs or job  
22 opportunities created; economic, social, and environmental  
23 benefits created; and the total administrative costs  
24 expended by the Agency and program administrator to  
25 implement and evaluate the program. The report shall be  
26 delivered to the Commission and posted on the Agency's

1 website, and shall be used, as needed, to revise the  
2 Illinois Solar for All Program. The Commission shall also  
3 consider the results of the evaluation as part of its  
4 review of the long-term renewable resources procurement  
5 plan under subsection (c) of Section 1-75 of this Act.

6 (7) If additional funding for the programs described  
7 in this subsection (b) is available under subsection (k)  
8 of Section 16-108 of the Public Utilities Act, then the  
9 Agency shall submit a procurement plan to the Commission  
10 no later than September 1, 2018, that proposes how the  
11 Agency will procure programs on behalf of the applicable  
12 utility. After notice and hearing, the Commission shall  
13 approve, or approve with modification, the plan no later  
14 than November 1, 2018.

15 (8) As part of the development and update of the  
16 long-term renewable resources procurement plan authorized  
17 by subsection (c) of Section 1-75 of this Act, the Agency  
18 shall plan for: (A) actions to refer customers from the  
19 Illinois Solar for All Program to electric and natural gas  
20 income-qualified energy efficiency programs, and vice  
21 versa, with the goal of increasing participation in both  
22 of these programs; (B) effective procedures for data  
23 sharing, as needed, to effectuate referrals between the  
24 Illinois Solar for All Program and both electric and  
25 natural gas income-qualified energy efficiency programs,  
26 including sharing customer information directly with the



1 utilities, as needed and appropriate; and (C) efforts to  
2 identify any existing deferred maintenance programs for  
3 which prospective Solar for All Program customers may be  
4 eligible and connect prospective customers for whom  
5 deferred maintenance is or may be a barrier to solar  
6 installation to those programs.

7 As used in this subsection (b), "low-income households"  
8 means persons and families whose income does not exceed 80% of  
9 area median income, adjusted for family size and revised every  
10 year ~~5 years~~.

11 For the purposes of this subsection (b), the Agency shall  
12 define "environmental justice community" based on the  
13 methodologies and findings established by the Agency and the  
14 Administrator for the Illinois Solar for All Program in its  
15 initial long-term renewable resources procurement plan and as  
16 updated by the Agency and the Administrator for the Illinois  
17 Solar for All Program as part of the long-term renewable  
18 resources procurement plan update.

19 (b-5) After the receipt of all payments required by  
20 Section 16-115D of the Public Utilities Act, no additional  
21 funds shall be deposited into the Illinois Power Agency  
22 Renewable Energy Resources Fund unless directed by order of  
23 the Commission.

24 (b-10) After the receipt of all payments required by  
25 Section 16-115D of the Public Utilities Act and payment in  
26 full of all contracts executed by the Agency under subsections

1 (b) and (i) of this Section, if the balance of the Illinois  
2 Power Agency Renewable Energy Resources Fund is under \$5,000,  
3 then the Fund shall be inoperative and any remaining funds and  
4 any funds submitted to the Fund after that date, shall be  
5 transferred to the Supplemental Low-Income Energy Assistance  
6 Fund for use in the Low-Income Home Energy Assistance Program,  
7 as authorized by the Energy Assistance Act.

8 (b-15) The prevailing wage requirements set forth in the  
9 Prevailing Wage Act apply to each project that is undertaken  
10 pursuant to one or more of the programs of incentives and  
11 initiatives described in subsection (b) of this Section and  
12 for which a project application is submitted to the program  
13 after the effective date of this amendatory Act of the 103rd  
14 General Assembly, except (i) projects that serve single-family  
15 or multi-family residential buildings and (ii) projects with  
16 an aggregate capacity of less than 100 kilowatts that serve  
17 houses of worship. The Agency shall require verification that  
18 all construction performed on a project by the renewable  
19 energy credit delivery contract holder, its contractors, or  
20 its subcontractors relating to the construction of the  
21 facility is performed by workers receiving an amount for that  
22 work that is greater than or equal to the general prevailing  
23 rate of wages as that term is defined in the Prevailing Wage  
24 Act, and the Agency may adjust renewable energy credit prices  
25 to account for increased labor costs.

26 In this subsection (b-15), "house of worship" has the

1 meaning given in subparagraph (Q) of paragraph (1) of  
2 subsection (c) of Section 1-75.

3 (c) (Blank).

4 (d) (Blank).

5 (e) All renewable energy credits procured using monies  
6 from the Illinois Power Agency Renewable Energy Resources Fund  
7 shall be permanently retired.

8 (f) The selection of one or more third-party program  
9 managers or administrators, the selection of the independent  
10 evaluator, and the procurement processes described in this  
11 Section are exempt from the requirements of the Illinois  
12 Procurement Code, under Section 20-10 of that Code.

13 (g) All disbursements from the Illinois Power Agency  
14 Renewable Energy Resources Fund shall be made only upon  
15 warrants of the Comptroller drawn upon the Treasurer as  
16 custodian of the Fund upon vouchers signed by the Director or  
17 by the person or persons designated by the Director for that  
18 purpose. The Comptroller is authorized to draw the warrant  
19 upon vouchers so signed. The Treasurer shall accept all  
20 warrants so signed and shall be released from liability for  
21 all payments made on those warrants.

22 (h) The Illinois Power Agency Renewable Energy Resources  
23 Fund shall not be subject to sweeps, administrative charges,  
24 or chargebacks, including, but not limited to, those  
25 authorized under Section 8h of the State Finance Act, that  
26 would in any way result in the transfer of any funds from this

1 Fund to any other fund of this State or in having any such  
2 funds utilized for any purpose other than the express purposes  
3 set forth in this Section.

4 (h-5) The Agency may assess fees to each bidder to recover  
5 the costs incurred in connection with a procurement process  
6 held under this Section. Fees collected from bidders shall be  
7 deposited into the Renewable Energy Resources Fund.

8 (i) Supplemental procurement process.

9 (1) Within 90 days after June 30, 2014 (the effective  
10 date of Public Act 98-672), the Agency shall develop a  
11 one-time supplemental procurement plan limited to the  
12 procurement of renewable energy credits, if available,  
13 from new or existing photovoltaics, including, but not  
14 limited to, distributed photovoltaic generation. Nothing  
15 in this subsection (i) requires procurement of wind  
16 generation through the supplemental procurement.

17 Renewable energy credits procured from new  
18 photovoltaics, including, but not limited to, distributed  
19 photovoltaic generation, under this subsection (i) must be  
20 procured from devices installed by a qualified person. In  
21 its supplemental procurement plan, the Agency shall  
22 establish contractually enforceable mechanisms for  
23 ensuring that the installation of new photovoltaics is  
24 performed by a qualified person.

25 For the purposes of this paragraph (1), "qualified  
26 person" means a person who performs installations of

1 photovoltaics, including, but not limited to, distributed  
2 photovoltaic generation, and who: (A) has completed an  
3 apprenticeship as a journeyman electrician from a United  
4 States Department of Labor registered electrical  
5 apprenticeship and training program and received a  
6 certification of satisfactory completion; or (B) does not  
7 currently meet the criteria under clause (A) of this  
8 paragraph (1), but is enrolled in a United States  
9 Department of Labor registered electrical apprenticeship  
10 program, provided that the person is directly supervised  
11 by a person who meets the criteria under clause (A) of this  
12 paragraph (1); or (C) has obtained one of the following  
13 credentials in addition to attesting to satisfactory  
14 completion of at least 5 years or 8,000 hours of  
15 documented hands-on electrical experience: (i) a North  
16 American Board of Certified Energy Practitioners (NABCEP)  
17 Installer Certificate for Solar PV; (ii) an Underwriters  
18 Laboratories (UL) PV Systems Installer Certificate; (iii)  
19 an Electronics Technicians Association, International  
20 (ETAI) Level 3 PV Installer Certificate; or (iv) an  
21 Associate in Applied Science degree from an Illinois  
22 Community College Board approved community college program  
23 in renewable energy or a distributed generation  
24 technology.

25 For the purposes of this paragraph (1), "directly  
26 supervised" means that there is a qualified person who

1 meets the qualifications under clause (A) of this  
2 paragraph (1) and who is available for supervision and  
3 consultation regarding the work performed by persons under  
4 clause (B) of this paragraph (1), including a final  
5 inspection of the installation work that has been directly  
6 supervised to ensure safety and conformity with applicable  
7 codes.

8 For the purposes of this paragraph (1), "install"  
9 means the major activities and actions required to  
10 connect, in accordance with applicable building and  
11 electrical codes, the conductors, connectors, and all  
12 associated fittings, devices, power outlets, or  
13 apparatuses mounted at the premises that are directly  
14 involved in delivering energy to the premises' electrical  
15 wiring from the photovoltaics, including, but not limited  
16 to, to distributed photovoltaic generation.

17 The renewable energy credits procured pursuant to the  
18 supplemental procurement plan shall be procured using up  
19 to \$30,000,000 from the Illinois Power Agency Renewable  
20 Energy Resources Fund. The Agency shall not plan to use  
21 funds from the Illinois Power Agency Renewable Energy  
22 Resources Fund in excess of the monies on deposit in such  
23 fund or projected to be deposited into such fund. The  
24 supplemental procurement plan shall ensure adequate,  
25 reliable, affordable, efficient, and environmentally  
26 sustainable renewable energy resources (including credits)

1 at the lowest total cost over time, taking into account  
2 any benefits of price stability.

3 To the extent available, 50% of the renewable energy  
4 credits procured from distributed renewable energy  
5 generation shall come from devices of less than 25  
6 kilowatts in nameplate capacity. Procurement of renewable  
7 energy credits from distributed renewable energy  
8 generation devices shall be done through multi-year  
9 contracts of no less than 5 years. The Agency shall create  
10 credit requirements for counterparties. In order to  
11 minimize the administrative burden on contracting  
12 entities, the Agency shall solicit the use of third  
13 parties to aggregate distributed renewable energy. These  
14 third parties shall enter into and administer contracts  
15 with individual distributed renewable energy generation  
16 device owners. An individual distributed renewable energy  
17 generation device owner shall have the ability to measure  
18 the output of his or her distributed renewable energy  
19 generation device.

20 In developing the supplemental procurement plan, the  
21 Agency shall hold at least one workshop open to the public  
22 within 90 days after June 30, 2014 (the effective date of  
23 Public Act 98-672) and shall consider any comments made by  
24 stakeholders or the public. Upon development of the  
25 supplemental procurement plan within this 90-day period,  
26 copies of the supplemental procurement plan shall be

1 posted and made publicly available on the Agency's and  
2 Commission's websites. All interested parties shall have  
3 14 days following the date of posting to provide comment  
4 to the Agency on the supplemental procurement plan. All  
5 comments submitted to the Agency shall be specific,  
6 supported by data or other detailed analyses, and, if  
7 objecting to all or a portion of the supplemental  
8 procurement plan, accompanied by specific alternative  
9 wording or proposals. All comments shall be posted on the  
10 Agency's and Commission's websites. Within 14 days  
11 following the end of the 14-day review period, the Agency  
12 shall revise the supplemental procurement plan as  
13 necessary based on the comments received and file its  
14 revised supplemental procurement plan with the Commission  
15 for approval.

16 (2) Within 5 days after the filing of the supplemental  
17 procurement plan at the Commission, any person objecting  
18 to the supplemental procurement plan shall file an  
19 objection with the Commission. Within 10 days after the  
20 filing, the Commission shall determine whether a hearing  
21 is necessary. The Commission shall enter its order  
22 confirming or modifying the supplemental procurement plan  
23 within 90 days after the filing of the supplemental  
24 procurement plan by the Agency.

25 (3) The Commission shall approve the supplemental  
26 procurement plan of renewable energy credits to be



1       procured from new or existing photovoltaics, including,  
2       but not limited to, distributed photovoltaic generation,  
3       if the Commission determines that it will ensure adequate,  
4       reliable, affordable, efficient, and environmentally  
5       sustainable electric service in the form of renewable  
6       energy credits at the lowest total cost over time, taking  
7       into account any benefits of price stability.

8       (4) The supplemental procurement process under this  
9       subsection (i) shall include each of the following  
10      components:

11           (A) Procurement administrator. The Agency may  
12           retain a procurement administrator in the manner set  
13           forth in item (2) of subsection (a) of Section 1-75 of  
14           this Act to conduct the supplemental procurement or  
15           may elect to use the same procurement administrator  
16           administering the Agency's annual procurement under  
17           Section 1-75.

18           (B) Procurement monitor. The procurement monitor  
19           retained by the Commission pursuant to Section  
20           16-111.5 of the Public Utilities Act shall:

21                   (i) monitor interactions among the procurement  
22                   administrator and bidders and suppliers;

23                   (ii) monitor and report to the Commission on  
24                   the progress of the supplemental procurement  
25                   process;

26                   (iii) provide an independent confidential

1 report to the Commission regarding the results of  
2 the procurement events;

3 (iv) assess compliance with the procurement  
4 plan approved by the Commission for the  
5 supplemental procurement process;

6 (v) preserve the confidentiality of supplier  
7 and bidding information in a manner consistent  
8 with all applicable laws, rules, regulations, and  
9 tariffs;

10 (vi) provide expert advice to the Commission  
11 and consult with the procurement administrator  
12 regarding issues related to procurement process  
13 design, rules, protocols, and policy-related  
14 matters;

15 (vii) consult with the procurement  
16 administrator regarding the development and use of  
17 benchmark criteria, standard form contracts,  
18 credit policies, and bid documents; and

19 (viii) perform, with respect to the  
20 supplemental procurement process, any other  
21 procurement monitor duties specifically delineated  
22 within subsection (i) of this Section.

23 (C) Solicitation, prequalification, and  
24 registration of bidders. The procurement administrator  
25 shall disseminate information to potential bidders to  
26 promote a procurement event, notify potential bidders

1           that the procurement administrator may enter into a  
2           post-bid price negotiation with bidders that meet the  
3           applicable benchmarks, provide supply requirements,  
4           and otherwise explain the competitive procurement  
5           process. In addition to such other publication as the  
6           procurement administrator determines is appropriate,  
7           this information shall be posted on the Agency's and  
8           the Commission's websites. The procurement  
9           administrator shall also administer the  
10          prequalification process, including evaluation of  
11          credit worthiness, compliance with procurement rules,  
12          and agreement to the standard form contract developed  
13          pursuant to item (D) of this paragraph (4). The  
14          procurement administrator shall then identify and  
15          register bidders to participate in the procurement  
16          event.

17                 (D) Standard contract forms and credit terms and  
18                 instruments. The procurement administrator, in  
19                 consultation with the Agency, the Commission, and  
20                 other interested parties and subject to Commission  
21                 oversight, shall develop and provide standard contract  
22                 forms for the supplier contracts that meet generally  
23                 accepted industry practices as well as include any  
24                 applicable State of Illinois terms and conditions that  
25                 are required for contracts entered into by an agency  
26                 of the State of Illinois. Standard credit terms and

1 instruments that meet generally accepted industry  
2 practices shall be similarly developed. Contracts for  
3 new photovoltaics shall include a provision attesting  
4 that the supplier will use a qualified person for the  
5 installation of the device pursuant to paragraph (1)  
6 of subsection (i) of this Section. The procurement  
7 administrator shall make available to the Commission  
8 all written comments it receives on the contract  
9 forms, credit terms, or instruments. If the  
10 procurement administrator cannot reach agreement with  
11 the parties as to the contract terms and conditions,  
12 the procurement administrator must notify the  
13 Commission of any disputed terms and the Commission  
14 shall resolve the dispute. The terms of the contracts  
15 shall not be subject to negotiation by winning  
16 bidders, and the bidders must agree to the terms of the  
17 contract in advance so that winning bids are selected  
18 solely on the basis of price.

19 (E) Requests for proposals; competitive  
20 procurement process. The procurement administrator  
21 shall design and issue requests for proposals to  
22 supply renewable energy credits in accordance with the  
23 supplemental procurement plan, as approved by the  
24 Commission. The requests for proposals shall set forth  
25 a procedure for sealed, binding commitment bidding  
26 with pay-as-bid settlement, and provision for

1 selection of bids on the basis of price, provided,  
2 however, that no bid shall be accepted if it exceeds  
3 the benchmark developed pursuant to item (F) of this  
4 paragraph (4).

5 (F) Benchmarks. Benchmarks for each product to be  
6 procured shall be developed by the procurement  
7 administrator in consultation with Commission staff,  
8 the Agency, and the procurement monitor for use in  
9 this supplemental procurement.

10 (G) A plan for implementing contingencies in the  
11 event of supplier default, Commission rejection of  
12 results, or any other cause.

13 (5) Within 2 business days after opening the sealed  
14 bids, the procurement administrator shall submit a  
15 confidential report to the Commission. The report shall  
16 contain the results of the bidding for each of the  
17 products along with the procurement administrator's  
18 recommendation for the acceptance and rejection of bids  
19 based on the price benchmark criteria and other factors  
20 observed in the process. The procurement monitor also  
21 shall submit a confidential report to the Commission  
22 within 2 business days after opening the sealed bids. The  
23 report shall contain the procurement monitor's assessment  
24 of bidder behavior in the process as well as an assessment  
25 of the procurement administrator's compliance with the  
26 procurement process and rules. The Commission shall review

1 the confidential reports submitted by the procurement  
2 administrator and procurement monitor and shall accept or  
3 reject the recommendations of the procurement  
4 administrator within 2 business days after receipt of the  
5 reports.

6 (6) Within 3 business days after the Commission  
7 decision approving the results of a procurement event, the  
8 Agency shall enter into binding contractual arrangements  
9 with the winning suppliers using the standard form  
10 contracts.

11 (7) The names of the successful bidders and the  
12 average of the winning bid prices for each contract type  
13 and for each contract term shall be made available to the  
14 public within 2 days after the supplemental procurement  
15 event. The Commission, the procurement monitor, the  
16 procurement administrator, the Agency, and all  
17 participants in the procurement process shall maintain the  
18 confidentiality of all other supplier and bidding  
19 information in a manner consistent with all applicable  
20 laws, rules, regulations, and tariffs. Confidential  
21 information, including the confidential reports submitted  
22 by the procurement administrator and procurement monitor  
23 pursuant to this Section, shall not be made publicly  
24 available and shall not be discoverable by any party in  
25 any proceeding, absent a compelling demonstration of need,  
26 nor shall those reports be admissible in any proceeding

1 other than one for law enforcement purposes.

2 (8) The supplemental procurement provided in this  
3 subsection (i) shall not be subject to the requirements  
4 and limitations of subsections (c) and (d) of this  
5 Section.

6 (9) Expenses incurred in connection with the  
7 procurement process held pursuant to this Section,  
8 including, but not limited to, the cost of developing the  
9 supplemental procurement plan, the procurement  
10 administrator, procurement monitor, and the cost of the  
11 retirement of renewable energy credits purchased pursuant  
12 to the supplemental procurement shall be paid for from the  
13 Illinois Power Agency Renewable Energy Resources Fund. The  
14 Agency shall enter into an interagency agreement with the  
15 Commission to reimburse the Commission for its costs  
16 associated with the procurement monitor for the  
17 supplemental procurement process.

18 (Source: P.A. 102-662, eff. 9-15-21; 103-188, eff. 6-30-23;  
19 103-605, eff. 7-1-24.)

20 (20 ILCS 3855/1-75)

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

24 (a) The Planning and Procurement Bureau shall each year,  
25 beginning in 2008, develop procurement plans and conduct

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



1 the purposes of this Section, the term "eligible retail  
2 customers" has the same definition as found in Section  
3 16-111.5(a) of the Public Utilities Act.

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

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

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

1 consulting firm must have:

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

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

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

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

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

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

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

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

1 (A) direct previous experience administering a  
2 large-scale competitive procurement process;

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

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

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

11 (E) expertise in credit and contract protocols;

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

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

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

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

6 (A) failure to satisfy qualification criteria;

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

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

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

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

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

1 years to those selected.

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

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

25 (c) Renewable portfolio standard.

26 (1) (A) The Agency shall develop a long-term renewable

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

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

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

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

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

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



1 2019; increasing by 1.5% each year thereafter to 25% by  
2 June 1, 2025; and 25% by June 1, 2026; increasing by at  
3 least 3% each delivery year thereafter to at least 40% by  
4 the 2030 delivery year, and continuing at no less than 40%  
5 for each delivery year thereafter. The Agency shall  
6 attempt to procure 50% by delivery year 2040. The Agency  
7 shall determine the annual increase between delivery year  
8 2030 and delivery year 2040, if any, taking into account  
9 energy demand, other energy resources, and other public  
10 policy goals.

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

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

22 (i) At least 10,000,000 renewable energy credits  
23 delivered annually by the end of the 2021 delivery  
24 year, and increasing ratably to reach 45,000,000  
25 renewable energy credits delivered annually from new  
26 wind and solar projects, from repowered wind projects,

1 or from retooled hydropower facilities by the end of  
2 delivery year 2030 such that the goals in subparagraph  
3 (B) of this paragraph (1) are met entirely by  
4 procurements of renewable energy credits from new wind  
5 and photovoltaic projects. Of that amount, to the  
6 extent possible, the Agency shall endeavor to procure  
7 45% from new and repowered wind and hydropower  
8 projects and shall procure at least 55% from  
9 photovoltaic projects. Of the amount to be procured  
10 from photovoltaic projects, the Agency shall procure:  
11 at least 50% from solar photovoltaic projects using  
12 the program outlined in subparagraph (K) of this  
13 paragraph (1) from distributed renewable energy  
14 generation devices or community renewable generation  
15 projects; at least 47% from utility-scale solar  
16 projects; at least 3% from brownfield site  
17 photovoltaic projects that are not community renewable  
18 generation projects. The Agency may propose  
19 adjustments to these percentages, including  
20 establishing percentage-based goals for the  
21 procurement of renewable energy credits from  
22 modernized or retooled hydropower facilities and  
23 repowered wind projects, through its long-term  
24 renewable resources plan described in subparagraph (A)  
25 of this paragraph (1) as necessary based on developer  
26 interest, market conditions, budget considerations,

1 resource adequacy needs, or other factors.

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

26 (ii) In any given delivery year, if forecasted

1 expenses are less than the maximum budget available  
2 under subparagraph (E) of this paragraph (1), the  
3 Agency shall continue to procure new renewable energy  
4 credits until that budget is exhausted in the manner  
5 outlined in item (i) of this subparagraph (C).

6 (iii) For purposes of this Section:

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

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

16 "Repowered wind projects" means utility-scale wind  
17 projects featuring the replacement or expansion of  
18 turbines at an existing project site after the  
19 effective date of this amendatory Act of the 103rd  
20 General Assembly. Renewable energy credit contract  
21 awards used to support repowered wind projects shall  
22 only cover the incremental increase in facility  
23 electricity production resultant from repowering.

24 For purposes of calculating whether the Agency has  
25 procured enough new wind and solar renewable energy  
26 credits required by this subparagraph (C), renewable

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

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

1 to, requirements in subparagraphs (P) and (Q) of this  
2 paragraph (1) and the Renewable Energy Facilities  
3 Agricultural Impact Mitigation Act. Confidential  
4 benchmarks shall be developed by the procurement  
5 administrator, in consultation with the Commission staff,  
6 Agency staff, and the procurement monitor and shall be  
7 subject to Commission review and approval. If price  
8 benchmarks for like products in the region are not  
9 available, the procurement administrator shall establish  
10 price benchmarks based on publicly available data on  
11 regional technology costs and expected current and future  
12 regional energy prices. The benchmarks in this Section  
13 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), and except as provided in subparagraph (E-5) of  
14 paragraph (1) of this subsection (c), the total of  
15 renewable energy resources procured under the procurement  
16 plan for any single year shall be subject to the  
17 limitations of this subparagraph (E). Such procurement  
18 shall be reduced for all retail customers based on the  
19 amount necessary to limit the annual estimated average net  
20 increase due to the costs of these resources included in  
21 the amounts paid by eligible retail customers in  
22 connection with electric service to no more than 4.25% of  
23 the amount paid per kilowatthour by those customers during  
24 the year ending May 31, 2009. To arrive at a maximum dollar  
25 amount of renewable energy resources to be procured for  
26 the particular delivery year, the resulting per

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

24 (E-5) If, for a particular delivery year, the  
25 limitation on the amount of renewable energy resources to  
26 be procured, as calculated pursuant to subparagraph (E) of



1 paragraph (1) of this subsection (c), would result in an  
2 insufficient collection of funds to fully pay amounts due  
3 to a seller under existing contracts executed under this  
4 Section or executed under Section 1-56 of this Act, then  
5 the following provisions shall apply to ensure full and  
6 uninterrupted payment is made to such seller or sellers:

7 (i) If the electric utility has retained unspent  
8 funds in an interest-bearing account as prescribed in  
9 subsection (k) of Section 16-108 of the Public  
10 Utilities Act, then the utility shall use those funds  
11 to remit full payment to the sellers to ensure prompt  
12 and uninterrupted payment of existing contractual  
13 obligation.

14 (ii) If the funds described in item (i) of this  
15 subparagraph (E-5) are insufficient to satisfy all  
16 existing contractual obligations, then the electric  
17 utility shall, nonetheless, remit full payment to the  
18 sellers to ensure prompt and uninterrupted payment of  
19 existing contractual obligations, and the full payment  
20 shall be recoverable by the utility through the  
21 utility's automatic adjustment clause tariff  
22 authorized and placed into effect under subsection (k)  
23 of Section 16-108 of the Public Utilities Act.

24 (iii) The Agency shall promptly notify the  
25 Commission that existing contractual obligations are  
26 reasonably expected to exceed the maximum collection

1 authorized under subparagraph (E) of paragraph (1) of  
2 this subsection (c) for the applicable delivery year.  
3 The Agency shall also explain and confirm how the  
4 operation of items (i) and (ii) of this subparagraph  
5 (E-5) ensures that the electric utility will continue  
6 to make prompt and uninterrupted payment under  
7 existing contractual obligations. The Agency shall  
8 provide this information to the Commission through a  
9 notice filed in the Commission docket approving the  
10 Agency's operative Long-Term Renewable Resources  
11 Procurement Plan that includes the applicable delivery  
12 year.

13 (iv) The Agency shall suspend or reduce new  
14 contract awards for the procurement of renewable  
15 energy credits until an Agency determination is made  
16 under subparagraph (E) that additional procurements  
17 would not cause the rate impact limitation of  
18 subparagraph (E) to be exceeded. At least once  
19 annually after the notice provided for in item (iii)  
20 of this subparagraph (E-5) is made, the Agency shall  
21 analyze existing contract obligations, projected  
22 prices for indexed renewable energy credit contracts  
23 executed under item (v) of subparagraph (G) of  
24 paragraph (1) of subsection (c) of Section 1-75 of  
25 this Act, and expected collections authorized under  
26 subparagraph (E) to determine whether and to what

1 extent the limitations of subparagraph (E) would be  
2 exceeded by additional renewable energy credit  
3 procurement contract awards.

4 (aa) If the Agency determines that additional  
5 renewable energy credit procurement contract  
6 awards could be made without exceeding the  
7 limitations of subparagraph (E), then the  
8 procurements shall be authorized at a scale  
9 determined not to exceed the limitations of  
10 subparagraph (E) in a manner consistent with the  
11 priorities of this Section.

12 (bb) If the Agency determines that additional  
13 renewable energy credit procurement contract  
14 awards cannot be made without exceeding the  
15 limitations of subparagraph (E), then the Agency  
16 shall suspend any new contract awards for the  
17 procurement of renewable energy credits until a  
18 new rate impact determination is made under  
19 subparagraph (E).

20 (cc) Agency determinations made under this  
21 item (iv) shall be detailed and comprehensive and,  
22 if not made through the Agency's Long-Term  
23 Renewable Resources Procurement Plan, shall be  
24 filed as a compliance filing in the most recent  
25 docketed proceeding approving the Agency's  
26 Long-Term Renewable Resources Procurement Plan.

1           (d) With respect to the procurement of  
2           renewable energy credits authorized through  
3           programs administered under subsection (b) of  
4           Section 1-56 and subparagraphs (K) through (M) of  
5           paragraph (1) of subsection (k) of Section 1-75 of  
6           this Act, the award of contracts for the  
7           procurement of renewable energy credits shall be  
8           suspended or reduced only at the conclusion of the  
9           program year in which the notice provided for  
10           under item (iii) of this subparagraph (E-5) is  
11           made.

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

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

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

24                   (ii) renewable energy credits necessary to comply  
25                   with the new wind and new photovoltaic procurement  
26                   requirements described in items (i) through (iii) of

1           subparagraph (C) of this paragraph (1); and

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

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

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

1           this initial procurement shall be included in the  
2           Agency's long-term plan and shall apply to all  
3           renewable energy goals in this subsection (c).

4           (ii) Notwithstanding whether a long-term renewable  
5           resources procurement plan has been approved, the  
6           Agency shall conduct an initial forward procurement  
7           for renewable energy credits from new utility-scale  
8           solar projects and brownfield site photovoltaic  
9           projects within one year 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 solar projects and brownfield site  
15          photovoltaic projects to begin delivery on June 1,  
16          2019, if available, but not later than June 1, 2021,  
17          unless the project has delays in the establishment of  
18          an operating interconnection with the applicable  
19          transmission or distribution system as a result of the  
20          actions or inactions of the transmission or  
21          distribution provider, or other causes for force  
22          majeure as outlined in the procurement contract, in  
23          which case, not later than June 1, 2022. The Agency may  
24          structure this initial procurement in one or more  
25          discrete procurement events. Payments to suppliers of  
26          renewable energy credits shall commence upon delivery.

1 Renewable energy credits procured under this initial  
2 procurement shall be included in the Agency's  
3 long-term plan and shall apply to all renewable energy  
4 goals in this subsection (c).

5 (iii) Notwithstanding whether the Commission has  
6 approved the periodic long-term renewable resources  
7 procurement plan revision described in Section  
8 16-111.5 of the Public Utilities Act, the Agency shall  
9 conduct at least one subsequent forward procurement  
10 for renewable energy credits from new utility-scale  
11 wind projects, new utility-scale solar projects, and  
12 new brownfield site photovoltaic projects within 240  
13 days after the effective date of this amendatory Act  
14 of the 102nd General Assembly in quantities necessary  
15 to meet the requirements of subparagraph (C) of this  
16 paragraph (1) through the delivery year beginning June  
17 1, 2021.

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

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

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



1 contract with the counterparty electric utility.

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

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

1 the waitlist for this category before the  
2 opening of this block 20% of the renewable  
3 energy credit delivery contract value, based  
4 on the estimated generation during the first  
5 15 years of operation, shall be paid by the  
6 contracting utilities at the time that the  
7 facility producing the renewable energy  
8 credits is interconnected at the distribution  
9 system level of the utility and verified as  
10 energized by the Program Administrator. The  
11 remaining portion shall be paid ratably over  
12 the subsequent 4-year period. The electric  
13 utility shall receive and retire all renewable  
14 energy credits generated by the project during  
15 the first 15 years of operation. Renewable  
16 energy credits generated by the project  
17 thereafter shall not be transferred under the  
18 renewable energy credit delivery contract with  
19 the counterparty electric utility.

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

1 paragraph (1), as applicable. Projects not on  
2 a waitlist as of the opening of this block  
3 shall be subject to the contract provisions  
4 outlined in item (iii) of subparagraph (L) of  
5 this paragraph (1). The Agency shall strive to  
6 publish updated prices and an updated  
7 renewable energy credit delivery contract as  
8 quickly as possible.

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

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

26 (A) The geographic balance of selected

1 projects shall follow the Group classification  
2 found in the Agency's Revised Long-Term  
3 Renewable Resources Procurement Plan, with 70%  
4 of capacity allocated to projects on the Group  
5 B waitlist and 30% of capacity allocated to  
6 projects on the Group A waitlist.

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

13 (i) Each applicant firm having a  
14 waitlisted project eligible for selection  
15 shall receive no less than 500 kilowatts  
16 in awarded capacity across all groups, and  
17 no approved vendor may receive more than  
18 20% of each Group's waitlist allocation.

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

25 (iii) Assuming all other program  
26 requirements are met, applicant firms may

1 adjust the nameplate capacity of applicant  
2 projects without losing waitlist  
3 eligibility, so long as no project is  
4 greater than 2,000 kilowatts in size.

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

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

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

1 penalty, with such unmet capacity rolled over  
2 to the next block opening for project  
3 selection under item (iii) of subparagraph (K)  
4 of this subsection (c). Any projects not  
5 included in an applicant firm's portfolio may  
6 reapply without prejudice upon the next block  
7 reopening for project selection under item  
8 (iii) of subparagraph (K) of this subsection  
9 (c).

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

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

1 below 25 kilowatts in size;

2 (ii) A requirement that a minimum of  
3 50% of subscribers to the project's  
4 nameplate capacity be residential or small  
5 commercial customers with subscriptions of  
6 below 25 kilowatts in size;

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

22 The Agency shall publish a finalized  
23 updated renewable energy credit delivery  
24 contract developed consistent with these terms  
25 and conditions no less than 30 days before  
26 applicant firms must submit their portfolio of

1 projects pursuant to item (D).

2 (F) To be eligible for an award, the  
3 applicant firm shall certify that not less  
4 than prevailing wage, as determined pursuant  
5 to the Illinois Prevailing Wage Act, was or  
6 will be paid to employees who are engaged in  
7 construction activities associated with a  
8 selected project.

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

26 (5) The Agency shall open the equivalent of 2



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

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

1 capacity for item (vi) shall be for at least 75  
2 megawatts of total nameplate capacity. The price  
3 of renewable energy credits for the blocks of  
4 capacity shall be 4% less than the price of the  
5 last open blocks in the categories described in  
6 items (i) and (ii) of subparagraph (K) of this  
7 paragraph (1). Pricing for future blocks of annual  
8 capacity for this category may be adjusted in the  
9 Agency's second revision to its Long-Term  
10 Renewable Resources Procurement Plan. Projects in  
11 this category shall be subject to the applicable  
12 contract terms outlined in items (ii) and (iii) of  
13 subparagraph (L) of this paragraph (1).

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

21 (1) The purchase price of the indexed  
22 renewable energy credit payment shall be  
23 calculated for each settlement period. That  
24 payment, for any settlement period, shall be equal  
25 to the difference resulting from subtracting the  
26 strike price from the index price for that

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

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

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

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

1 available price forecast data and additional  
2 budget dollars shall be obligated or reobligated  
3 as appropriate.

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

14 (vi) All procurements under this subparagraph (G),  
15 including the procurement of renewable energy credits  
16 from hydropower facilities, shall comply with the  
17 geographic requirements in subparagraph (I) of this  
18 paragraph (1) and shall follow the procurement  
19 processes and procedures described in this Section and  
20 Section 16-111.5 of the Public Utilities Act to the  
21 extent practicable, and these processes and procedures  
22 may be expedited to accommodate the schedule  
23 established by this subparagraph (G).

24 (vii) On and after the effective date of this  
25 amendatory Act of the 103rd General Assembly, for all  
26 procurements of renewable energy credits from

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

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

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

1 generate one renewable energy credit for each  
2 megawatthour of energy produced from the facility.

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

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

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

1           subparagraph (H), subject to the following  
2           limitations:

3                     For the delivery year beginning June 1, 2018,  
4                     the maximum amount of renewable energy credits to  
5                     be supplied by an alternative retail electric  
6                     supplier under this subparagraph (H) shall be 68%  
7                     multiplied by 25% multiplied by 14.5% multiplied  
8                     by the amount of metered electricity  
9                     (megawatt-hours) delivered by the alternative  
10                    retail electric supplier to Illinois retail  
11                    customers during the delivery year ending May 31,  
12                    2016.

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



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

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

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

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

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

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

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

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

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

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

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

1 photovoltaic community renewable generation projects. The  
2 Adjustable Block program shall be generally designed to  
3 provide for the steady, predictable, and sustainable  
4 growth of new solar photovoltaic development in Illinois.  
5 To this end, the Adjustable Block program shall provide a  
6 transparent annual schedule of prices and quantities to  
7 enable the photovoltaic market to scale up and for  
8 renewable energy credit prices to adjust at a predictable  
9 rate over time. The prices set by the Adjustable Block  
10 program can be reflected as a set value or as the product  
11 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) the Agency shall select projects on a  
20 first-come, first-serve basis, however the Agency  
21 may suggest additional methods to prioritize  
22 projects that are submitted at the same time;

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



1           (3) projects shall not be colocated with one  
2           or more other community renewable generation  
3           projects, as defined in the Agency's first revised  
4           long-term renewable resources procurement plan  
5           approved by the Commission on February 18, 2020,  
6           such that the aggregate nameplate capacity exceeds  
7           5,000 kilowatts; and

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Selection criteria may also prioritize projects  
2 that:

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

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

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

16 (4) are not greenfield projects;

17 (5) serve only local subscribers;

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

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

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

1 options in Illinois.

2 For the purposes of this item (v):

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

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

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

1 benefit from regular use of that facility.

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

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

25 The Agency shall propose a payment structure for  
26 contracts executed pursuant to this paragraph under

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

17                 Contracts developed featuring capital advanced  
18                 prior to a project's energization shall feature  
19                 provisions to ensure both the successful development  
20                 of applicant projects and the delivery of the  
21                 renewable energy credits for the full term of the  
22                 contract, including ongoing collateral requirements  
23                 and other provisions deemed necessary by the Agency,  
24                 and may include energization timelines longer than for  
25                 comparable project types. The percentage or amount of  
26                 capital advanced prior to project energization shall

1 not operate to increase the overall contract value,  
2 however contracts executed under this subparagraph may  
3 feature renewable energy credit prices higher than  
4 those offered to similar projects participating in  
5 other categories. Capital advanced prior to  
6 energization shall serve to reduce the ratable  
7 payments made after energization under items (ii) and  
8 (iii) of subparagraph (L) or payments made for each  
9 renewable energy credit delivery under item (iv) of  
10 subparagraph (L).

11 (vii) The remaining capacity shall be allocated by  
12 the Agency in order to respond to market demand. The  
13 Agency shall allocate any discretionary capacity prior  
14 to the beginning of each delivery year.

15 To the extent there is uncontracted capacity from any  
16 block in any of categories (i) through (vi) at the end of a  
17 delivery year, the Agency shall redistribute that capacity  
18 to one or more other categories giving priority to  
19 categories with projects on a waitlist. The redistributed  
20 capacity shall be added to the annual capacity in the  
21 subsequent delivery year, and the price for renewable  
22 energy credits shall be the price for the new delivery  
23 year. Redistributed capacity shall not be considered  
24 redistributed when determining whether the goals in this  
25 subsection (K) have been met.

26 Notwithstanding anything to the contrary, as the



1 Agency increases the capacity in item (vi) to 40% over  
2 time, the Agency may reduce the capacity of items (i)  
3 through (v) proportionate to the capacity of the  
4 categories of projects in item (vi), to achieve a balance  
5 of project types.

6 The Adjustable Block program shall be designed to  
7 ensure that renewable energy credits are procured from  
8 projects in diverse locations and are not concentrated in  
9 a few regional areas.

10 (L) Notwithstanding provisions for advancing capital  
11 prior to project energization found in item (vi) of  
12 subparagraph (K), the procurement of photovoltaic  
13 renewable energy credits under items (i) through (vi) of  
14 subparagraph (K) of this paragraph (1) shall otherwise be  
15 subject to the following contract and payment terms:

16 (i) (Blank).

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

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

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

1 the first 15 years of operation. Renewable energy  
2 credits generated by the project thereafter shall not  
3 be transferred under the renewable energy credit  
4 delivery contract with the counterparty electric  
5 utility.

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

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

26 (v) Each contract shall include provisions to

1 ensure the delivery of the estimated quantity of  
2 renewable energy credits and ongoing collateral  
3 requirements and other provisions deemed appropriate  
4 by the Agency.

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

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

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

1           ~~executed under this Section shall expressly~~  
2           ~~incorporate this limitation.~~

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

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

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

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

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

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

1 by the Agency to position the State of Illinois as a  
2 national leader in renewable energy incentive program  
3 development and administration.

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

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



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

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

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

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

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

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

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

1           documenting the frequency and nature of complaints and  
2           any enforcement actions taken in response to those  
3           complaints.

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

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

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

1 transferable. For purposes of this subparagraph (N),  
2 "portable" means that subscriptions may be retained by the  
3 subscriber even if the subscriber relocates or changes its  
4 address within the same utility service territory; and  
5 "transferable" means that a subscriber may assign or sell  
6 subscriptions to another person within the same utility  
7 service territory.

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

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

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

1 under the electric utility's tariff for purchasing the  
2 output from QFs under Public Utilities Regulatory Policies  
3 Act of 1978.

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

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

1 June 1, 2023, the long-term renewable resources  
2 procurement plan may average the annual budgets over a  
3 3-year period to account for program ramp-up. For the  
4 delivery years beginning June 1, 2021, June 1, 2024, June  
5 1, 2027, and June 1, 2030 and additional \$10,000,000 shall  
6 be provided to the Department of Commerce and Economic  
7 Opportunity to implement the workforce development  
8 programs and reporting as outlined in Section 16-108.12 of  
9 the Public Utilities Act. In making the determinations  
10 required under this subparagraph (O), the Commission shall  
11 consider the experience and performance under the programs  
12 and any evaluation reports. The Commission shall also  
13 provide for an independent evaluation of those programs on  
14 a periodic basis that are funded under this subparagraph  
15 (O).

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

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

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

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

19                   (1) Each facility shall be subject to the  
20                   prevailing wage requirements included in the  
21                   Prevailing Wage Act. The Agency shall require  
22                   verification that all construction performed on the  
23                   facility by the renewable energy credit delivery  
24                   contract holder, its contractors, or its  
25                   subcontractors relating to construction of the  
26                   facility is performed by construction employees

1 receiving an amount for that work equal to or greater  
2 than the general prevailing rate, as that term is  
3 defined in Section 3 of the Prevailing Wage Act. For  
4 purposes of this item (1), "house of worship" means  
5 property that is both (1) used exclusively by a  
6 religious society or body of persons as a place for  
7 religious exercise or religious worship and (2)  
8 recognized as exempt from taxation pursuant to Section  
9 15-40 of the Property Tax Code. This item (1) shall  
10 apply to any the following:

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

12 (ii) all new utility-scale photovoltaic  
13 projects and repowered wind projects;

14 (iii) all new brownfield photovoltaic  
15 projects;

16 (iv) all new photovoltaic community renewable  
17 energy facilities that qualify for item (iii) of  
18 subparagraph (K) of this paragraph (1);

19 (v) all new community driven community  
20 photovoltaic projects that qualify for item (v) of  
21 subparagraph (K) of this paragraph (1);

22 (vi) all new photovoltaic projects on public  
23 school land that qualify for item (iv) of  
24 subparagraph (K) of this paragraph (1);

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



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

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

15          (ix) all new, modernized, or retooled  
16          hydropower facilities.

17          (2) Renewable energy credits procured from new  
18          utility-scale wind projects, new utility-scale solar  
19          projects, and new brownfield solar projects pursuant  
20          to Agency procurement events occurring after the  
21          effective date of this amendatory Act of the 102nd  
22          General Assembly must be from facilities built by  
23          general contractors that must enter into a project  
24          labor agreement, as defined by this Act, prior to  
25          construction. The project labor agreement shall be  
26          filed with the Director in accordance with procedures

1 established by the Agency through its long-term  
2 renewable resources procurement plan. Any information  
3 submitted to the Agency in this item (2) shall be  
4 considered commercially sensitive information. At a  
5 minimum, the project labor agreement must provide the  
6 names, addresses, and occupations of the owner of the  
7 plant and the individuals representing the labor  
8 organization employees participating in the project  
9 labor agreement consistent with the Project Labor  
10 Agreements Act. The agreement must also specify the  
11 terms and conditions as defined by this Act.

12 (3) It is the intent of this Section to ensure that  
13 economic development occurs across Illinois  
14 communities, that emerging businesses may grow, and  
15 that there is improved access to the clean energy  
16 economy by persons who have greater economic burdens  
17 to success. The Agency shall take into consideration  
18 the unique cost of compliance of this subparagraph (Q)  
19 that might be borne by equity eligible contractors,  
20 shall include such costs when determining the price of  
21 renewable energy credits in the Adjustable Block  
22 program, and shall take such costs into consideration  
23 in a nondiscriminatory manner when comparing bids for  
24 competitive procurements. The Agency shall consider  
25 costs associated with compliance whether in the  
26 development, financing, or construction of projects.

1           The Agency shall periodically review the assumptions  
2           in these costs and may adjust prices, in compliance  
3           with subparagraph (M) of this paragraph (1).

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

17                   (1) For the purposes of this subparagraph:

18                   "Eligible self-direct customer" means any retail  
19                   customers of an electric utility that serves 3,000,000  
20                   or more retail customers in the State and whose total  
21                   highest 30-minute demand was more than 10,000  
22                   kilowatts, or any retail customers of an electric  
23                   utility that serves less than 3,000,000 retail  
24                   customers but more than 500,000 retail customers in  
25                   the State and whose total highest 15-minute demand was  
26                   more than 10,000 kilowatts.

1 "Retail customer" has the meaning set forth in  
2 Section 16-102 of the Public Utilities Act and  
3 multiple retail customer accounts under the same  
4 corporate parent may aggregate their account demands  
5 to meet the 10,000 kilowatt threshold. The criteria  
6 for determining whether this subparagraph is  
7 applicable to a retail customer shall be based on the  
8 12 consecutive billing periods prior to the start of  
9 the year in which the application is filed.

10 (2) For renewable energy credits to count toward  
11 the self-direct renewable portfolio standard  
12 compliance program, they must:

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

15 (ii) be sourced from one or more renewable  
16 energy generating facilities that comply with the  
17 geographic requirements as set forth in  
18 subparagraph (I) of paragraph (1) of subsection  
19 (c) as interpreted through the Agency's long-term  
20 renewable resources procurement plan, or, where  
21 applicable, the geographic requirements that  
22 governed utility-scale renewable energy credits at  
23 the time the eligible self-direct customer entered  
24 into the applicable renewable energy credit  
25 purchase agreement;

26 (iii) be procured through long-term contracts

1 with term lengths of at least 10 years either  
2 directly with the renewable energy generating  
3 facility or through a bundled power purchase  
4 agreement, a virtual power purchase agreement, an  
5 agreement between the renewable generating  
6 facility, an alternative retail electric supplier,  
7 and the customer, or such other structure as is  
8 permissible under this subparagraph (R);

9 (iv) be equivalent in volume to at least 40%  
10 of the eligible self-direct customer's usage,  
11 determined annually by the eligible self-direct  
12 customer's usage during the previous delivery  
13 year, measured to the nearest megawatt-hour;

14 (v) be retired by or on behalf of the large  
15 energy customer;

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

18 (vii) if the contracts for renewable energy  
19 credits are entered into after the effective date  
20 of this amendatory Act of the 102nd General  
21 Assembly, the new utility-scale wind projects or  
22 new utility-scale solar projects must comply with  
23 the requirements established in subparagraphs (P)  
24 and (Q) of paragraph (1) of this subsection (c)  
25 and subsection (c-10).

26 (3) The self-direct renewable portfolio standard

1 compliance program shall be designed to allow eligible  
2 self-direct customers to procure new renewable energy  
3 credits from new utility-scale wind projects or new  
4 utility-scale photovoltaic projects. The Agency shall  
5 annually determine the amount of utility-scale  
6 renewable energy credits it will include each year  
7 from the self-direct renewable portfolio standard  
8 compliance program, subject to receiving qualifying  
9 applications. In making this determination, the Agency  
10 shall evaluate publicly available analyses and studies  
11 of the potential market size for utility-scale  
12 renewable energy long-term purchase agreements by  
13 commercial and industrial energy customers and make  
14 that report publicly available. If demand for  
15 participation in the self-direct renewable portfolio  
16 standard compliance program exceeds availability, the  
17 Agency shall ensure participation is evenly split  
18 between commercial and industrial users to the extent  
19 there is sufficient demand from both customer classes.  
20 Each renewable energy credit procured pursuant to this  
21 subparagraph (R) by a self-direct customer shall  
22 reduce the total volume of renewable energy credits  
23 the Agency is otherwise required to procure from new  
24 utility-scale projects pursuant to subparagraph (C) of  
25 paragraph (1) of this subsection (c) on behalf of  
26 contracting utilities where the eligible self-direct

1 customer is located. The self-direct customer shall  
2 file an annual compliance report with the Agency  
3 pursuant to terms established by the Agency through  
4 its long-term renewable resources procurement plan to  
5 be eligible for participation in this program.  
6 Customers must provide the Agency with their most  
7 recent electricity billing statements or other  
8 information deemed necessary by the Agency to  
9 demonstrate they are an eligible self-direct customer.

10 (4) The Commission shall approve a reduction in  
11 the volumetric charges collected pursuant to Section  
12 16-108 of the Public Utilities Act for approved  
13 eligible self-direct customers equivalent to the  
14 anticipated cost of renewable energy credit deliveries  
15 under contracts for new utility-scale wind and new  
16 utility-scale solar entered for each delivery year  
17 after the large energy customer begins retiring  
18 eligible new utility scale renewable energy credits  
19 for self-compliance. The self-direct credit amount  
20 shall be determined annually and is equal to the  
21 estimated portion of the cost authorized by  
22 subparagraph (E) of paragraph (1) of this subsection  
23 (c) that supported the annual procurement of  
24 utility-scale renewable energy credits in the prior  
25 delivery year using a methodology described in the  
26 long-term renewable resources procurement plan,

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

18 (5) Customers described in this subparagraph (R)  
19 shall apply, on a form developed by the Agency, to the  
20 Agency to be designated as a self-direct eligible  
21 customer. Once the Agency determines that a  
22 self-direct customer is eligible for participation in  
23 the program, the self-direct customer will remain  
24 eligible until the end of the term of the contract.  
25 Thereafter, application may be made not less than 12  
26 months before the filing date of the long-term



1 renewable resources procurement plan described in this  
2 Act. At a minimum, such application shall contain the  
3 following:

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

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

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

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

23 (v) proof that the contract is sufficient to  
24 produce renewable energy credits to be equivalent  
25 in volume to at least 40% of the large energy  
26 customer's usage from the previous delivery year,

1 measured to the nearest megawatt-hour; and

2 (vi) certification that the customer intends  
3 to maintain the contract for the duration of the  
4 length of the contract.

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

19 (2) (Blank).

20 (3) (Blank).

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

23 (5) Beginning with the 2010 delivery year and ending  
24 June 1, 2017, an electric utility subject to this  
25 subsection (c) shall apply the lesser of the maximum  
26 alternative compliance payment rate or the most recent

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

22 (6) The electric utility shall be entitled to recover  
23 all of its costs associated with the procurement of  
24 renewable energy credits under plans approved under this  
25 Section and Section 16-111.5 of the Public Utilities Act.  
26 These costs shall include associated reasonable expenses

1 for implementing the procurement programs, including, but  
2 not limited to, the costs of administering and evaluating  
3 the Adjustable Block program, through an automatic  
4 adjustment clause tariff in accordance with subsection (k)  
5 of Section 16-108 of the Public Utilities Act.

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

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

24 (c-5) Procurement of renewable energy credits from new  
25 renewable energy facilities installed at or adjacent to the  
26 sites of electric generating facilities that burn or burned

1 coal as their primary fuel source.

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

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

10 (2) The Agency shall conduct 2 procurement events to  
11 select owners of electric generating facilities meeting  
12 the eligibility criteria specified in this subsection  
13 (c-5) to enter into long-term contracts to sell renewable  
14 energy credits to electric utilities serving more than  
15 300,000 retail customers in this State as of January 1,  
16 2019. The first procurement event shall be conducted no  
17 later than March 31, 2022, unless the Agency elects to  
18 delay it, until no later than May 1, 2022, due to its  
19 overall volume of work, and shall be to select owners of  
20 electric generating facilities located in this State and  
21 south of federal Interstate Highway 80 that meet the  
22 eligibility criteria specified in this subsection (c-5).  
23 The second procurement event shall be conducted no sooner  
24 than September 30, 2022 and no later than October 31, 2022  
25 and shall be to select owners of electric generating  
26 facilities located anywhere in this State that meet the

1 eligibility criteria specified in this subsection (c-5).  
2 The Agency shall establish and announce a time period,  
3 which shall begin no later than 30 days prior to the  
4 scheduled date for the procurement event, during which  
5 applicants may submit applications to be selected as  
6 suppliers of renewable energy credits pursuant to this  
7 subsection (c-5). The eligibility criteria for selection  
8 as a supplier of renewable energy credits pursuant to this  
9 subsection (c-5) shall be as follows:

10 (A) The applicant owns an electric generating  
11 facility located in this State that: (i) as of January  
12 1, 2016, burned coal as its primary fuel to generate  
13 electricity; and (ii) has, or had prior to retirement,  
14 an electric generating capacity of at least 150  
15 megawatts. The electric generating facility can be  
16 either: (i) retired as of the date of the procurement  
17 event; or (ii) still operating as of the date of the  
18 procurement event.

19 (B) The applicant is not (i) an electric  
20 cooperative as defined in Section 3-119 of the Public  
21 Utilities Act, or (ii) an entity described in  
22 subsection (b)(1) of Section 3-105 of the Public  
23 Utilities Act, or an association or consortium of or  
24 an entity owned by entities described in (i) or (ii);  
25 and the coal-fueled electric generating facility was  
26 at one time owned, in whole or in part, by a public

1 utility as defined in Section 3-105 of the Public  
2 Utilities Act.

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

24 (D) The applicant agrees that the new renewable  
25 energy facility and the energy storage facility will  
26 be constructed or installed by a qualified entity or



1 entities in compliance with the requirements of  
2 subsection (g) of Section 16-128A of the Public  
3 Utilities Act and any rules adopted thereunder.

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

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

1           that, on or before the commercial operation date of  
2           the new renewable energy facility, the applicant shall  
3           file a report with the Agency certifying that the  
4           requirements of this subparagraph (F) have been met.

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

16          (H) The applicant commits to enter into a contract  
17          or contracts for the applicable duration to provide  
18          specified numbers of renewable energy credits each  
19          year from the new renewable energy facility to  
20          electric utilities that served more than 300,000  
21          retail customers in this State as of January 1, 2019,  
22          at a price of \$30 per renewable energy credit. The  
23          price per renewable energy credit shall be fixed at  
24          \$30 for the applicable duration and the renewable  
25          energy credits shall not be indexed renewable energy  
26          credits as provided for in item (v) of subparagraph

1 (G) of paragraph (1) of subsection (c) of Section 1-75  
2 of this Act. The applicable duration of each contract  
3 shall be 20 years, unless the applicant is physically  
4 interconnected to the PJM Interconnection, LLC  
5 transmission grid and had a generating capacity of at  
6 least 1,200 megawatts as of January 1, 2021, in which  
7 case the applicable duration of the contract shall be  
8 15 years.

9 (I) The applicant's application is certified by an  
10 officer of the applicant and by an officer of the  
11 applicant's ultimate parent company, if any.

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

22 (4) The Agency shall assess fees to each applicant to  
23 recover the Agency's costs incurred in receiving and  
24 evaluating applications, conducting the procurement event,  
25 developing contracts for sale, delivery and purchase of  
26 renewable energy credits, and monitoring the

1 administration of such contracts, as provided for in this  
2 subsection (c-5), including fees paid to a procurement  
3 administrator retained by the Agency for one or more of  
4 these purposes.

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

1 reduced based on renewable energy credits procured in the  
2 self-direct renewable energy credit compliance program  
3 established pursuant to subparagraph (R) of paragraph (1)  
4 of subsection (c) of Section 1-75.

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

23 (7) The Agency shall submit its proposed selection of  
24 applicants, new renewable energy facilities to be  
25 constructed, and renewable energy credit amounts for each  
26 procurement event to the Commission for approval. The

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

11 (8) The Agency, in conjunction with its procurement  
12 administrator if one is retained, the electric utilities,  
13 and potential applicants for contracts to produce and  
14 supply renewable energy credits pursuant to this  
15 subsection (c-5), shall develop a standard form contract  
16 for the sale, delivery and purchase of renewable energy  
17 credits pursuant to this subsection (c-5). Each contract  
18 resulting from the first procurement event shall allow for  
19 a commercial operation date for the new renewable energy  
20 facility of either June 1, 2023 or June 1, 2024, with such  
21 dates subject to adjustment as provided in this paragraph.  
22 Each contract resulting from the second procurement event  
23 shall provide for a commercial operation date on June 1  
24 next occurring up to 48 months after execution of the  
25 contract. Each contract shall provide that the owner shall  
26 receive payments for renewable energy credits for the

1 applicable durations beginning with the commercial  
2 operation date of the new renewable energy facility. The  
3 form contract shall provide for adjustments to the  
4 commercial operation and payment start dates as needed due  
5 to any delays in completing the procurement and  
6 contracting processes, in finalizing interconnection  
7 agreements and installing interconnection facilities, and  
8 in obtaining other necessary governmental permits and  
9 approvals. The form contract shall be, to the maximum  
10 extent possible, consistent with standard electric  
11 industry contracts for sale, delivery, and purchase of  
12 renewable energy credits while taking into account the  
13 specific requirements of this subsection (c-5). The form  
14 contract shall provide for over-delivery and  
15 under-delivery of renewable energy credits within  
16 reasonable ranges during each 12-month period and penalty,  
17 default, and enforcement provisions for failure of the  
18 selling party to deliver renewable energy credits as  
19 specified in the contract and to comply with the  
20 requirements of this subsection (c-5). The standard form  
21 contract shall specify that all renewable energy credits  
22 delivered to the electric utility pursuant to the contract  
23 shall be retired. The Agency shall make the proposed  
24 contracts available for a reasonable period for comment by  
25 potential applicants, and shall publish the final form  
26 contract at least 30 days before the date of the first

1 procurement event.

2 (9) Coal to Solar and Energy Storage Initiative  
3 Charge.

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



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

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

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

20 (A) The Coal to Solar and Energy Storage  
21 Initiative Fund is established as a special fund in  
22 the State treasury. The Coal to Solar and Energy  
23 Storage Initiative Fund is authorized to receive, by  
24 statutory deposit, that portion specified in item (B)  
25 of paragraph (9) of this subsection (c-5) of moneys  
26 collected by electric utilities through imposition of

1 the Coal to Solar and Energy Storage Initiative Charge  
2 required by this subsection (c-5). The Coal to Solar  
3 and Energy Storage Initiative Fund shall be  
4 administered by the Department to provide grants to  
5 support the installation and operation of energy  
6 storage facilities at the sites of qualifying electric  
7 generating facilities meeting the criteria specified  
8 in this paragraph (10).

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

19 (C) The Department shall utilize up to  
20 \$280,500,000 in the Coal to Solar and Energy Storage  
21 Initiative Fund for grants, assuming sufficient  
22 qualifying applicants, to support installation of  
23 energy storage facilities at the sites of up to 3  
24 qualifying electric generating facilities located in  
25 the Midcontinent Independent System Operator, Inc.,  
26 region in Illinois and the sites of up to 2 qualifying

1 electric generating facilities located in the PJM  
2 Interconnection, LLC region in Illinois that meet the  
3 criteria set forth in this subparagraph (C). The  
4 criteria for receipt of a grant pursuant to this  
5 subparagraph (C) are as follows:

6 (1) the electric generating facility at the  
7 site has, or had prior to retirement, an electric  
8 generating capacity of at least 150 megawatts;

9 (2) the electric generating facility burns (or  
10 burned prior to retirement) coal as its primary  
11 source of fuel;

12 (3) if the electric generating facility is  
13 retired, it was retired subsequent to January 1,  
14 2016;

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

23 (5) the electric generating facility located  
24 at the site was at one time owned, in whole or in  
25 part, by a public utility as defined in Section  
26 3-105 of the Public Utilities Act;

1           (6) the electric generating facility at the  
2 site is not owned by (i) an electric cooperative  
3 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  
7 or an entity owned by entities described in items  
8 (i) or (ii);

9           (7) the proposed energy storage facility at  
10 the site will have energy storage capacity of at  
11 least 37 megawatts;

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

21           (9) the owner agrees that the new energy  
22 storage facility will be constructed or installed  
23 by a qualified entity or entities consistent with  
24 the requirements of subsection (g) of Section  
25 16-128A of the Public Utilities Act and any rules  
26 adopted under that Section;

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

15 (11) the owner commits that not less than the  
16 prevailing wage, as determined pursuant to the  
17 Prevailing Wage Act, will be paid to the owner's  
18 employees engaged in construction activities  
19 associated with the new energy storage facility  
20 and to the employees of the owner's contractors  
21 engaged in construction activities associated with  
22 the new energy storage facility, and that, on or  
23 before the commercial operation date of the new  
24 energy storage facility, the owner shall file a  
25 report with the Department certifying that the  
26 requirements of this subparagraph (11) have been

1 met; and

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

13 The Department shall accept applications for this  
14 grant program until March 31, 2022 and shall announce  
15 the award of grants no later than June 1, 2022. The  
16 Department shall make the grant payments to a  
17 recipient in equal annual amounts for 10 years  
18 following the date the energy storage facility is  
19 placed into commercial operation. The annual grant  
20 payments to a qualifying energy storage facility shall  
21 be \$110,000 per megawatt of energy storage capacity,  
22 with total annual grant payments pursuant to this  
23 subparagraph (C) for qualifying energy storage  
24 facilities not to exceed \$28,050,000 in any year.

25 (D) Grants of funding for energy storage  
26 facilities pursuant to subparagraph (C) of this

1 paragraph (10), from the Coal to Solar and Energy  
2 Storage Initiative Fund, shall be memorialized in  
3 grant contracts between the Department and the  
4 recipient. The grant contracts shall specify the date  
5 or dates in each year on which the annual grant  
6 payments shall be paid.

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

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

19 (A) Each applicant selected in a procurement event  
20 to contract to supply renewable energy credits in  
21 accordance with this subsection (c-5) and each owner  
22 selected by the Department to receive a grant or  
23 grants to support the construction and operation of a  
24 new energy storage facility or facilities in  
25 accordance with this subsection (c-5) shall, within 60  
26 days following the Commission's approval of the

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

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



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

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

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

16 (D) The applicant or owner may submit a revised or  
17 updated plan to the Commission from time to time as  
18 circumstances warrant. The applicant or owner shall  
19 file annual reports with the Commission detailing the  
20 applicant's or owner's progress in implementing its  
21 plan and achieving its goals and any modifications the  
22 applicant or owner has made to its plan to better  
23 achieve its diversity, equity and inclusion goals. The  
24 applicant or owner shall file a final report on the  
25 fifth June 1 following the commercial operation date  
26 of the new renewable energy resource or new energy

1 storage facility, but the applicant or owner shall  
2 thereafter continue to be subject to applicable  
3 reporting requirements of Section 5-117 of the Public  
4 Utilities Act.

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

25 (1) Minimum equity standards. The Agency shall create  
26 programs with the purpose of increasing access to and

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

1 of annual increases shall be revisited and updated on an  
2 annual basis. Revisions shall be developed with  
3 stakeholder input, including from equity eligible persons,  
4 equity eligible contractors, clean energy industry  
5 representatives, and community-based organizations that  
6 work with such persons and contractors.

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

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

23 (C) At the end of each delivery year, each entity  
24 participating and completing work in that delivery  
25 year in a procurement program of subsection (c) shall  
26 submit a report to the Agency that demonstrates how it

1           achieved compliance with the minimum equity standards  
2           percentage for that delivery year.

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

18          (E) The Agency shall pursue efficiencies achieved  
19          by combining with other approved vendor or designee  
20          reporting.

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

25          (3) Equity accountability system within competitive  
26          procurements. Through its long-term renewable resources

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

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

25 (A) The current status and number of equity  
26 eligible contractors listed in the Energy Workforce

1 Equity Database designed in subsection (c-25),  
2 including the number of equity eligible contractors  
3 with current certifications as issued by the Agency.

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

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

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

22 (E) An application for waiver of the minimum  
23 equity standards of this subsection, which the Agency  
24 shall have the discretion to grant in rare  
25 circumstances. The Agency may grant such a waiver  
26 where the applicant provides evidence of significant



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

25 (5) The Agency shall collect information about work on  
26 projects or portfolios of projects subject to these

1 minimum equity standards to ensure compliance with this  
2 subsection (c-10). Reporting in furtherance of this  
3 requirement may be combined with other annual reporting  
4 requirements. Such reporting shall include proof of  
5 certification of each equity eligible contractor or equity  
6 eligible person during the applicable time period.

7 (6) The Agency shall keep confidential all information  
8 and communication that provides private or personal  
9 information.

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

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

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

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

21 (2) Racial disparity and discrimination review  
22 process.

23 (A) Within one year after awarding contracts using  
24 the equity actions processes established in this  
25 Section, the Agency shall publish a report evaluating  
26 the effectiveness of the equity actions point criteria

1 of this Section in increasing participation of equity  
2 eligible persons and equity eligible contractors. The  
3 report shall disaggregate participating workers and  
4 contractors by race and ethnicity. The report shall be  
5 forwarded to the Governor, the General Assembly, and  
6 the Illinois Commerce Commission and be made available  
7 to the public.

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

1           Opportunity, Department of Labor, Department of  
2           Corrections, and other appropriate agencies shall take  
3           appropriate remedial actions, including race-conscious  
4           remedial actions as consistent with State and federal  
5           law, to effectively remedy this discrimination. Such  
6           remedies may include modification of the equity  
7           accountability system as described in subsection  
8           (c-10).

9           (c-20) Program data collection.

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

22           (2) Agency collection of program data. The Agency  
23           shall collect demographic and geographic data for each  
24           entity awarded contracts under any Agency-administered  
25           program.

26           (3) Required information to be collected. The Agency

1 shall collect the following information from applicants  
2 and program participants where applicable:

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

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

13 (C) any other information the Agency determines is  
14 necessary for the purpose of achieving the purpose of  
15 this subsection.

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

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

24 (c-25) Energy Workforce Equity Database.

25 (1) The Agency, in consultation with the Department of  
26 Commerce and Economic Opportunity, shall create an Energy

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

9 (A) publicly accessible;

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

11 (C) organized by company specialty or field;

12 (D) region-specific; and

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

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

22 (A) a map of environmental justice and equity  
23 investment eligible communities;

24 (B) job postings and recruiting opportunities;

25 (C) a means by which recruiting clean energy  
26 companies can find and interact with current or former

1 participants of clean energy workforce training  
2 programs;

3 (D) information on workforce training service  
4 providers and training opportunities available to  
5 prospective workers;

6 (E) renewable energy company diversity reporting;

7 (F) a list of equity eligible contractors with  
8 their contact information, types of work performed,  
9 and locations worked in;

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

15 (H) information about the Jobs and Environmental  
16 Justice Grant Program, the Clean Energy Jobs and  
17 Justice Fund, and other sources of capital.

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



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

16 (d) Clean coal portfolio standard.

17 (1) The procurement plans shall include electricity  
18 generated using clean coal. Each utility shall enter into  
19 one or more sourcing agreements with the initial clean  
20 coal facility, as provided in paragraph (3) of this  
21 subsection (d), covering electricity generated by the  
22 initial clean coal facility representing at least 5% of  
23 each utility's total supply to serve the load of eligible  
24 retail customers in 2015 and each year thereafter, as  
25 described in paragraph (3) of this subsection (d), subject  
26 to the limits specified in paragraph (2) of this

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

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

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

25 A utility shall be deemed to have complied with the  
26 clean coal portfolio standard specified in this subsection

1 (d) if the utility enters into a sourcing agreement as  
2 required by this subsection (d).

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

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

25 (A) in 2010, no more than 0.5% of the amount paid  
26 per kilowatthour by those customers during the year

1 ending May 31, 2009;

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

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

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

17 (E) thereafter, the total amount paid under  
18 sourcing agreements with clean coal facilities  
19 pursuant to the procurement plan for any single year  
20 shall be reduced by an amount necessary to limit the  
21 estimated average net increase due to the cost of  
22 these resources included in the amounts paid by  
23 eligible retail customers in connection with electric  
24 service to no more than the greater of (i) 2.015% of  
25 the amount paid per kilowatthour by those customers  
26 during the year ending May 31, 2009 or (ii) the

1 incremental amount per kilowatthour paid for these  
2 resources in 2013. These requirements may be altered  
3 only as provided by statute.

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

12 (3) Initial clean coal facility. In order to promote  
13 development of clean coal facilities in Illinois, each  
14 electric utility subject to this Section shall execute a  
15 sourcing agreement to source electricity from a proposed  
16 clean coal facility in Illinois (the "initial clean coal  
17 facility") that will have a nameplate capacity of at least  
18 500 MW when commercial operation commences, that has a  
19 final Clean Air Act permit on June 1, 2009 (the effective  
20 date of Public Act 95-1027), and that will meet the  
21 definition of clean coal facility in Section 1-10 of this  
22 Act when commercial operation commences. The sourcing  
23 agreements with this initial clean coal facility shall be  
24 subject to both approval of the initial clean coal  
25 facility by the General Assembly and satisfaction of the  
26 requirements of paragraph (4) of this subsection (d) and

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

8 (A) a formula contractual price (the "contract  
9 price") approved pursuant to paragraph (4) of this  
10 subsection (d), which shall:

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

21 (ii) provide that all miscellaneous net  
22 revenue, including but not limited to net revenue  
23 from the sale of emission allowances, if any,  
24 substitute natural gas, if any, grants or other  
25 support provided by the State of Illinois or the  
26 United States Government, firm transmission

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

11 (B) power purchase provisions, which shall:

12 (i) provide that the utility party to such  
13 sourcing agreement shall pay the contract price  
14 for electricity delivered under such sourcing  
15 agreement;

16 (ii) require delivery of electricity to the  
17 regional transmission organization market of the  
18 utility that is party to such sourcing agreement;

19 (iii) require the utility party to such  
20 sourcing agreement to buy from the initial clean  
21 coal facility in each hour an amount of energy  
22 equal to all clean coal energy made available from  
23 the initial clean coal facility during such hour  
24 times a fraction, the numerator of which is such  
25 utility's retail market sales of electricity  
26 (expressed in kilowatthours sold) in the State

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

14 (iv) be considered pre-existing contracts in  
15 such utility's procurement plans for eligible  
16 retail customers;

17 (C) contract for differences provisions, which  
18 shall:

19 (i) require the utility party to such sourcing  
20 agreement to contract with the initial clean coal  
21 facility in each hour with respect to an amount of  
22 energy equal to all clean coal energy made  
23 available from the initial clean coal facility  
24 during such hour times a fraction, the numerator  
25 of which is such utility's retail market sales of  
26 electricity (expressed in kilowatthours sold) in



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

15 (ii) provide that the utility's payment  
16 obligation in respect of the quantity of  
17 electricity determined pursuant to the preceding  
18 clause (i) shall be limited to an amount equal to  
19 (1) the difference between the contract price  
20 determined pursuant to subparagraph (A) of  
21 paragraph (3) of this subsection (d) and the  
22 day-ahead price for electricity delivered to the  
23 regional transmission organization market of the  
24 utility that is party to such sourcing agreement  
25 (or any successor delivery point at which such  
26 utility's supply obligations are financially

1 settled on an hourly basis) (the "reference  
2 price") on the day preceding the day on which the  
3 electricity is delivered to the initial clean coal  
4 facility busbar, multiplied by (2) the quantity of  
5 electricity determined pursuant to the preceding  
6 clause (i); and

7 (iii) not require the utility to take physical  
8 delivery of the electricity produced by the  
9 facility;

10 (D) general provisions, which shall:

11 (i) specify a term of no more than 30 years,  
12 commencing on the commercial operation date of the  
13 facility;

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

22 (iii) provide that all costs associated with  
23 the initial clean coal facility will be  
24 periodically reported to the Federal Energy  
25 Regulatory Commission and to purchasers in  
26 accordance with applicable laws governing

1 cost-based wholesale power contracts;

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

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

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

1 coal facility, with the advance written approval  
2 of the Attorney General. The Commission may, in  
3 the course of the review specified in item (vii),  
4 reduce the allowable return on equity for the  
5 facility if the facility willfully fails to comply  
6 with the carbon capture and sequestration  
7 requirements set forth in this item (v);

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

13 (vii) require Commission review: (1) to  
14 determine the justness, reasonableness, and  
15 prudence of the inputs to the formula referenced  
16 in subparagraphs (A)(i) through (A)(iii) of  
17 paragraph (3) of this subsection (d), prior to an  
18 adjustment in those inputs including, without  
19 limitation, the capital structure and return on  
20 equity, fuel costs, and other operations and  
21 maintenance costs and (2) to approve the costs to  
22 be passed through to customers under the sourcing  
23 agreement by which the utility satisfies its  
24 statutory obligations. Commission review shall  
25 occur no less than every 3 years, regardless of  
26 whether any adjustments have been proposed, and

1 shall be completed within 9 months;

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

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

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

22 (xi) append documentation showing that the  
23 formula rate and contract, insofar as they relate  
24 to the power purchase provisions, have been  
25 approved by the Federal Energy Regulatory  
26 Commission pursuant to Section 205 of the Federal

1 Power Act;

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

9 (xiii) conform with customary lender  
10 requirements in power purchase agreements used as  
11 the basis for financing non-utility generators.

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

17 (i) Facility cost report. The owner of the initial  
18 clean coal facility shall submit to the Commission,  
19 the Agency, and the General Assembly a front-end  
20 engineering and design study, a facility cost report,  
21 method of financing (including but not limited to  
22 structure and associated costs), and an operating and  
23 maintenance cost quote for the facility (collectively  
24 "facility cost report"), which shall be prepared in  
25 accordance with the requirements of this paragraph (4)  
26 of subsection (d) of this Section, and shall provide

1 the Commission and the Agency access to the work  
2 papers, relied upon documents, and any other backup  
3 documentation related to the facility cost report.

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

26 (iii) General Assembly approval. The proposed



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

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

23 (A) The facility cost report shall be prepared by  
24 duly licensed engineering and construction firms  
25 detailing the estimated capital costs payable to one  
26 or more contractors or suppliers for the engineering,

1 procurement and construction of the components  
2 comprising the initial clean coal facility and the  
3 estimated costs of operation and maintenance of the  
4 facility. The facility cost report shall include:

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

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

23 The quoted construction costs shall be expressed  
24 in nominal dollars as of the date that the quote is  
25 prepared and shall include capitalized financing costs  
26 during construction, taxes, insurance, and other

1 owner's costs, and an assumed escalation in materials  
2 and labor beyond the date as of which the construction  
3 cost quote is expressed.

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

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

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

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

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

21          (5) Re-powering and retrofitting coal-fired power  
22          plants previously owned by Illinois utilities to qualify  
23          as clean coal facilities. During the 2009 procurement  
24          planning process and thereafter, the Agency and the  
25          Commission shall consider sourcing agreements covering  
26          electricity generated by power plants that were previously

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

24 (6) Costs incurred under this subsection (d) or  
25 pursuant to a contract entered into under this subsection  
26 (d) shall be deemed prudently incurred and reasonable in

1 amount and the electric utility shall be entitled to full  
2 cost recovery pursuant to the tariffs filed with the  
3 Commission.

4 (d-5) Zero emission standard.

5 (1) Beginning with the delivery year commencing on  
6 June 1, 2017, the Agency shall, for electric utilities  
7 that serve at least 100,000 retail customers in this  
8 State, procure contracts with zero emission facilities  
9 that are reasonably capable of generating cost-effective  
10 zero emission credits in an amount approximately equal to  
11 16% of the actual amount of electricity delivered by each  
12 electric utility to retail customers in the State during  
13 calendar year 2014. For an electric utility serving fewer  
14 than 100,000 retail customers in this State that  
15 requested, under Section 16-111.5 of the Public Utilities  
16 Act, that the Agency procure power and energy for all or a  
17 portion of the utility's Illinois load for the delivery  
18 year commencing June 1, 2016, the Agency shall procure  
19 contracts with zero emission facilities that are  
20 reasonably capable of generating cost-effective zero  
21 emission credits in an amount approximately equal to 16%  
22 of the portion of power and energy to be procured by the  
23 Agency for the utility. The duration of the contracts  
24 procured under this subsection (d-5) shall be for a term  
25 of 10 years ending May 31, 2027. The quantity of zero  
26 emission credits to be procured under the contracts shall

1 be all of the zero emission credits generated by the zero  
2 emission facility in each delivery year; however, if the  
3 zero emission facility is owned by more than one entity,  
4 then the quantity of zero emission credits to be procured  
5 under the contracts shall be the amount of zero emission  
6 credits that are generated from the portion of the zero  
7 emission facility that is owned by the winning supplier.

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

12 The procurement process shall be subject to the  
13 following provisions:

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

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

21 (ii) the amount of power generated annually  
22 for each of the years 2005 through 2015, and the  
23 projected zero emission credits to be generated  
24 over the remaining useful life of the zero  
25 emission facility, which shall be used to  
26 determine the capability of each facility;

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

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

23 The information described in item (iii) of this  
24 subparagraph (A) may be submitted on a confidential  
25 basis and shall be treated and maintained by the  
26 Agency, the procurement administrator, and the



1 Commission as confidential and proprietary and exempt  
2 from disclosure under subparagraphs (a) and (g) of  
3 paragraph (1) of Section 7 of the Freedom of  
4 Information Act. The Office of Attorney General shall  
5 have access to, and maintain the confidentiality of,  
6 such information pursuant to Section 6.5 of the  
7 Attorney General Act.

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

25 (i) Social Cost of Carbon: The Social Cost of  
26 Carbon is \$16.50 per megawatthour, which is based

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

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

26 (iii) Market price index: The market price

1 index for a delivery year shall be the sum of  
2 projected energy prices and projected capacity  
3 prices determined as follows:

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

19 (bb) Projected capacity prices:

20 (I) For the delivery years commencing  
21 June 1, 2017, June 1, 2018, and June 1,  
22 2019, the projected capacity price shall  
23 be equal to the sum of (1) 50% multiplied  
24 by the Base Residual Auction, or its  
25 successor, price for the rest of the RTO  
26 zone group as determined by PJM

1 Interconnection LLC, divided by 24 hours  
2 per day and, (2) 50% multiplied by the  
3 resource auction price determined in the  
4 resource auction administered by the  
5 Midcontinent Independent System Operator,  
6 Inc., in which the largest percentage of  
7 load cleared for Local Resource Zone 4,  
8 divided by 24 hours per day, and where  
9 such price is determined by the  
10 Midcontinent Independent System Operator,  
11 Inc.

12 (II) For the delivery year commencing  
13 June 1, 2020, and each year thereafter,  
14 the projected capacity price shall be  
15 equal to the sum of (1) 50% multiplied by  
16 the Base Residual Auction, or its  
17 successor, price for the ComEd zone as  
18 determined by PJM Interconnection LLC,  
19 divided by 24 hours per day, and (2) 50%  
20 multiplied by the resource auction price  
21 determined in the resource auction  
22 administered by the Midcontinent  
23 Independent System Operator, Inc., in  
24 which the largest percentage of load  
25 cleared for Local Resource Zone 4, divided  
26 by 24 hours per day, and where such price

1 is determined by the Midcontinent  
2 Independent System Operator, Inc.

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

4 "Rest of the RTO" and "ComEd Zone" shall have  
5 the meaning ascribed to them by PJM  
6 Interconnection, LLC.

7 "RTO" means regional transmission  
8 organization.

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

1 facilities. The plan shall also describe in detail how  
2 each public interest factor shall be considered and  
3 weighted in the bid selection process to ensure that  
4 the public interest criteria are applied to the  
5 procurement and given full effect.

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

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

26 If the Commission determines that the plan will

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

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

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

22 (ii) specifically address how the selection of  
23 winning bids takes into account the incremental  
24 environmental benefits resulting from the  
25 procurement, including any existing environmental  
26 benefits that are preserved by the procurements

1 held under Public Act 99-906 and would have ceased  
2 to exist if the procurements had not been held,  
3 such as the preservation of zero emission  
4 facilities;

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

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

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

23 (I) the price, or if there is more  
24 than one price, the average of the prices,  
25 paid for renewable energy credits from new  
26 utility-scale wind projects in the



1 procurement events specified in item (i)  
2 of subparagraph (G) of paragraph (1) of  
3 subsection (c) of this Section; and

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

16 Each utility shall enter into binding contractual  
17 arrangements with the winning suppliers.

18 The procurement described in this subsection  
19 (d-5), including, but not limited to, the execution of  
20 all contracts procured, shall be completed no later  
21 than May 10, 2017. Based on the effective date of  
22 Public Act 99-906, the Agency and Commission may, as  
23 appropriate, modify the various dates and timelines  
24 under this subparagraph and subparagraphs (C) and (D)  
25 of this paragraph (1). The procurement and plan  
26 approval processes required by this subsection (d-5)

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

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

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

24 (i) A zero emission facility shall be excused  
25 from its performance under the contract for any  
26 cause beyond the control of the resource,

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

20 (ii) A zero emission facility shall be  
21 permitted to terminate the contract if legislation  
22 is enacted into law by the General Assembly that  
23 imposes or authorizes a new tax, special  
24 assessment, or fee on the generation of  
25 electricity, the ownership or leasehold of a  
26 generating unit, or the privilege or occupation of

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

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

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

18          (F) If the zero emission facility elects to  
19          terminate a contract under subparagraph (E) of this  
20          paragraph (1), then the Commission shall reopen the  
21          docket in which the Commission approved the zero  
22          emission standard procurement plan under subparagraph  
23          (C) of this paragraph (1) and, after notice and  
24          hearing, enter an order acknowledging the contract  
25          termination election if such termination is consistent  
26          with the provisions of this subsection (d-5).

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

8           Notwithstanding the requirements of this subsection  
9           (d-5), the contracts executed under this subsection (d-5)  
10          shall provide that the total of zero emission credits  
11          procured under a procurement plan shall be subject to the  
12          limitations of this paragraph (2). For each delivery year,  
13          the contractual volume receiving payments in such year  
14          shall be reduced for all retail customers based on the  
15          amount necessary to limit the net increase that delivery  
16          year to the costs of those credits included in the amounts  
17          paid by eligible retail customers in connection with  
18          electric service to no more than 1.65% of the amount paid  
19          per kilowatthour by eligible retail customers during the  
20          year ending May 31, 2009. The result of this computation  
21          shall apply to and reduce the procurement for all retail  
22          customers, and all those customers shall pay the same  
23          single, uniform cents per kilowatthour charge under  
24          subsection (k) of Section 16-108 of the Public Utilities  
25          Act. To arrive at a maximum dollar amount of zero emission  
26          credits to be paid for the particular delivery year, the

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

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

25 (3) Six years after the execution of a contract under  
26 this subsection (d-5), the Agency shall determine whether

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

23 For purposes of this Section, the Average ZEC Payment  
24 shall be calculated by multiplying the quantity of zero  
25 emission credits delivered under the contract times the  
26 average contract price. The average contract price shall

1 be determined by subtracting the amount calculated under  
2 subparagraph (B) of this paragraph (3) from the amount  
3 calculated under subparagraph (A) of this paragraph (3),  
4 as follows:

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

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

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

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

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

22 (6) Electric utilities shall be entitled to recover  
23 all of the costs associated with the procurement of zero  
24 emission credits through an automatic adjustment clause  
25 tariff in accordance with subsection (k) and (m) of  
26 Section 16-108 of the Public Utilities Act, and the



1 contracts executed under this subsection (d-5) shall  
2 provide that the utilities' payment obligations under such  
3 contracts shall be reduced if an adjustment is required  
4 under subsection (m) of Section 16-108 of the Public  
5 Utilities Act.

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

8 (d-10) Nuclear Plant Assistance; carbon mitigation  
9 credits.

10 (1) The General Assembly finds:

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

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

24 (C) The General Assembly finds that nuclear power  
25 generation is necessary for the State's transition to 100%  
26 clean energy, and ensuring continued operation of nuclear

1 plants advances environmental and public health interests  
2 through providing carbon-free electricity while reducing  
3 the air pollution profile of the Illinois energy  
4 generation fleet.

5 (D) The clean energy attributes of nuclear generation  
6 facilities support the State in its efforts to achieve  
7 100% clean energy.

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

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

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

26 (H) The procurement of carbon mitigation credits

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

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

14 (2) As used in this subsection:

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

1 this definition, that the costs could reasonably be avoided  
2 only by ceasing operations of the carbon-free energy resource.

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

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

10 (3) Procurement.

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

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

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

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

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

16 (iv) financial need and the risk of loss of the  
17 environmental benefits of such resource, which shall  
18 include the following information:

19 (I) the carbon-free energy resource's cost  
20 projections, expressed on a per megawatt-hour  
21 basis, over the next 5 delivery years, which shall  
22 include the following: operation and maintenance  
23 expenses; fully allocated overhead costs, which  
24 shall be allocated using the methodology developed  
25 by the Institute for Nuclear Power Operations;  
26 fuel expenditures; nonfuel capital expenditures;

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

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

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

25           (C) The Agency shall solicit bids for the contracts  
26           described in this subsection (d-10) from carbon-free

1 energy resources that have satisfied the requirements of  
2 subparagraph (B) of this paragraph (3). The contracts  
3 procured pursuant to a procurement event shall reflect,  
4 and be subject to, the following terms, requirements, and  
5 limitations:

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

14 (ii) Contracts for carbon mitigation credits shall  
15 commence with the delivery year beginning on June 1,  
16 2022 and shall be for a term of 5 delivery years  
17 concluding on May 31, 2027.

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

21 (I) one of the following energy price indices,  
22 selected by the bidder at the time of the bid for  
23 the term of the contract:

24 (aa) the weighted-average hourly day-ahead  
25 price for the applicable delivery year at the  
26 busbar of all resources procured pursuant to

1           this subsection (d-10), weighted by actual  
2           production from the resources; or

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

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

24                   (III) any value of monetized federal tax  
25          credits, direct payments, or similar subsidy  
26          provided to the carbon-free energy resource from



1 any unit of government that is not already  
2 reflected in energy prices.

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

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

22 (iv) To ensure that retail customers in Northern  
23 Illinois do not pay more for carbon mitigation credits  
24 than the value such credits provide, and  
25 notwithstanding the provisions of this subsection  
26 (d-10), the Agency shall not accept bids for contracts

1 that exceed a customer protection cap equal to the  
2 baseline costs of carbon-free energy resources.

3 The baseline costs for the applicable year shall  
4 be the following:

5 (I) For the delivery year beginning June 1,  
6 2022, the baseline costs shall be an amount equal  
7 to \$30.30 per megawatt-hour.

8 (II) For the delivery year beginning June 1,  
9 2023, the baseline costs shall be an amount equal  
10 to \$32.50 per megawatt-hour.

11 (III) For the delivery year beginning June 1,  
12 2024, the baseline costs shall be an amount equal  
13 to \$33.43 per megawatt-hour.

14 (IV) For the delivery year beginning June 1,  
15 2025, the baseline costs shall be an amount equal  
16 to \$33.50 per megawatt-hour.

17 (V) For the delivery year beginning June 1,  
18 2026, the baseline costs shall be an amount equal  
19 to \$34.50 per megawatt-hour.

20 An Environmental Protection Agency consultant  
21 forecast, included in a report issued April 14, 2021,  
22 projects that a carbon-free energy resource has the  
23 opportunity to earn on average approximately \$30.28  
24 per megawatt-hour, for the sale of energy and capacity  
25 during the time period between 2022 and 2027.  
26 Therefore, the sale of carbon mitigation credits

1 provides the opportunity to receive an additional  
2 amount per megawatt-hour in addition to the projected  
3 prices for energy and capacity.

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

17 (D) No later than 7 days after the effective date of  
18 this amendatory Act of the 102nd General Assembly, the  
19 Agency shall publish its proposed carbon mitigation credit  
20 procurement plan. The Plan shall provide that winning bids  
21 shall be selected by taking into consideration which  
22 resources best match public interest criteria that  
23 include, but are not limited to, minimizing carbon dioxide  
24 emissions that result from electricity consumed in  
25 Illinois and minimizing sulfur dioxide, nitrogen oxide,  
26 and particulate matter emissions that adversely affect the

1 citizens of this State. The selection of winning bids  
2 shall also take into account the incremental environmental  
3 benefits resulting from the procurement or procurements,  
4 such as any existing environmental benefits that are  
5 preserved by a procurement held under this subsection  
6 (d-10) and would cease to exist if the procurement were  
7 not held, including the preservation of carbon-free energy  
8 resources. For those bidders having the same public  
9 interest criteria score, the relative ranking of such  
10 bidders shall be determined by price. The Plan shall  
11 describe in detail how each public interest factor shall  
12 be considered and weighted in the bid selection process to  
13 ensure that the public interest criteria are applied to  
14 the procurement. The Plan shall, to the extent practical  
15 and permissible by federal law, ensure that successful  
16 bidders make commercially reasonable efforts to apply for  
17 federal tax credits, direct payments, or similar subsidy  
18 programs that support carbon-free generation and for which  
19 the successful bidder is eligible. Upon publishing of the  
20 carbon mitigation credit procurement plan, copies of the  
21 plan shall be posted and made publicly available on the  
22 Agency's website. All interested parties shall have 7 days  
23 following the date of posting to provide comment to the  
24 Agency on the plan. All comments shall be posted to the  
25 Agency's website. Following the end of the comment period,  
26 but no more than 19 days later than the effective date of

1           this amendatory Act of the 102nd General Assembly, the  
2           Agency shall revise the plan as necessary based on the  
3           comments received and file its carbon mitigation credit  
4           procurement plan with the Commission.

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

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

25                 (ii) specifically address how the selection of  
26                 carbon-free energy resources takes into account the

1 incremental environmental benefits resulting from the  
2 procurement, including any existing environmental  
3 benefits that are preserved by the procurements held  
4 under this amendatory Act of the 102nd General  
5 Assembly and would have ceased to exist if the  
6 procurements had not been held, such as the  
7 preservation of carbon-free energy resources;

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

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

18 (II) an assessment of costs of replacement  
19 with other carbon-free energy resources and  
20 renewable energy resources, including wind and  
21 photovoltaic generation, based upon an assessment  
22 of the prices paid for renewable energy credits  
23 through programs and procurements conducted  
24 pursuant to subsection (c) of Section 1-75 of this  
25 Act, and the additional storage necessary to  
26 produce the same or similar capability of matching

1 customer usage patterns.

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

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

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

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

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

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

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

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

17          (h) The Agency shall assess fees to each bidder to recover  
18 the costs incurred in connection with a competitive  
19 procurement process.

20          (i) A renewable energy credit, carbon emission credit,  
21 zero emission credit, or carbon mitigation credit can only be  
22 used once to comply with a single portfolio or other standard  
23 as set forth in subsection (c), subsection (d), or subsection  
24 (d-5) of this Section, respectively. A renewable energy  
25 credit, carbon emission credit, zero emission credit, or  
26 carbon mitigation credit cannot be used to satisfy the



1 requirements of more than one standard. If more than one type  
2 of credit is issued for the same megawatt hour of energy, only  
3 one credit can be used to satisfy the requirements of a single  
4 standard. After such use, the credit must be retired together  
5 with any other credits issued for the same megawatt hour of  
6 energy.

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

9 Section 15. The Public Utilities Act is amended by  
10 changing Sections 8-103B, 16-107.6, 16-108, 16-111.5, and  
11 16-135 as follows:

12 (220 ILCS 5/8-103B)

13 Sec. 8-103B. Energy efficiency and demand-response  
14 measures.

15 (a) It is the policy of the State that electric utilities  
16 are required to use cost-effective energy efficiency and  
17 demand-response measures to reduce delivery load. Requiring  
18 investment in cost-effective energy efficiency and  
19 demand-response measures will reduce direct and indirect costs  
20 to consumers by decreasing environmental impacts and by  
21 avoiding or delaying the need for new generation,  
22 transmission, and distribution infrastructure. It serves the  
23 public interest to allow electric utilities to recover costs  
24 for reasonably and prudently incurred expenditures for energy

1 efficiency and demand-response measures. As used in this  
2 Section, "cost-effective" means that the measures satisfy the  
3 total resource cost test. The low-income measures described in  
4 subsection (c) of this Section shall not be required to meet  
5 the total resource cost test. For purposes of this Section,  
6 the terms "energy-efficiency", "demand-response", "electric  
7 utility", and "total resource cost test" have the meanings set  
8 forth in the Illinois Power Agency Act. "Black, indigenous,  
9 and people of color" and "BIPOC" means people who are members  
10 of the groups described in subparagraphs (a) through (e) of  
11 paragraph (A) of subsection (1) of Section 2 of the Business  
12 Enterprise for Minorities, Women, and Persons with  
13 Disabilities Act.

14 (a-5) This Section applies to electric utilities serving  
15 more than 500,000 retail customers in the State for those  
16 multi-year plans commencing after December 31, 2017.

17 (b) For purposes of this Section, through calendar year  
18 2026, electric utilities subject to this Section that serve  
19 more than 3,000,000 retail customers in the State shall be  
20 deemed to have achieved a cumulative persisting annual savings  
21 of 6.6% from energy efficiency measures and programs  
22 implemented during the period beginning January 1, 2012 and  
23 ending December 31, 2017, which percent is based on the deemed  
24 average weather normalized sales of electric power and energy  
25 during calendar years 2014, 2015, and 2016 of 88,000,000 MWhs.  
26 For the purposes of this subsection (b) and subsection (b-5),

1 the 88,000,000 MWhs of deemed electric power and energy sales  
2 shall be reduced by the number of MWhs equal to the sum of the  
3 annual consumption of customers that have opted out of  
4 subsections (a) through (j) of this Section under paragraph  
5 (1) of subsection (1) of this Section, as averaged across the  
6 calendar years 2014, 2015, and 2016. After 2017, the deemed  
7 value of cumulative persisting annual savings from energy  
8 efficiency measures and programs implemented during the period  
9 beginning January 1, 2012 and ending December 31, 2017, shall  
10 be reduced each year, as follows, and the applicable value  
11 shall be applied to and count toward the utility's achievement  
12 of the cumulative persisting annual savings goals set forth in  
13 subsection (b-5):

14 (1) 5.8% deemed cumulative persisting annual savings  
15 for the year ending December 31, 2018;

16 (2) 5.2% deemed cumulative persisting annual savings  
17 for the year ending December 31, 2019;

18 (3) 4.5% deemed cumulative persisting annual savings  
19 for the year ending December 31, 2020;

20 (4) 4.0% deemed cumulative persisting annual savings  
21 for the year ending December 31, 2021;

22 (5) 3.5% deemed cumulative persisting annual savings  
23 for the year ending December 31, 2022;

24 (6) 3.1% deemed cumulative persisting annual savings  
25 for the year ending December 31, 2023;

26 (7) 2.8% deemed cumulative persisting annual savings

1 for the year ending December 31, 2024;

2 (8) 2.5% deemed cumulative persisting annual savings  
3 for the year ending December 31, 2025; and

4 (9) 2.3% deemed cumulative persisting annual savings  
5 for the year ending December 31, 2026.†

6 ~~(10) 2.1% deemed cumulative persisting annual savings~~  
7 ~~for the year ending December 31, 2027;~~

8 ~~(11) 1.8% deemed cumulative persisting annual savings~~  
9 ~~for the year ending December 31, 2028;~~

10 ~~(12) 1.7% deemed cumulative persisting annual savings~~  
11 ~~for the year ending December 31, 2029;~~

12 ~~(13) 1.5% deemed cumulative persisting annual savings~~  
13 ~~for the year ending December 31, 2030;~~

14 ~~(14) 1.3% deemed cumulative persisting annual savings~~  
15 ~~for the year ending December 31, 2031;~~

16 ~~(15) 1.1% deemed cumulative persisting annual savings~~  
17 ~~for the year ending December 31, 2032;~~

18 ~~(16) 0.9% deemed cumulative persisting annual savings~~  
19 ~~for the year ending December 31, 2033;~~

20 ~~(17) 0.7% deemed cumulative persisting annual savings~~  
21 ~~for the year ending December 31, 2034;~~

22 ~~(18) 0.5% deemed cumulative persisting annual savings~~  
23 ~~for the year ending December 31, 2035;~~

24 ~~(19) 0.4% deemed cumulative persisting annual savings~~  
25 ~~for the year ending December 31, 2036;~~

26 ~~(20) 0.3% deemed cumulative persisting annual savings~~

1 ~~for the year ending December 31, 2037;~~

2 ~~(21) 0.2% deemed cumulative persisting annual savings~~  
3 ~~for the year ending December 31, 2038;~~

4 ~~(22) 0.1% deemed cumulative persisting annual savings~~  
5 ~~for the year ending December 31, 2039; and~~

6 ~~(23) 0.0% deemed cumulative persisting annual savings~~  
7 ~~for the year ending December 31, 2040 and all subsequent~~  
8 ~~years.~~

9 For purposes of this Section, "cumulative persisting  
10 annual savings" means the total electric energy savings in a  
11 given year from measures installed in that year or in previous  
12 years, but no earlier than January 1, 2012, that are still  
13 operational and providing savings in that year because the  
14 measures have not yet reached the end of their useful lives.

15 (b-5) Beginning in 2018 and through calendar year 2026,  
16 electric utilities subject to this Section that serve more  
17 than 3,000,000 retail customers in the State shall achieve the  
18 following cumulative persisting annual savings goals, as  
19 modified by subsection (f) of this Section and as compared to  
20 the deemed baseline of 88,000,000 MWhs of electric power and  
21 energy sales set forth in subsection (b), as reduced by the  
22 number of MWhs equal to the sum of the annual consumption of  
23 customers that have opted out of subsections (a) through (j)  
24 of this Section under paragraph (1) of subsection (l) of this  
25 Section as averaged across the calendar years 2014, 2015, and  
26 2016, through the implementation of energy efficiency measures

1 during the applicable year and in prior years, but no earlier  
2 than January 1, 2012:

3 (1) 7.8% cumulative persisting annual savings for the  
4 year ending December 31, 2018;

5 (2) 9.1% cumulative persisting annual savings for the  
6 year ending December 31, 2019;

7 (3) 10.4% cumulative persisting annual savings for the  
8 year ending December 31, 2020;

9 (4) 11.8% cumulative persisting annual savings for the  
10 year ending December 31, 2021;

11 (5) 13.1% cumulative persisting annual savings for the  
12 year ending December 31, 2022;

13 (6) 14.4% cumulative persisting annual savings for the  
14 year ending December 31, 2023;

15 (7) 15.7% cumulative persisting annual savings for the  
16 year ending December 31, 2024;

17 (8) 17% cumulative persisting annual savings for the  
18 year ending December 31, 2025; and

19 (9) 17.9% cumulative persisting annual savings for the  
20 year ending December 31, 2026.†

21 ~~(10) 18.8% cumulative persisting annual savings for~~  
22 ~~the year ending December 31, 2027;~~

23 ~~(11) 19.7% cumulative persisting annual savings for~~  
24 ~~the year ending December 31, 2028;~~

25 ~~(12) 20.6% cumulative persisting annual savings for~~  
26 ~~the year ending December 31, 2029; and~~

1           ~~(13) 21.5% cumulative persisting annual savings for~~  
2           ~~the year ending December 31, 2030.~~

3           ~~No later than December 31, 2021, the Illinois Commerce~~  
4           ~~Commission shall establish additional cumulative persisting~~  
5           ~~annual savings goals for the years 2031 through 2035. No later~~  
6           ~~than December 31, 2024, the Illinois Commerce Commission shall~~  
7           ~~establish additional cumulative persisting annual savings~~  
8           ~~goals for the years 2036 through 2040. The Commission shall~~  
9           ~~also establish additional cumulative persisting annual savings~~  
10           ~~goals every 5 years thereafter to ensure that utilities always~~  
11           ~~have goals that extend at least 11 years into the future. The~~  
12           ~~cumulative persisting annual savings goals beyond the year~~  
13           ~~2030 shall increase by 0.9 percentage points per year, absent~~  
14           ~~a Commission decision to initiate a proceeding to consider~~  
15           ~~establishing goals that increase by more or less than that~~  
16           ~~amount. Such a proceeding must be conducted in accordance with~~  
17           ~~the procedures described in subsection (f) of this Section. If~~  
18           ~~such a proceeding is initiated, the cumulative persisting~~  
19           ~~annual savings goals established by the Commission through~~  
20           ~~that proceeding shall reflect the Commission's best estimate~~  
21           ~~of the maximum amount of additional savings that are forecast~~  
22           ~~to be cost-effectively achievable unless such best estimates~~  
23           ~~would result in goals that represent less than 0.5 percentage~~  
24           ~~point annual increases in total cumulative persisting annual~~  
25           ~~savings. The Commission may only establish goals that~~  
26           ~~represent less than 0.5 percentage point annual increases in~~

~~1 cumulative persisting annual savings if it can demonstrate,  
2 based on clear and convincing evidence and through independent  
3 analysis, that 0.5 percentage point increases are not  
4 cost effectively achievable. The Commission shall inform its  
5 decision based on an energy efficiency potential study that  
6 conforms to the requirements of this Section.~~

7 (b-10) For purposes of this Section, through calendar year  
8 2026, electric utilities subject to this Section that serve  
9 less than 3,000,000 retail customers but more than 500,000  
10 retail customers in the State shall be deemed to have achieved  
11 a cumulative persisting annual savings of 6.6% from energy  
12 efficiency measures and programs implemented during the period  
13 beginning January 1, 2012 and ending December 31, 2017, which  
14 is based on the deemed average weather normalized sales of  
15 electric power and energy during calendar years 2014, 2015,  
16 and 2016 of 36,900,000 MWhs. For the purposes of this  
17 subsection (b-10) and subsection (b-15), the 36,900,000 MWhs  
18 of deemed electric power and energy sales shall be reduced by  
19 the number of MWhs equal to the sum of the annual consumption  
20 of customers that have opted out of subsections (a) through  
21 (j) of this Section under paragraph (1) of subsection (1) of  
22 this Section, as averaged across the calendar years 2014,  
23 2015, and 2016. After 2017, the deemed value of cumulative  
24 persisting annual savings from energy efficiency measures and  
25 programs implemented during the period beginning January 1,  
26 2012 and ending December 31, 2017, shall be reduced each year,



1 as follows, and the applicable value shall be applied to and  
2 count toward the utility's achievement of the cumulative  
3 persisting annual savings goals set forth in subsection  
4 (b-15):

5 (1) 5.8% deemed cumulative persisting annual savings  
6 for the year ending December 31, 2018;

7 (2) 5.2% deemed cumulative persisting annual savings  
8 for the year ending December 31, 2019;

9 (3) 4.5% deemed cumulative persisting annual savings  
10 for the year ending December 31, 2020;

11 (4) 4.0% deemed cumulative persisting annual savings  
12 for the year ending December 31, 2021;

13 (5) 3.5% deemed cumulative persisting annual savings  
14 for the year ending December 31, 2022;

15 (6) 3.1% deemed cumulative persisting annual savings  
16 for the year ending December 31, 2023;

17 (7) 2.8% deemed cumulative persisting annual savings  
18 for the year ending December 31, 2024;

19 (8) 2.5% deemed cumulative persisting annual savings  
20 for the year ending December 31, 2025; and

21 (9) 2.3% deemed cumulative persisting annual savings  
22 for the year ending December 31, 2026.†

23 ~~(10) 2.1% deemed cumulative persisting annual savings~~  
24 ~~for the year ending December 31, 2027;~~

25 ~~(11) 1.8% deemed cumulative persisting annual savings~~  
26 ~~for the year ending December 31, 2028;~~

1 ~~(12) 1.7% deemed cumulative persisting annual savings~~  
2 ~~for the year ending December 31, 2029;~~

3 ~~(13) 1.5% deemed cumulative persisting annual savings~~  
4 ~~for the year ending December 31, 2030;~~

5 ~~(14) 1.3% deemed cumulative persisting annual savings~~  
6 ~~for the year ending December 31, 2031;~~

7 ~~(15) 1.1% deemed cumulative persisting annual savings~~  
8 ~~for the year ending December 31, 2032;~~

9 ~~(16) 0.9% deemed cumulative persisting annual savings~~  
10 ~~for the year ending December 31, 2033;~~

11 ~~(17) 0.7% deemed cumulative persisting annual savings~~  
12 ~~for the year ending December 31, 2034;~~

13 ~~(18) 0.5% deemed cumulative persisting annual savings~~  
14 ~~for the year ending December 31, 2035;~~

15 ~~(19) 0.4% deemed cumulative persisting annual savings~~  
16 ~~for the year ending December 31, 2036;~~

17 ~~(20) 0.3% deemed cumulative persisting annual savings~~  
18 ~~for the year ending December 31, 2037;~~

19 ~~(21) 0.2% deemed cumulative persisting annual savings~~  
20 ~~for the year ending December 31, 2038;~~

21 ~~(22) 0.1% deemed cumulative persisting annual savings~~  
22 ~~for the year ending December 31, 2039; and~~

23 ~~(23) 0.0% deemed cumulative persisting annual savings~~  
24 ~~for the year ending December 31, 2040 and all subsequent~~  
25 ~~years.~~

26 (b-15) Beginning in 2018 and through calendar year 2026,

1 electric utilities subject to this Section that serve less  
2 than 3,000,000 retail customers but more than 500,000 retail  
3 customers in the State shall achieve the following cumulative  
4 persisting annual savings goals, as modified by subsection  
5 (b-20) and subsection (f) of this Section and as compared to  
6 the deemed baseline as reduced by the number of MWhs equal to  
7 the sum of the annual consumption of customers that have opted  
8 out of subsections (a) through (j) of this Section under  
9 paragraph (1) of subsection (1) of this Section as averaged  
10 across the calendar years 2014, 2015, and 2016, through the  
11 implementation of energy efficiency measures during the  
12 applicable year and in prior years, but no earlier than  
13 January 1, 2012:

14 (1) 7.4% cumulative persisting annual savings for the  
15 year ending December 31, 2018;

16 (2) 8.2% cumulative persisting annual savings for the  
17 year ending December 31, 2019;

18 (3) 9.0% cumulative persisting annual savings for the  
19 year ending December 31, 2020;

20 (4) 9.8% cumulative persisting annual savings for the  
21 year ending December 31, 2021;

22 (5) 10.6% cumulative persisting annual savings for the  
23 year ending December 31, 2022;

24 (6) 11.4% cumulative persisting annual savings for the  
25 year ending December 31, 2023;

26 (7) 12.2% cumulative persisting annual savings for the

1 year ending December 31, 2024;

2 (8) 13% cumulative persisting annual savings for the  
3 year ending December 31, 2025; and

4 (9) 13.6% cumulative persisting annual savings for the  
5 year ending December 31, 2026.†

6 ~~(10) 14.2% cumulative persisting annual savings for~~  
7 ~~the year ending December 31, 2027;~~

8 ~~(11) 14.8% cumulative persisting annual savings for~~  
9 ~~the year ending December 31, 2028;~~

10 ~~(12) 15.4% cumulative persisting annual savings for~~  
11 ~~the year ending December 31, 2029; and~~

12 ~~(13) 16% cumulative persisting annual savings for the~~  
13 ~~year ending December 31, 2030.~~

14 ~~No later than December 31, 2021, the Illinois Commerce~~  
15 ~~Commission shall establish additional cumulative persisting~~  
16 ~~annual savings goals for the years 2031 through 2035. No later~~  
17 ~~than December 31, 2024, the Illinois Commerce Commission shall~~  
18 ~~establish additional cumulative persisting annual savings~~  
19 ~~goals for the years 2036 through 2040. The Commission shall~~  
20 ~~also establish additional cumulative persisting annual savings~~  
21 ~~goals every 5 years thereafter to ensure that utilities always~~  
22 ~~have goals that extend at least 11 years into the future. The~~  
23 ~~cumulative persisting annual savings goals beyond the year~~  
24 ~~2030 shall increase by 0.6 percentage points per year, absent~~  
25 ~~a Commission decision to initiate a proceeding to consider~~  
26 ~~establishing goals that increase by more or less than that~~

1 ~~amount. Such a proceeding must be conducted in accordance with~~  
2 ~~the procedures described in subsection (f) of this Section. If~~  
3 ~~such a proceeding is initiated, the cumulative persisting~~  
4 ~~annual savings goals established by the Commission through~~  
5 ~~that proceeding shall reflect the Commission's best estimate~~  
6 ~~of the maximum amount of additional savings that are forecast~~  
7 ~~to be cost effectively achievable unless such best estimates~~  
8 ~~would result in goals that represent less than 0.4 percentage~~  
9 ~~point annual increases in total cumulative persisting annual~~  
10 ~~savings. The Commission may only establish goals that~~  
11 ~~represent less than 0.4 percentage point annual increases in~~  
12 ~~cumulative persisting annual savings if it can demonstrate,~~  
13 ~~based on clear and convincing evidence and through independent~~  
14 ~~analysis, that 0.4 percentage point increases are not~~  
15 ~~cost effectively achievable. The Commission shall inform its~~  
16 ~~decision based on an energy efficiency potential study that~~  
17 ~~conforms to the requirements of this Section.~~

18 (b-16) In 2027 and each year thereafter, each electric  
19 utility subject to this Section shall achieve incremental  
20 annual savings equal to 2.00% of the utility's average annual  
21 electricity sales, from 2021 through 2023, to customers other  
22 than those that have opted out of subsections (a) through (j)  
23 of this Section under paragraph (1) of subsection (l) of this  
24 Section. In this Section, "incremental annual savings" means  
25 the total electric savings from all measures installed in a  
26 calendar year that will be realized within 12 months of each

1 measure's installation.

2 The 2.00% incremental annual savings requirement may be  
3 reduced by 0.025 percentage points for every 1 percentage  
4 point increase, above the 25% minimum specified in paragraph  
5 (c) of this Section, in the portion of total efficiency  
6 program spending that is on low-income efficiency programs. In  
7 no event shall the incremental annual savings requirement be  
8 reduced to a level less than 1.75%, even if low-income  
9 spending is greater than 35% of total spending.

10 Each utility's incremental annual savings must be achieved  
11 with an average savings life of at least 12 years. In no event  
12 can more than one-fifth of the incremental annual savings  
13 counted toward a utility's annual savings goal in any given  
14 year be derived from efficiency measures with average savings  
15 lives of less than 5 years.

16 (b-20) Each electric utility subject to this Section may  
17 include cost-effective voltage optimization measures in its  
18 plans submitted under subsections (f) and (g) of this Section,  
19 and the costs incurred by a utility to implement the measures  
20 under a Commission-approved plan shall be recovered under the  
21 provisions of Article IX or Section 16-108.5 of this Act. For  
22 purposes of this Section, the measure life of voltage  
23 optimization measures shall be 15 years. The measure life  
24 period is independent of the depreciation rate of the voltage  
25 optimization assets deployed. Utilities may claim savings from  
26 voltage optimization on circuits for more than 15 years if

1 they can demonstrate that they have made additional  
2 investments necessary to enable voltage optimization savings  
3 to continue beyond 15 years. Such demonstrations must be  
4 subject to the review of independent evaluation.

5 Within 270 days after June 1, 2017 (the effective date of  
6 Public Act 99-906), an electric utility that serves less than  
7 3,000,000 retail customers but more than 500,000 retail  
8 customers in the State shall file a plan with the Commission  
9 that identifies the cost-effective voltage optimization  
10 investment the electric utility plans to undertake through  
11 December 31, 2024. The Commission, after notice and hearing,  
12 shall approve or approve with modification the plan within 120  
13 days after the plan's filing and, in the order approving or  
14 approving with modification the plan, the Commission shall  
15 adjust the applicable cumulative persisting annual savings  
16 goals set forth in subsection (b-15) to reflect any amount of  
17 cost-effective energy savings approved by the Commission that  
18 is greater than or less than the following cumulative  
19 persisting annual savings values attributable to voltage  
20 optimization for the applicable year:

21 (1) 0.0% of cumulative persisting annual savings for  
22 the year ending December 31, 2018;

23 (2) 0.17% of cumulative persisting annual savings for  
24 the year ending December 31, 2019;

25 (3) 0.17% of cumulative persisting annual savings for  
26 the year ending December 31, 2020;

1           (4) 0.33% of cumulative persisting annual savings for  
2           the year ending December 31, 2021;

3           (5) 0.5% of cumulative persisting annual savings for  
4           the year ending December 31, 2022;

5           (6) 0.67% of cumulative persisting annual savings for  
6           the year ending December 31, 2023;

7           (7) 0.83% of cumulative persisting annual savings for  
8           the year ending December 31, 2024; and

9           (8) 1.0% of cumulative persisting annual savings for  
10          the year ending December 31, 2025 and all subsequent  
11          years.

12          (b-25) In the event an electric utility jointly offers an  
13          energy efficiency measure or program with a gas utility under  
14          plans approved under this Section and Section 8-104 of this  
15          Act, the electric utility may continue offering the program,  
16          including the gas energy efficiency measures, in the event the  
17          gas utility discontinues funding the program. In that event,  
18          the energy savings value associated with such other fuels  
19          shall be converted to electric energy savings on an equivalent  
20          Btu basis for the premises. However, the electric utility  
21          shall prioritize programs for low-income residential customers  
22          to the extent practicable. An electric utility may recover the  
23          costs of offering the gas energy efficiency measures under  
24          this subsection (b-25).

25          For those energy efficiency measures or programs that save  
26          both electricity and other fuels but are not jointly offered



1 with a gas utility under plans approved under this Section and  
2 Section 8-104 or not offered with an affiliated gas utility  
3 under paragraph (6) of subsection (f) of Section 8-104 of this  
4 Act, the electric utility may count savings of fuels other  
5 than electricity toward the achievement of its annual savings  
6 goal, and the energy savings value associated with such other  
7 fuels shall be converted to electric energy savings on an  
8 equivalent Btu basis at the premises.

9 In no event shall more than 10% of each year's applicable  
10 annual total savings requirement, as defined in paragraph  
11 (7.5) of subsection (g) of this Section, or more than 20% of  
12 each year's incremental annual savings requirement, as defined  
13 in subsection (b-16), be met through savings of fuels other  
14 than electricity. If the weighted average total annual  
15 spending on efficiency programs by natural gas utilities with  
16 service territories that overlap with an electric utility  
17 exceeds \$50 per residential customer served by the natural gas  
18 utilities, the limit on the amount of efficiency savings of  
19 fuels other than electricity that can be counted toward the  
20 electric utility's incremental annual savings requirement as  
21 defined in subsection (b-16) shall be reduced from 20% to 15%.

22 (b-27) Beginning in 2022, an electric utility may offer  
23 and promote measures that electrify space heating, water  
24 heating, cooling, drying, cooking, industrial processes, and  
25 other building and industrial end uses that would otherwise be  
26 served by combustion of fossil fuel at the premises, provided

1 that the electrification measures reduce total energy  
2 consumption at the premises. The electric utility may count  
3 the reduction in energy consumption at the premises toward  
4 achievement of its annual savings goals. The reduction in  
5 energy consumption at the premises shall be calculated as the  
6 difference between: (A) the reduction in Btu consumption of  
7 fossil fuels as a result of electrification, converted to  
8 kilowatt-hour equivalents by dividing by 3,412 Btus per  
9 kilowatt hour; and (B) the increase in kilowatt hours of  
10 electricity consumption resulting from the displacement of  
11 fossil fuel consumption as a result of electrification. An  
12 electric utility may recover the costs of offering and  
13 promoting electrification measures under this subsection  
14 (b-27).

15 At least 33% of all such costs must be for supporting  
16 installation of electrification measures through programs  
17 exclusively targeted to low-income households. This 33%  
18 requirement may be reduced if the utility can demonstrate that  
19 it is not possible to achieve that level of low-income  
20 electrification spending, while supporting programs for  
21 non-low-income residential and business electrification,  
22 because of limitations regarding the number of low-income  
23 households in its service territory that would be able to meet  
24 program eligibility requirements set forth in the multi-year  
25 energy efficiency plan. If the 33% low-income electrification  
26 spending requirement is reduced, the utility must prioritize

1 support of low-income electrification in housing that meets  
2 program eligibility requirements over electrification spending  
3 on non-low-income residential or business customers.

4 The ratio of spending on electrification measures targeted  
5 to low-income, multifamily buildings to spending on  
6 electrification measures targeted to low-income, single-family  
7 buildings shall be designed to achieve levels of  
8 electrification savings from each building type that are  
9 approximately proportional to the magnitude of cost-effective  
10 electrification savings potential in each building type.

11 In no event shall electrification savings counted toward  
12 each year's applicable annual total savings requirement, as  
13 defined in paragraph (7.5) of subsection (g) of this Section,  
14 or counted toward each year's incremental annual savings, as  
15 defined in paragraph (b-16) of this Section, be greater than:

16 (1) 5% per year for each year from 2022 through 2026

17 2025; and

18 (2) 15% per year for 2027 and all subsequent years.

19 ~~10% per year for each year from 2026 through 2029; and~~

20 ~~(3) 15% per year for 2030 and all subsequent years.~~

21 ~~In addition, a minimum of 25% of all electrification savings~~  
22 ~~counted toward a utility's applicable annual total savings~~  
23 ~~requirement must be from electrification of end uses in~~  
24 ~~low-income housing.~~ The limitations on electrification savings  
25 that may be counted toward a utility's annual savings goals  
26 are separate from and in addition to the subsection (b-25)

1 limitations governing the counting of the other fuel savings  
2 resulting from efficiency measures and programs.

3 As part of the annual informational filing to the  
4 Commission that is required under paragraph (9) of subsection  
5 (g) of this Section, each utility shall identify the specific  
6 electrification measures offered under this subsection (b-27);  
7 the quantity of each electrification measure that was  
8 installed by its customers; the average total cost, average  
9 utility cost, average reduction in fossil fuel consumption,  
10 and average increase in electricity consumption associated  
11 with each electrification measure; the portion of  
12 installations of each electrification measure that were in  
13 low-income single-family housing, low-income multifamily  
14 housing, non-low-income single-family housing, non-low-income  
15 multifamily housing, commercial buildings, and industrial  
16 facilities; and the quantity of savings associated with each  
17 measure category in each customer category that are being  
18 counted toward the utility's applicable annual total savings  
19 requirement or the utility's incremental annual savings, as  
20 defined in subsection (b-16). Prior to installing an  
21 electrification measure, the utility shall provide a customer  
22 with an estimate of the impact of the new measure on the  
23 customer's average monthly electric bill and total annual  
24 energy expenses.

25 (c) Electric utilities shall be responsible for overseeing  
26 the design, development, and filing of energy efficiency plans

1 with the Commission and may, as part of that implementation,  
2 outsource various aspects of program development and  
3 implementation. A minimum of 10%, for electric utilities that  
4 serve more than 3,000,000 retail customers in the State, and a  
5 minimum of 7%, for electric utilities that serve less than  
6 3,000,000 retail customers but more than 500,000 retail  
7 customers in the State, of the utility's entire portfolio  
8 funding level for a given year shall be used to procure  
9 cost-effective energy efficiency measures from units of local  
10 government, municipal corporations, school districts, public  
11 housing, public institutions of higher education, and  
12 community college districts, provided that a minimum  
13 percentage of available funds shall be used to procure energy  
14 efficiency from public housing, which percentage shall be  
15 equal to public housing's share of public building energy  
16 consumption.

17 The utilities shall also implement energy efficiency  
18 measures targeted at low-income households, which, for  
19 purposes of this Section, shall be defined as households at or  
20 below 80% of area median income, and expenditures to implement  
21 the measures shall be no less than 25% of total energy  
22 efficiency program spending approved by the Commission  
23 pursuant to review of plans filed under paragraph (f) of this  
24 Section ~~\$40,000,000 per year for electric utilities that serve~~  
25 ~~more than 3,000,000 retail customers in the State and no less~~  
26 ~~than \$13,000,000 per year for electric utilities that serve~~

1 ~~less than 3,000,000 retail customers but more than 500,000~~  
2 ~~retail customers in the State.~~ The ratio of spending on  
3 efficiency programs targeted at low-income multifamily  
4 buildings to spending on efficiency programs targeted at  
5 low-income single-family buildings shall be designed to  
6 achieve levels of savings from each building type that are  
7 approximately proportional to the magnitude of cost-effective  
8 lifetime savings potential in each building type. Investment  
9 in low-income whole-building weatherization programs shall  
10 constitute a minimum of 80% of a utility's total budget  
11 specifically dedicated to serving low-income customers.

12 The utilities shall work to bundle low-income energy  
13 efficiency offerings with other programs that serve low-income  
14 households to maximize the benefits going to these households.  
15 The utilities shall market and implement low-income energy  
16 efficiency programs in coordination with low-income assistance  
17 programs, the Illinois Solar for All Program, and  
18 weatherization whenever practicable. The program implementer  
19 shall walk the customer through the enrollment process for any  
20 programs for which the customer is eligible. The utilities  
21 shall also pilot targeting customers with high arrearages,  
22 high energy intensity (ratio of energy usage divided by home  
23 or unit square footage), or energy assistance programs with  
24 energy efficiency offerings, and then track reduction in  
25 arrearages as a result of the targeting. This targeting and  
26 bundling of low-income energy programs shall be offered to

1 both low-income single-family and multifamily customers  
2 (owners and residents).

3 The utilities shall invest in health and safety measures  
4 appropriate and necessary for comprehensively weatherizing a  
5 home or multifamily building, and shall implement a health and  
6 safety fund of at least 15% of the total income-qualified  
7 weatherization budget that shall be used for the purpose of  
8 making grants for technical assistance, construction,  
9 reconstruction, improvement, or repair of buildings to  
10 facilitate their participation in the energy efficiency  
11 programs targeted at low-income single-family and multifamily  
12 households. These funds may also be used for the purpose of  
13 making grants for technical assistance, construction,  
14 reconstruction, improvement, or repair of the following  
15 buildings to facilitate their participation in the energy  
16 efficiency programs created by this Section: (1) buildings  
17 that are owned or operated by registered 501(c)(3) public  
18 charities; and (2) day care centers, day care homes, or group  
19 day care homes, as defined under 89 Ill. Adm. Code Part 406,  
20 407, or 408, respectively.

21 Each electric utility shall assess opportunities to  
22 implement cost-effective energy efficiency measures and  
23 programs through a public housing authority or authorities  
24 located in its service territory. If such opportunities are  
25 identified, the utility shall propose such measures and  
26 programs to address the opportunities. Expenditures to address

1 such opportunities shall be credited toward the minimum  
2 procurement and expenditure requirements set forth in this  
3 subsection (c).

4 Implementation of energy efficiency measures and programs  
5 targeted at low-income households should be contracted, when  
6 it is practicable, to independent third parties that have  
7 demonstrated capabilities to serve such households, with a  
8 preference for not-for-profit entities and government agencies  
9 that have existing relationships with or experience serving  
10 low-income communities in the State.

11 Each electric utility shall develop and implement  
12 reporting procedures that address and assist in determining  
13 the amount of energy savings that can be applied to the  
14 low-income procurement and expenditure requirements set forth  
15 in this subsection (c). Each electric utility shall also track  
16 the types and quantities or volumes of insulation and air  
17 sealing materials, and their associated energy saving  
18 benefits, installed in energy efficiency programs targeted at  
19 low-income single-family and multifamily households.

20 The electric utilities shall participate in a low-income  
21 energy efficiency accountability committee ("the committee"),  
22 which will directly inform the design, implementation, and  
23 evaluation of the low-income and public-housing energy  
24 efficiency programs. The committee shall be comprised of the  
25 electric utilities subject to the requirements of this  
26 Section, the gas utilities subject to the requirements of



1 Section 8-104 of this Act, the utilities' low-income energy  
2 efficiency implementation contractors, nonprofit  
3 organizations, community action agencies, advocacy groups,  
4 State and local governmental agencies, public-housing  
5 organizations, and representatives of community-based  
6 organizations, especially those living in or working with  
7 environmental justice communities and BIPOC communities. The  
8 committee shall be composed of 2 geographically differentiated  
9 subcommittees: one for stakeholders in northern Illinois and  
10 one for stakeholders in central and southern Illinois. The  
11 subcommittees shall meet together at least twice per year.

12 There shall be one statewide leadership committee led by  
13 and composed of community-based organizations that are  
14 representative of BIPOC and environmental justice communities  
15 and that includes equitable representation from BIPOC  
16 communities. The leadership committee shall be composed of an  
17 equal number of representatives from the 2 subcommittees. The  
18 subcommittees shall address specific programs and issues, with  
19 the leadership committee convening targeted workgroups as  
20 needed. The leadership committee may elect to work with an  
21 independent facilitator to solicit and organize feedback,  
22 recommendations and meeting participation from a wide variety  
23 of community-based stakeholders. If a facilitator is used,  
24 they shall be fair and responsive to the needs of all  
25 stakeholders involved in the committee.

26 All committee meetings must be accessible, with rotating

1 locations if meetings are held in-person, virtual  
2 participation options, and materials and agendas circulated in  
3 advance.

4 There shall also be opportunities for direct input by  
5 committee members outside of committee meetings, such as via  
6 individual meetings, surveys, emails and calls, to ensure  
7 robust participation by stakeholders with limited capacity and  
8 ability to attend committee meetings. Committee meetings shall  
9 emphasize opportunities to bundle and coordinate delivery of  
10 low-income energy efficiency with other programs that serve  
11 low-income communities, such as the Illinois Solar for All  
12 Program and bill payment assistance programs. Meetings shall  
13 include educational opportunities for stakeholders to learn  
14 more about these additional offerings, and the committee shall  
15 assist in figuring out the best methods for coordinated  
16 delivery and implementation of offerings when serving  
17 low-income communities. The committee shall directly and  
18 equitably influence and inform utility low-income and  
19 public-housing energy efficiency programs and priorities.  
20 Participating utilities shall implement recommendations from  
21 the committee whenever possible.

22 Participating utilities shall track and report how input  
23 from the committee has led to new approaches and changes in  
24 their energy efficiency portfolios. This reporting shall occur  
25 at committee meetings and in quarterly energy efficiency  
26 reports to the Stakeholder Advisory Group and Illinois

1 Commerce Commission, and other relevant reporting mechanisms.  
2 Participating utilities shall also report on relevant equity  
3 data and metrics requested by the committee, such as energy  
4 burden data, geographic, racial, and other relevant  
5 demographic data on where programs are being delivered and  
6 what populations programs are serving.

7 The Illinois Commerce Commission shall oversee and have  
8 relevant staff participate in the committee. The committee  
9 shall have a budget of 0.25% of each utility's entire  
10 efficiency portfolio funding for a given year. The budget  
11 shall be overseen by the Commission. The budget shall be used  
12 to provide grants for community-based organizations serving on  
13 the leadership committee, stipends for community-based  
14 organizations participating in the committee, grants for  
15 community-based organizations to do energy efficiency outreach  
16 and education, and relevant meeting needs as determined by the  
17 leadership committee. The education and outreach shall  
18 include, but is not limited to, basic energy efficiency  
19 education, information about low-income energy efficiency  
20 programs, and information on the committee's purpose,  
21 structure, and activities.

22 (d) Notwithstanding any other provision of law to the  
23 contrary, a utility providing approved energy efficiency  
24 measures and, if applicable, demand-response measures in the  
25 State shall be permitted to recover all reasonable and  
26 prudently incurred costs of those measures from all retail

1 customers, except as provided in subsection (l) of this  
2 Section, as follows, provided that nothing in this subsection  
3 (d) permits the double recovery of such costs from customers:

4 (1) The utility may recover its costs through an  
5 automatic adjustment clause tariff filed with and approved  
6 by the Commission. The tariff shall be established outside  
7 the context of a general rate case. Each year the  
8 Commission shall initiate a review to reconcile any  
9 amounts collected with the actual costs and to determine  
10 the required adjustment to the annual tariff factor to  
11 match annual expenditures. To enable the financing of the  
12 incremental capital expenditures, including regulatory  
13 assets, for electric utilities that serve less than  
14 3,000,000 retail customers but more than 500,000 retail  
15 customers in the State, the utility's actual year-end  
16 capital structure that includes a common equity ratio,  
17 excluding goodwill, of up to and including 50% of the  
18 total capital structure shall be deemed reasonable and  
19 used to set rates.

20 (2) A utility may recover its costs through an energy  
21 efficiency formula rate approved by the Commission under a  
22 filing under subsections (f) and (g) of this Section,  
23 which shall specify the cost components that form the  
24 basis of the rate charged to customers with sufficient  
25 specificity to operate in a standardized manner and be  
26 updated annually with transparent information that

1 reflects the utility's actual costs to be recovered during  
2 the applicable rate year, which is the period beginning  
3 with the first billing day of January and extending  
4 through the last billing day of the following December.  
5 The energy efficiency formula rate shall be implemented  
6 through a tariff filed with the Commission under  
7 subsections (f) and (g) of this Section that is consistent  
8 with the provisions of this paragraph (2) and that shall  
9 be applicable to all delivery services customers. The  
10 Commission shall conduct an investigation of the tariff in  
11 a manner consistent with the provisions of this paragraph  
12 (2), subsections (f) and (g) of this Section, and the  
13 provisions of Article IX of this Act to the extent they do  
14 not conflict with this paragraph (2). The energy  
15 efficiency formula rate approved by the Commission shall  
16 remain in effect at the discretion of the utility and  
17 shall do the following:

18 (A) Provide for the recovery of the utility's  
19 actual costs incurred under this Section that are  
20 prudently incurred and reasonable in amount consistent  
21 with Commission practice and law. The sole fact that a  
22 cost differs from that incurred in a prior calendar  
23 year or that an investment is different from that made  
24 in a prior calendar year shall not imply the  
25 imprudence or unreasonableness of that cost or  
26 investment.

1 (B) Reflect the utility's actual year-end capital  
2 structure for the applicable calendar year, excluding  
3 goodwill, subject to a determination of prudence and  
4 reasonableness consistent with Commission practice and  
5 law. To enable the financing of the incremental  
6 capital expenditures, including regulatory assets, for  
7 electric utilities that serve less than 3,000,000  
8 retail customers but more than 500,000 retail  
9 customers in the State, a participating electric  
10 utility's actual year-end capital structure that  
11 includes a common equity ratio, excluding goodwill, of  
12 up to and including 50% of the total capital structure  
13 shall be deemed reasonable and used to set rates.

14 (C) Include a cost of equity, which shall be  
15 calculated as the sum of the following:

16 (i) the average for the applicable calendar  
17 year of the monthly average yields of 30-year U.S.  
18 Treasury bonds published by the Board of Governors  
19 of the Federal Reserve System in its weekly H.15  
20 Statistical Release or successor publication; and

21 (ii) 580 basis points.

22 At such time as the Board of Governors of the  
23 Federal Reserve System ceases to include the monthly  
24 average yields of 30-year U.S. Treasury bonds in its  
25 weekly H.15 Statistical Release or successor  
26 publication, the monthly average yields of the U.S.

1 Treasury bonds then having the longest duration  
2 published by the Board of Governors in its weekly H.15  
3 Statistical Release or successor publication shall  
4 instead be used for purposes of this paragraph (2).

5 (D) Permit and set forth protocols, subject to a  
6 determination of prudence and reasonableness  
7 consistent with Commission practice and law, for the  
8 following:

9 (i) recovery of incentive compensation expense  
10 that is based on the achievement of operational  
11 metrics, including metrics related to budget  
12 controls, outage duration and frequency, safety,  
13 customer service, efficiency and productivity, and  
14 environmental compliance; however, this protocol  
15 shall not apply if such expense related to costs  
16 incurred under this Section is recovered under  
17 Article IX or Section 16-108.5 of this Act;  
18 incentive compensation expense that is based on  
19 net income or an affiliate's earnings per share  
20 shall not be recoverable under the energy  
21 efficiency formula rate;

22 (ii) recovery of pension and other  
23 post-employment benefits expense, provided that  
24 such costs are supported by an actuarial study;  
25 however, this protocol shall not apply if such  
26 expense related to costs incurred under this

1 Section is recovered under Article IX or Section  
2 16-108.5 of this Act;

3 (iii) recovery of existing regulatory assets  
4 over the periods previously authorized by the  
5 Commission;

6 (iv) as described in subsection (e),  
7 amortization of costs incurred under this Section;  
8 and

9 (v) projected, weather normalized billing  
10 determinants for the applicable rate year.

11 (E) Provide for an annual reconciliation, as  
12 described in paragraph (3) of this subsection (d),  
13 less any deferred taxes related to the reconciliation,  
14 with interest at an annual rate of return equal to the  
15 utility's weighted average cost of capital, including  
16 a revenue conversion factor calculated to recover or  
17 refund all additional income taxes that may be payable  
18 or receivable as a result of that return, of the energy  
19 efficiency revenue requirement reflected in rates for  
20 each calendar year, beginning with the calendar year  
21 in which the utility files its energy efficiency  
22 formula rate tariff under this paragraph (2), with  
23 what the revenue requirement would have been had the  
24 actual cost information for the applicable calendar  
25 year been available at the filing date.

26 The utility shall file, together with its tariff, the



1 projected costs to be incurred by the utility during the  
2 rate year under the utility's multi-year plan approved  
3 under subsections (f) and (g) of this Section, including,  
4 but not limited to, the projected capital investment costs  
5 and projected regulatory asset balances with  
6 correspondingly updated depreciation and amortization  
7 reserves and expense, that shall populate the energy  
8 efficiency formula rate and set the initial rates under  
9 the formula.

10 The Commission shall review the proposed tariff in  
11 conjunction with its review of a proposed multi-year plan,  
12 as specified in paragraph (5) of subsection (g) of this  
13 Section. The review shall be based on the same evidentiary  
14 standards, including, but not limited to, those concerning  
15 the prudence and reasonableness of the costs incurred by  
16 the utility, the Commission applies in a hearing to review  
17 a filing for a general increase in rates under Article IX  
18 of this Act. The initial rates shall take effect beginning  
19 with the January monthly billing period following the  
20 Commission's approval.

21 The tariff's rate design and cost allocation across  
22 customer classes shall be consistent with the utility's  
23 automatic adjustment clause tariff in effect on June 1,  
24 2017 (the effective date of Public Act 99-906); however,  
25 the Commission may revise the tariff's rate design and  
26 cost allocation in subsequent proceedings under paragraph

1 (3) of this subsection (d).

2 If the energy efficiency formula rate is terminated,  
3 the then current rates shall remain in effect until such  
4 time as the energy efficiency costs are incorporated into  
5 new rates that are set under this subsection (d) or  
6 Article IX of this Act, subject to retroactive rate  
7 adjustment, with interest, to reconcile rates charged with  
8 actual costs.

9 (3) The provisions of this paragraph (3) shall only  
10 apply to an electric utility that has elected to file an  
11 energy efficiency formula rate under paragraph (2) of this  
12 subsection (d). Subsequent to the Commission's issuance of  
13 an order approving the utility's energy efficiency formula  
14 rate structure and protocols, and initial rates under  
15 paragraph (2) of this subsection (d), the utility shall  
16 file, on or before June 1 of each year, with the Chief  
17 Clerk of the Commission its updated cost inputs to the  
18 energy efficiency formula rate for the applicable rate  
19 year and the corresponding new charges, as well as the  
20 information described in paragraph (9) of subsection (g)  
21 of this Section. Each such filing shall conform to the  
22 following requirements and include the following  
23 information:

24 (A) The inputs to the energy efficiency formula  
25 rate for the applicable rate year shall be based on the  
26 projected costs to be incurred by the utility during

1 the rate year under the utility's multi-year plan  
2 approved under subsections (f) and (g) of this  
3 Section, including, but not limited to, projected  
4 capital investment costs and projected regulatory  
5 asset balances with correspondingly updated  
6 depreciation and amortization reserves and expense.  
7 The filing shall also include a reconciliation of the  
8 energy efficiency revenue requirement that was in  
9 effect for the prior rate year (as set by the cost  
10 inputs for the prior rate year) with the actual  
11 revenue requirement for the prior rate year  
12 (determined using a year-end rate base) that uses  
13 amounts reflected in the applicable FERC Form 1 that  
14 reports the actual costs for the prior rate year. Any  
15 over-collection or under-collection indicated by such  
16 reconciliation shall be reflected as a credit against,  
17 or recovered as an additional charge to, respectively,  
18 with interest calculated at a rate equal to the  
19 utility's weighted average cost of capital approved by  
20 the Commission for the prior rate year, the charges  
21 for the applicable rate year. Such over-collection or  
22 under-collection shall be adjusted to remove any  
23 deferred taxes related to the reconciliation, for  
24 purposes of calculating interest at an annual rate of  
25 return equal to the utility's weighted average cost of  
26 capital approved by the Commission for the prior rate

1 year, including a revenue conversion factor calculated  
2 to recover or refund all additional income taxes that  
3 may be payable or receivable as a result of that  
4 return. Each reconciliation shall be certified by the  
5 participating utility in the same manner that FERC  
6 Form 1 is certified. The filing shall also include the  
7 charge or credit, if any, resulting from the  
8 calculation required by subparagraph (E) of paragraph  
9 (2) of this subsection (d).

10 Notwithstanding any other provision of law to the  
11 contrary, the intent of the reconciliation is to  
12 ultimately reconcile both the revenue requirement  
13 reflected in rates for each calendar year, beginning  
14 with the calendar year in which the utility files its  
15 energy efficiency formula rate tariff under paragraph  
16 (2) of this subsection (d), with what the revenue  
17 requirement determined using a year-end rate base for  
18 the applicable calendar year would have been had the  
19 actual cost information for the applicable calendar  
20 year been available at the filing date.

21 For purposes of this Section, "FERC Form 1" means  
22 the Annual Report of Major Electric Utilities,  
23 Licensees and Others that electric utilities are  
24 required to file with the Federal Energy Regulatory  
25 Commission under the Federal Power Act, Sections 3,  
26 4(a), 304 and 209, modified as necessary to be

1 consistent with 83 Ill. Adm. Code Part 415 as of May 1,  
2 2011. Nothing in this Section is intended to allow  
3 costs that are not otherwise recoverable to be  
4 recoverable by virtue of inclusion in FERC Form 1.

5 (B) The new charges shall take effect beginning on  
6 the first billing day of the following January billing  
7 period and remain in effect through the last billing  
8 day of the next December billing period regardless of  
9 whether the Commission enters upon a hearing under  
10 this paragraph (3).

11 (C) The filing shall include relevant and  
12 necessary data and documentation for the applicable  
13 rate year. Normalization adjustments shall not be  
14 required.

15 Within 45 days after the utility files its annual  
16 update of cost inputs to the energy efficiency formula  
17 rate, the Commission shall with reasonable notice,  
18 initiate a proceeding concerning whether the projected  
19 costs to be incurred by the utility and recovered during  
20 the applicable rate year, and that are reflected in the  
21 inputs to the energy efficiency formula rate, are  
22 consistent with the utility's approved multi-year plan  
23 under subsections (f) and (g) of this Section and whether  
24 the costs incurred by the utility during the prior rate  
25 year were prudent and reasonable. The Commission shall  
26 also have the authority to investigate the information and

1 data described in paragraph (9) of subsection (g) of this  
2 Section, including the proposed adjustment to the  
3 utility's return on equity component of its weighted  
4 average cost of capital. During the course of the  
5 proceeding, each objection shall be stated with  
6 particularity and evidence provided in support thereof,  
7 after which the utility shall have the opportunity to  
8 rebut the evidence. Discovery shall be allowed consistent  
9 with the Commission's Rules of Practice, which Rules of  
10 Practice shall be enforced by the Commission or the  
11 assigned administrative law judge. The Commission shall  
12 apply the same evidentiary standards, including, but not  
13 limited to, those concerning the prudence and  
14 reasonableness of the costs incurred by the utility,  
15 during the proceeding as it would apply in a proceeding to  
16 review a filing for a general increase in rates under  
17 Article IX of this Act. The Commission shall not, however,  
18 have the authority in a proceeding under this paragraph  
19 (3) to consider or order any changes to the structure or  
20 protocols of the energy efficiency formula rate approved  
21 under paragraph (2) of this subsection (d). In a  
22 proceeding under this paragraph (3), the Commission shall  
23 enter its order no later than the earlier of 195 days after  
24 the utility's filing of its annual update of cost inputs  
25 to the energy efficiency formula rate or December 15. The  
26 utility's proposed return on equity calculation, as

1 described in paragraphs (7) through (9) of subsection (g)  
2 of this Section, shall be deemed the final, approved  
3 calculation on December 15 of the year in which it is filed  
4 unless the Commission enters an order on or before  
5 December 15, after notice and hearing, that modifies such  
6 calculation consistent with this Section. The Commission's  
7 determinations of the prudence and reasonableness of the  
8 costs incurred, and determination of such return on equity  
9 calculation, for the applicable calendar year shall be  
10 final upon entry of the Commission's order and shall not  
11 be subject to reopening, reexamination, or collateral  
12 attack in any other Commission proceeding, case, docket,  
13 order, rule, or regulation; however, nothing in this  
14 paragraph (3) shall prohibit a party from petitioning the  
15 Commission to rehear or appeal to the courts the order  
16 under the provisions of this Act.

17 (e) Beginning on June 1, 2017 (the effective date of  
18 Public Act 99-906), a utility subject to the requirements of  
19 this Section may elect to defer, as a regulatory asset, up to  
20 the full amount of its expenditures incurred under this  
21 Section for each annual period, including, but not limited to,  
22 any expenditures incurred above the funding level set by  
23 subsection (f) of this Section for a given year. The total  
24 expenditures deferred as a regulatory asset in a given year  
25 shall be amortized and recovered over a period that is equal to  
26 the weighted average of the energy efficiency measure lives

1 implemented for that year that are reflected in the regulatory  
2 asset. The unamortized balance shall be recognized as of  
3 December 31 for a given year. The utility shall also earn a  
4 return on the total of the unamortized balances of all of the  
5 energy efficiency regulatory assets, less any deferred taxes  
6 related to those unamortized balances, at an annual rate equal  
7 to the utility's weighted average cost of capital that  
8 includes, based on a year-end capital structure, the utility's  
9 actual cost of debt for the applicable calendar year and a cost  
10 of equity, which shall be calculated as the sum of the (i) the  
11 average for the applicable calendar year of the monthly  
12 average yields of 30-year U.S. Treasury bonds published by the  
13 Board of Governors of the Federal Reserve System in its weekly  
14 H.15 Statistical Release or successor publication; and (ii)  
15 580 basis points, including a revenue conversion factor  
16 calculated to recover or refund all additional income taxes  
17 that may be payable or receivable as a result of that return.  
18 Capital investment costs shall be depreciated and recovered  
19 over their useful lives consistent with generally accepted  
20 accounting principles. The weighted average cost of capital  
21 shall be applied to the capital investment cost balance, less  
22 any accumulated depreciation and accumulated deferred income  
23 taxes, as of December 31 for a given year.

24 When an electric utility creates a regulatory asset under  
25 the provisions of this Section, the costs are recovered over a  
26 period during which customers also receive a benefit which is



1 in the public interest. Accordingly, it is the intent of the  
2 General Assembly that an electric utility that elects to  
3 create a regulatory asset under the provisions of this Section  
4 shall recover all of the associated costs as set forth in this  
5 Section. After the Commission has approved the prudence and  
6 reasonableness of the costs that comprise the regulatory  
7 asset, the electric utility shall be permitted to recover all  
8 such costs, and the value and recoverability through rates of  
9 the associated regulatory asset shall not be limited, altered,  
10 impaired, or reduced.

11 (f) Beginning in 2017, each electric utility shall file an  
12 energy efficiency plan with the Commission to meet the energy  
13 efficiency standards for the next applicable multi-year period  
14 beginning January 1 of the year following the filing,  
15 according to the schedule set forth in paragraphs (1) through  
16 (4) ~~(3)~~ of this subsection (f). If a utility does not file such  
17 a plan on or before the applicable filing deadline for the  
18 plan, it shall face a penalty of \$100,000 per day until the  
19 plan is filed.

20 (1) No later than 30 days after June 1, 2017 (the  
21 effective date of Public Act 99-906), each electric  
22 utility shall file a 4-year energy efficiency plan  
23 commencing on January 1, 2018 that is designed to achieve  
24 the cumulative persisting annual savings goals specified  
25 in paragraphs (1) through (4) of subsection (b-5) of this  
26 Section or in paragraphs (1) through (4) of subsection

1 (b-15) of this Section, as applicable, through  
2 implementation of energy efficiency measures; however, the  
3 goals may be reduced if the utility's expenditures are  
4 limited pursuant to subsection (m) of this Section or, for  
5 a utility that serves less than 3,000,000 retail  
6 customers, if each of the following conditions are met:  
7 (A) the plan's analysis and forecasts of the utility's  
8 ability to acquire energy savings demonstrate that  
9 achievement of such goals is not cost effective; and (B)  
10 the amount of energy savings achieved by the utility as  
11 determined by the independent evaluator for the most  
12 recent year for which savings have been evaluated  
13 preceding the plan filing was less than the average annual  
14 amount of savings required to achieve the goals for the  
15 applicable 4-year plan period. Except as provided in  
16 subsection (m) of this Section, annual increases in  
17 cumulative persisting annual savings goals during the  
18 applicable 4-year plan period shall not be reduced to  
19 amounts that are less than the maximum amount of  
20 cumulative persisting annual savings that is forecast to  
21 be cost-effectively achievable during the 4-year plan  
22 period. The Commission shall review any proposed goal  
23 reduction as part of its review and approval of the  
24 utility's proposed plan.

25 (2) No later than March 1, 2021, each electric utility  
26 shall file a 4-year energy efficiency plan commencing on

1 January 1, 2022 that is designed to achieve the cumulative  
2 persisting annual savings goals specified in paragraphs  
3 (5) through (8) of subsection (b-5) of this Section or in  
4 paragraphs (5) through (8) of subsection (b-15) of this  
5 Section, as applicable, through implementation of energy  
6 efficiency measures; however, the goals may be reduced if  
7 either (1) clear and convincing evidence demonstrates,  
8 through independent analysis, that the expenditure limits  
9 in subsection (m) of this Section preclude full  
10 achievement of the goals or (2) each of the following  
11 conditions are met: (A) the plan's analysis and forecasts  
12 of the utility's ability to acquire energy savings  
13 demonstrate by clear and convincing evidence and through  
14 independent analysis that achievement of such goals is not  
15 cost effective; and (B) the amount of energy savings  
16 achieved by the utility as determined by the independent  
17 evaluator for the most recent year for which savings have  
18 been evaluated preceding the plan filing was less than the  
19 average annual amount of savings required to achieve the  
20 goals for the applicable 4-year plan period. If there is  
21 not clear and convincing evidence that achieving the  
22 savings goals specified in paragraph (b-5) or (b-15) of  
23 this Section is possible both cost-effectively and within  
24 the expenditure limits in subsection (m), such savings  
25 goals shall not be reduced. Except as provided in  
26 subsection (m) of this Section, annual increases in

1 cumulative persisting annual savings goals during the  
2 applicable 4-year plan period shall not be reduced to  
3 amounts that are less than the maximum amount of  
4 cumulative persisting annual savings that is forecast to  
5 be cost-effectively achievable during the 4-year plan  
6 period. The Commission shall review any proposed goal  
7 reduction as part of its review and approval of the  
8 utility's proposed plan.

9 (2.5) The energy efficiency plans of electric  
10 utilities that were approved by the Commission for  
11 calendar years 2022 through 2025, including any stipulated  
12 agreements between the utility and other parties that were  
13 approved by the Commission, shall continue to be in force  
14 through calendar year 2026. The utilities' savings goals  
15 for 2026 shall be the applicable annual savings goals  
16 implicit in the growth in cumulative persisting annual  
17 savings in paragraphs (b-5) and (b-15) of this Section.

18 (3) No later than March 1, 2026 ~~2025~~, each electric  
19 utility shall file a 3-year ~~4-year~~ energy efficiency plan  
20 commencing on January 1, 2027 ~~2026~~ that is designed to  
21 achieve lifetime savings equal to the product of the  
22 incremental annual savings goal and the minimum average  
23 savings life defined by subsection (b-16) ~~the cumulative~~  
24 ~~persisting annual savings goals specified in paragraphs~~  
25 ~~(9) through (12) of subsection (b-5) of this Section or in~~  
26 ~~paragraphs (9) through (12) of subsection (b-15) of this~~

1 ~~Section, as applicable, through implementation of energy~~  
2 ~~efficiency measures; however, the goals may be reduced if~~  
3 ~~either (1) clear and convincing evidence demonstrates,~~  
4 ~~through independent analysis, that the expenditure limits~~  
5 ~~in subsection (m) of this Section preclude full~~  
6 ~~achievement of the goals or (2) each of the following~~  
7 ~~conditions are met: (A) the plan's analysis and forecasts~~  
8 ~~of the utility's ability to acquire energy savings~~  
9 ~~demonstrate by clear and convincing evidence and through~~  
10 ~~independent analysis that achievement of such goals is not~~  
11 ~~cost effective; and (B) the amount of energy savings~~  
12 ~~achieved by the utility as determined by the independent~~  
13 ~~evaluator for the most recent year for which savings have~~  
14 ~~been evaluated preceding the plan filing was less than the~~  
15 ~~average annual amount of savings required to achieve the~~  
16 ~~goals for the applicable 4 year plan period. If there is~~  
17 ~~not clear and convincing evidence that achieving the~~  
18 ~~savings goals specified in paragraphs (b 5) or (b 15) of~~  
19 ~~this Section is possible both cost effectively and within~~  
20 ~~the expenditure limits in subsection (m), such savings~~  
21 ~~goals shall not be reduced. Except as provided in~~  
22 ~~subsection (m) of this Section, annual increases in~~  
23 ~~cumulative persisting annual savings goals during the~~  
24 ~~applicable 4 year plan period shall not be reduced to~~  
25 ~~amounts that are less than the maximum amount of~~  
26 ~~cumulative persisting annual savings that is forecast to~~

1 ~~be cost effectively achievable during the 4-year plan~~  
2 ~~period. The Commission shall review any proposed goal~~  
3 ~~reduction as part of its review and approval of the~~  
4 ~~utility's proposed plan.~~

5 (4) No later than March 1, 2029, and every 4 years  
6 thereafter, each electric utility shall file a 4-year  
7 energy efficiency plan commencing on January 1, 2030, and  
8 every 4 years thereafter, respectively, that is designed  
9 to achieve lifetime savings equal to the product of the  
10 incremental annual savings goal and the minimum average  
11 savings life described in subsection (b-16) ~~the cumulative~~  
12 ~~persisting annual savings goals established by the~~  
13 ~~Illinois Commerce Commission pursuant to direction of~~  
14 ~~subsections (b-5) and (b-15) of this Section, as~~  
15 ~~applicable,~~ through implementation of energy efficiency  
16 measures; however, the goals may be reduced if either (1)  
17 clear and convincing evidence and independent analysis  
18 demonstrates that the expenditure limits in subsection (m)  
19 of this Section preclude full achievement of the goals or  
20 (2) each of the following conditions are met: (A) the  
21 plan's analysis and forecasts of the utility's ability to  
22 acquire energy savings demonstrate by clear and convincing  
23 evidence and through independent analysis that achievement  
24 of such goals is not cost-effective; and (B) the amount of  
25 energy savings achieved by the utility as determined by  
26 the independent evaluator for the most recent year for

1 which savings have been evaluated preceding the plan  
2 filing was less than the average annual amount of savings  
3 required to achieve the goals for the applicable multiyear  
4 ~~4-year~~ plan period. If there is not clear and convincing  
5 evidence that achieving the savings goals specified in  
6 paragraph (b-16) ~~paragraphs (b-5) or (b-15)~~ of this  
7 Section is possible both cost-effectively and within the  
8 expenditure limits in subsection (m), such savings goals  
9 shall not be reduced. Except as provided in subsection (m)  
10 of this Section, annual increases in cumulative persisting  
11 annual savings goals during the applicable 4-year plan  
12 period shall not be reduced to amounts that are less than  
13 the maximum amount of cumulative persisting annual savings  
14 that is forecast to be cost-effectively achievable during  
15 the 4-year plan period. The Commission shall review any  
16 proposed goal reduction as part of its review and approval  
17 of the utility's proposed plan.

18 Each utility's plan shall set forth the utility's  
19 proposals to meet the energy efficiency standards identified  
20 in subsection (b-5), ~~or (b-15)~~, or (b-16), as applicable and  
21 as such standards may have been modified under this subsection  
22 (f), taking into account the unique circumstances of the  
23 utility's service territory. For those plans commencing on  
24 January 1, 2018, the Commission shall seek public comment on  
25 the utility's plan and shall issue an order approving or  
26 disapproving each plan no later than 105 days after June 1,

1 2017 (the effective date of Public Act 99-906). For those  
2 plans commencing after December 31, 2021, the Commission shall  
3 seek public comment on the utility's plan and shall issue an  
4 order approving or disapproving each plan within 6 months  
5 after its submission. If the Commission disapproves a plan,  
6 the Commission shall, within 30 days, describe in detail the  
7 reasons for the disapproval and describe a path by which the  
8 utility may file a revised draft of the plan to address the  
9 Commission's concerns satisfactorily. If the utility does not  
10 refile with the Commission within 60 days, the utility shall  
11 be subject to penalties at a rate of \$100,000 per day until the  
12 plan is filed. This process shall continue, and penalties  
13 shall accrue, until the utility has successfully filed a  
14 portfolio of energy efficiency and demand-response measures.  
15 Penalties shall be deposited into the Energy Efficiency Trust  
16 Fund.

17 (g) In submitting proposed plans and funding levels under  
18 subsection (f) of this Section to meet the savings goals  
19 identified in subsection (b-5), ~~or~~ (b-15), or (b-16) of this  
20 Section, as applicable, the utility shall:

21 (1) Demonstrate that its proposed energy efficiency  
22 measures will achieve the applicable requirements that are  
23 identified in subsection (b-5), ~~or~~ (b-15), or (b-16) of  
24 this Section, as modified by subsection (f) of this  
25 Section.

26 (2) (Blank).



1           (2.5) Demonstrate consideration of program options for  
2           (A) advancing new building codes, appliance standards, and  
3           municipal regulations governing existing and new building  
4           efficiency improvements and (B) supporting efforts to  
5           improve compliance with new building codes, appliance  
6           standards and municipal regulations, as potentially  
7           cost-effective means of acquiring energy savings to count  
8           toward savings goals.

9           (3) Demonstrate that its overall portfolio of  
10          measures, not including low-income programs described in  
11          subsection (c) of this Section, is cost-effective using  
12          the total resource cost test or complies with paragraphs  
13          (1) through (3) of subsection (f) of this Section and  
14          represents a diverse cross-section of opportunities for  
15          customers of all rate classes, other than those customers  
16          described in subsection (1) of this Section, to  
17          participate in the programs. Individual measures need not  
18          be cost effective.

19          (3.5) Demonstrate that the utility's plan integrates  
20          the delivery of energy efficiency programs with natural  
21          gas efficiency programs, programs promoting distributed  
22          solar, programs promoting demand response and other  
23          efforts to address bill payment issues, including, but not  
24          limited to, LIHEAP and the Percentage of Income Payment  
25          Plan, to the extent such integration is practical and has  
26          the potential to enhance customer engagement, minimize

1 market confusion, or reduce administrative costs.

2 (4) Present a third-party energy efficiency  
3 implementation program subject to the following  
4 requirements:

5 (A) beginning with the year commencing January 1,  
6 2019, electric utilities that serve more than  
7 3,000,000 retail customers in the State shall fund  
8 third-party energy efficiency programs in an amount  
9 that is no less than \$25,000,000 per year, and  
10 electric utilities that serve less than 3,000,000  
11 retail customers but more than 500,000 retail  
12 customers in the State shall fund third-party energy  
13 efficiency programs in an amount that is no less than  
14 \$8,350,000 per year;

15 (B) during 2018, the utility shall conduct a  
16 solicitation process for purposes of requesting  
17 proposals from third-party vendors for those  
18 third-party energy efficiency programs to be offered  
19 during one or more of the years commencing January 1,  
20 2019, January 1, 2020, and January 1, 2021; for those  
21 multi-year plans commencing on January 1, 2022 and  
22 January 1, 2026, the utility shall conduct a  
23 solicitation process during 2021 and 2025,  
24 respectively, for purposes of requesting proposals  
25 from third-party vendors for those third-party energy  
26 efficiency programs to be offered during one or more

1 years of the respective multi-year plan period; for  
2 each solicitation process, the utility shall identify  
3 the sector, technology, or geographical area for which  
4 it is seeking requests for proposals; the solicitation  
5 process must be either for programs that fill gaps in  
6 the utility's program portfolio and for programs that  
7 target low-income customers, business sectors,  
8 building types, geographies, or other specific parts  
9 of its customer base with initiatives that would be  
10 more effective at reaching these customer segments  
11 than the utilities' programs filed in its energy  
12 efficiency plans;

13 (C) the utility shall propose the bidder  
14 qualifications, performance measurement process, and  
15 contract structure, which must include a performance  
16 payment mechanism and general terms and conditions;  
17 the proposed qualifications, process, and structure  
18 shall be subject to Commission approval; and

19 (D) the utility shall retain an independent third  
20 party to score the proposals received through the  
21 solicitation process described in this paragraph (4),  
22 rank them according to their cost per lifetime  
23 kilowatt-hours saved, and assemble the portfolio of  
24 third-party programs.

25 The electric utility shall recover all costs  
26 associated with Commission-approved, third-party

1 administered programs regardless of the success of those  
2 programs.

3 (4.5) Implement cost-effective demand-response  
4 measures to reduce peak demand by 0.1% over the prior year  
5 for eligible retail customers, as defined in Section  
6 16-111.5 of this Act, and for customers that elect hourly  
7 service from the utility pursuant to Section 16-107 of  
8 this Act, provided those customers have not been declared  
9 competitive. This requirement continues until December 31,  
10 2026.

11 (5) Include a proposed or revised cost-recovery tariff  
12 mechanism, as provided for under subsection (d) of this  
13 Section, to fund the proposed energy efficiency and  
14 demand-response measures and to ensure the recovery of the  
15 prudently and reasonably incurred costs of  
16 Commission-approved programs.

17 (6) Provide for an annual independent evaluation of  
18 the performance of the cost-effectiveness of the utility's  
19 portfolio of measures, as well as a full review of the  
20 multi-year plan results of the broader net program impacts  
21 and, to the extent practical, for adjustment of the  
22 measures on a going-forward basis as a result of the  
23 evaluations. The resources dedicated to evaluation shall  
24 not exceed 3% of portfolio resources in any given year.

25 (7) For electric utilities that serve more than  
26 3,000,000 retail customers in the State:

1 (A) Through December 31, 2025, provide for an  
2 adjustment to the return on equity component of the  
3 utility's weighted average cost of capital calculated  
4 under subsection (d) of this Section:

5 (i) If the independent evaluator determines  
6 that the utility achieved a cumulative persisting  
7 annual savings that is less than the applicable  
8 annual incremental goal, then the return on equity  
9 component shall be reduced by a maximum of 200  
10 basis points in the event that the utility  
11 achieved no more than 75% of such goal. If the  
12 utility achieved more than 75% of the applicable  
13 annual incremental goal but less than 100% of such  
14 goal, then the return on equity component shall be  
15 reduced by 8 basis points for each percent by  
16 which the utility failed to achieve the goal.

17 (ii) If the independent evaluator determines  
18 that the utility achieved a cumulative persisting  
19 annual savings that is more than the applicable  
20 annual incremental goal, then the return on equity  
21 component shall be increased by a maximum of 200  
22 basis points in the event that the utility  
23 achieved at least 125% of such goal. If the  
24 utility achieved more than 100% of the applicable  
25 annual incremental goal but less than 125% of such  
26 goal, then the return on equity component shall be

1 increased by 8 basis points for each percent by  
2 which the utility achieved above the goal. If the  
3 applicable annual incremental goal was reduced  
4 under paragraph (1) or (2) of subsection (f) of  
5 this Section, then the following adjustments shall  
6 be made to the calculations described in this item  
7 (ii):

8 (aa) the calculation for determining  
9 achievement that is at least 125% of the  
10 applicable annual incremental goal shall use  
11 the unreduced applicable annual incremental  
12 goal to set the value; and

13 (bb) the calculation for determining  
14 achievement that is less than 125% but more  
15 than 100% of the applicable annual incremental  
16 goal shall use the reduced applicable annual  
17 incremental goal to set the value for 100%  
18 achievement of the goal and shall use the  
19 unreduced goal to set the value for 125%  
20 achievement. The 8 basis point value shall  
21 also be modified, as necessary, so that the  
22 200 basis points are evenly apportioned among  
23 each percentage point value between 100% and  
24 125% achievement.

25 (B) For the period January 1, 2026 through  
26 December 31, 2029 and in all subsequent 4-year

1 periods, provide for an adjustment to the return on  
2 equity component of the utility's weighted average  
3 cost of capital calculated under subsection (d) of  
4 this Section:

5 (i) If the product of the incremental annual  
6 savings goal and minimum average savings life  
7 specified in subsection (b-16) of this Section is  
8 unmodified, and if the independent evaluator  
9 determines that the utility achieved lifetime  
10 energy savings that are less than the product of  
11 the incremental annual savings goal and minimum  
12 average savings life specified in subsection  
13 (b-16) of this Section, then the return on equity  
14 component shall be reduced by a maximum of 200  
15 basis points if the utility achieved no more than  
16 66.67% of the lifetime savings goal. If the  
17 utility achieved more than 66.67% but less than  
18 100% of the goal, then the return on equity  
19 component shall be reduced by 6 basis points for  
20 each percent by which the utility failed to  
21 achieve the goal. If the independent evaluator  
22 determines that the utility achieved a cumulative  
23 persisting annual savings that is less than the  
24 applicable annual incremental goal, then the  
25 return on equity component shall be reduced by a  
26 maximum of 200 basis points in the event that the

1 ~~utility achieved no more than 66% of such goal. If~~  
2 ~~the utility achieved more than 66% of the~~  
3 ~~applicable annual incremental goal but less than~~  
4 ~~100% of such goal, then the return on equity~~  
5 ~~component shall be reduced by 6 basis points for~~  
6 ~~each percent by which the utility failed to~~  
7 ~~achieve the goal.~~

8 (ii) If the product of the incremental annual  
9 savings goal and the minimum average savings life  
10 specified in subsection (b-16) of this Section is  
11 unmodified, and if the independent evaluator  
12 determines that the utility achieved lifetime  
13 energy savings that are more than the product of  
14 the incremental annual savings goal and minimum  
15 average savings life specified in subsection  
16 (b-16) of this Section, then the return on equity  
17 component shall be increased by a maximum of 200  
18 basis points if the utility achieved at least  
19 133.33% of such lifetime savings goal. If the  
20 utility achieved more than 100% but less than  
21 133.33% of the goal, then the return on equity  
22 component shall be increased by 6 basis points for  
23 each percent by which the utility exceeded the  
24 goal. ~~If the independent evaluator determines that~~  
25 ~~the utility achieved a cumulative persisting~~  
26 ~~annual savings that is more than the applicable~~



1 ~~annual incremental goal, then the return on equity~~  
2 ~~component shall be increased by a maximum of 200~~  
3 ~~basis points in the event that the utility~~  
4 ~~achieved at least 134% of such goal. If the~~  
5 ~~utility achieved more than 100% of the applicable~~  
6 ~~annual incremental goal but less than 134% of such~~  
7 ~~goal, then the return on equity component shall be~~  
8 ~~increased by 6 basis points for each percent by~~  
9 ~~which the utility achieved above the goal. If the~~  
10 ~~applicable annual incremental goal was reduced~~  
11 ~~under paragraph (3) of subsection (f) of this~~  
12 ~~Section, then the following adjustments shall be~~  
13 ~~made to the calculations described in this item~~  
14 ~~(ii):~~

15 ~~(aa) the calculation for determining~~  
16 ~~achievement that is at least 134% of the~~  
17 ~~applicable annual incremental goal shall use~~  
18 ~~the unreduced applicable annual incremental~~  
19 ~~goal to set the value; and~~

20 ~~(bb) the calculation for determining~~  
21 ~~achievement that is less than 134% but more~~  
22 ~~than 100% of the applicable annual incremental~~  
23 ~~goal shall use the reduced applicable annual~~  
24 ~~incremental goal to set the value for 100%~~  
25 ~~achievement of the goal and shall use the~~  
26 ~~unreduced goal to set the value for 134%~~

1           ~~achievement. The 6 basis point value shall~~  
2           ~~also be modified, as necessary, so that the~~  
3           ~~200 basis points are evenly apportioned among~~  
4           ~~each percentage point value between 100% and~~  
5           ~~134% achievement.~~

6           (iii) If the product of the incremental annual  
7           savings goal and minimum average savings life  
8           specified in subsection (b-16) of this Section is  
9           reduced under paragraph (4) of subsection (f),  
10           then the return on equity shall be reduced by 10  
11           basis points for every percent by which the  
12           utility fails to achieve the modified goal, up to  
13           a maximum of a 200 basis point reduction for  
14           achieving 80% or less of the modified lifetime  
15           savings goal.

16           (iv) If the product of the incremental annual  
17           savings goal and minimum average savings life  
18           specified in subsection (b-16) of this Section is  
19           reduced under paragraph (4) of subsection (f), the  
20           return on equity component shall be increased by a  
21           maximum of 200 basis points if the utility  
22           achieved at least 133.33% of the unmodified  
23           lifetime savings goal. If the utility achieved  
24           more than 100% of the modified goal but less than  
25           133.33% of the unmodified goal, then the return on  
26           equity component shall be linearly interpolated

1           between a 0% increase for meeting 100% of the  
2           modified goal and a 200 basis point increase for  
3           achieving 133.33% of the unmodified goal.

4           ~~(C) Notwithstanding the provisions of~~  
5           ~~subparagraphs (A) and (B) of this paragraph (7), if~~  
6           ~~the applicable annual incremental goal for an electric~~  
7           ~~utility is ever less than 0.6% of deemed average~~  
8           ~~weather normalized sales of electric power and energy~~  
9           ~~during calendar years 2014, 2015, and 2016, an~~  
10           ~~adjustment to the return on equity component of the~~  
11           ~~utility's weighted average cost of capital calculated~~  
12           ~~under subsection (d) of this Section shall be made as~~  
13           ~~follows:~~

14           ~~(i) If the independent evaluator determines~~  
15           ~~that the utility achieved a cumulative persisting~~  
16           ~~annual savings that is less than would have been~~  
17           ~~achieved had the applicable annual incremental~~  
18           ~~goal been achieved, then the return on equity~~  
19           ~~component shall be reduced by a maximum of 200~~  
20           ~~basis points if the utility achieved no more than~~  
21           ~~75% of its applicable annual total savings~~  
22           ~~requirement as defined in paragraph (7.5) of this~~  
23           ~~subsection. If the utility achieved more than 75%~~  
24           ~~of the applicable annual total savings requirement~~  
25           ~~but less than 100% of such goal, then the return on~~  
26           ~~equity component shall be reduced by 8 basis~~

1 ~~points for each percent by which the utility~~  
2 ~~failed to achieve the goal.~~

3 ~~(ii) If the independent evaluator determines~~  
4 ~~that the utility achieved a cumulative persisting~~  
5 ~~annual savings that is more than would have been~~  
6 ~~achieved had the applicable annual incremental~~  
7 ~~goal been achieved, then the return on equity~~  
8 ~~component shall be increased by a maximum of 200~~  
9 ~~basis points if the utility achieved at least 125%~~  
10 ~~of its applicable annual total savings~~  
11 ~~requirement. If the utility achieved more than~~  
12 ~~100% of the applicable annual total savings~~  
13 ~~requirement but less than 125% of such goal, then~~  
14 ~~the return on equity component shall be increased~~  
15 ~~by 8 basis points for each percent by which the~~  
16 ~~utility achieved above the applicable annual total~~  
17 ~~savings requirement. If the applicable annual~~  
18 ~~incremental goal was reduced under paragraph (1)~~  
19 ~~or (2) of subsection (f) of this Section, then the~~  
20 ~~following adjustments shall be made to the~~  
21 ~~calculations described in this item (ii):~~

22 ~~(aa) the calculation for determining~~  
23 ~~achievement that is at least 125% of the~~  
24 ~~applicable annual total savings requirement~~  
25 ~~shall use the unreduced applicable annual~~  
26 ~~incremental goal to set the value; and~~

1                   ~~(bb) the calculation for determining~~  
2                   ~~achievement that is less than 125% but more~~  
3                   ~~than 100% of the applicable annual total~~  
4                   ~~savings requirement shall use the reduced~~  
5                   ~~applicable annual incremental goal to set the~~  
6                   ~~value for 100% achievement of the goal and~~  
7                   ~~shall use the unreduced goal to set the value~~  
8                   ~~for 125% achievement. The 8 basis point value~~  
9                   ~~shall also be modified, as necessary, so that~~  
10                   ~~the 200 basis points are evenly apportioned~~  
11                   ~~among each percentage point value between 100%~~  
12                   ~~and 125% achievement.~~

13                   (7.5) For purposes of this Section, the term  
14                   "applicable annual incremental goal" means the difference  
15                   between the cumulative persisting annual savings goal for  
16                   the calendar year that is the subject of the independent  
17                   evaluator's determination and the cumulative persisting  
18                   annual savings goal for the immediately preceding calendar  
19                   year, as such goals are defined in subsections (b-5) and  
20                   (b-15) of this Section and as these goals may have been  
21                   modified as provided for under subsection (b-20) and  
22                   paragraphs (1) and (2) ~~through (3)~~ of subsection (f) of  
23                   this Section. Under subsections (b), (b-5), (b-10), and  
24                   (b-15) of this Section, a utility must first replace  
25                   energy savings from measures that have expired before any  
26                   progress towards achievement of its applicable annual

1 incremental goal may be counted. Savings may expire  
2 because measures installed in previous years have reached  
3 the end of their lives, because measures installed in  
4 previous years are producing lower savings in the current  
5 year than in the previous year, or for other reasons  
6 identified by independent evaluators. Notwithstanding  
7 anything else set forth in this Section, the difference  
8 between the actual annual incremental savings achieved in  
9 any given year, including the replacement of energy  
10 savings that have expired, and the applicable annual  
11 incremental goal shall not affect adjustments to the  
12 return on equity for subsequent calendar years under this  
13 subsection (g).

14 In this Section, "applicable annual total savings  
15 requirement" means the total amount of new annual savings  
16 that the utility must achieve in any given year to achieve  
17 the applicable annual incremental goal. This is equal to  
18 the applicable annual incremental goal plus the total new  
19 annual savings that are required to replace savings that  
20 expired in or at the end of the previous year.

21 (8) For electric utilities that serve less than  
22 3,000,000 retail customers but more than 500,000 retail  
23 customers in the State:

24 (A) Through December 31, 2026 ~~2025~~, the applicable  
25 annual incremental goal shall be compared to the  
26 annual incremental savings as determined by the

1 independent evaluator.

2 (i) The return on equity component shall be  
3 reduced by 8 basis points for each percent by  
4 which the utility did not achieve 84.4% of the  
5 applicable annual incremental goal.

6 (ii) The return on equity component shall be  
7 increased by 8 basis points for each percent by  
8 which the utility exceeded 100% of the applicable  
9 annual incremental goal.

10 (iii) The return on equity component shall not  
11 be increased or decreased if the annual  
12 incremental savings as determined by the  
13 independent evaluator is greater than 84.4% of the  
14 applicable annual incremental goal and less than  
15 100% of the applicable annual incremental goal.

16 (iv) The return on equity component shall not  
17 be increased or decreased by an amount greater  
18 than 200 basis points pursuant to this  
19 subparagraph (A).

20 (B) For the period of January 1, 2027 ~~2026~~ through  
21 December 31, 2029, provide for an adjustment to the  
22 return on equity component of the utility's weighted  
23 average cost of capital calculated under subsection  
24 (d) of this Section: and in all subsequent 4-year  
25 ~~periods, the applicable annual incremental goal shall~~  
26 ~~be compared to the annual incremental savings as~~

1 ~~determined by the independent evaluator.~~

2 (i) The return on equity component shall be  
3 reduced by 6 basis points for each percent by  
4 which the utility did not achieve 85% ~~100%~~ of the  
5 lifetime savings that is the product of the  
6 incremental annual savings goal and the minimum  
7 average savings life specified in subsection  
8 (b-16) of this Section, up to a maximum reduction  
9 of 200 basis points for achieving 51.67% or less  
10 of the lifetime savings goal ~~applicable annual~~  
11 ~~incremental goal.~~

12 (ii) The return on equity component shall be  
13 increased by 6 basis points for each percent by  
14 which the utility exceeded 100% of the lifetime  
15 savings that is the product of the incremental  
16 annual savings goal and the minimum average  
17 savings life specified in subsection (b-16) of  
18 this Section, up to a maximum increase of 200  
19 basis points for achieving 133.33% or more of the  
20 lifetime savings goal ~~applicable annual~~  
21 ~~incremental goal.~~

22 ~~(iii) The return on equity component shall not~~  
23 ~~be increased or decreased by an amount greater~~  
24 ~~than 200 basis points pursuant to this~~  
25 ~~subparagraph (B).~~

26 (C) For the period of January 1, 2030 through



1 December 31, 2033, provide for an adjustment to the  
2 return on equity component of the utility's weighted  
3 average cost of capital calculated under subsection  
4 (d) of this Section:

5 (i) If the product of the incremental annual  
6 savings goal and minimum average savings life  
7 specified in subsection (b-16) of this Section is  
8 unmodified, and if the independent evaluator  
9 determines that the utility achieved lifetime  
10 energy savings that are less than 95% of the  
11 product of the incremental annual savings goal and  
12 minimum average savings life specified in  
13 subsection (b-16) of this Section, the return on  
14 equity component shall be reduced by 3 basis  
15 points for each percent by which the utility did  
16 not achieve 95% of the lifetime savings goal, plus  
17 an additional 3 basis point reduction for each  
18 percent by which the utility did not achieve 90%  
19 of the lifetime savings goal, up to a maximum  
20 reduction of 200 basis points for achieving 59.17%  
21 or less of the lifetime savings goal.

22 (ii) If the product of the incremental annual  
23 savings goal and minimum average savings life  
24 specified in subsection (b-16) of this Section is  
25 unmodified, and if the independent evaluator  
26 determines that the utility achieved lifetime

1 energy savings that are greater than the product  
2 of the incremental annual savings goal and minimum  
3 average savings life specified in subsection  
4 (b-16) of this Section, the return on equity  
5 component shall be increased by 6 basis points for  
6 each percent by which the utility exceeded 100% of  
7 the lifetime savings goal, up to a maximum  
8 increase of 200 basis points for achieving 133.33%  
9 or more of the lifetime savings goal.

10 (iii) If the product of the incremental annual  
11 savings goal and minimum average savings life  
12 specified in subsection (b-16) of this Section is  
13 reduced under paragraph (4) of subsection (f), the  
14 return on equity component shall be reduced by 10  
15 basis points for every percent by which the  
16 utility fails to achieve the modified lifetime  
17 savings goal, up to a maximum of a 200 basis point  
18 reduction for achieving 80% or less of the  
19 modified goal.

20 (iv) If the product of the incremental annual  
21 savings goal and minimum average savings life  
22 specified in subsection (b-16) of this Section is  
23 reduced under paragraph (4) of subsection (f), the  
24 return on equity component shall be increased by a  
25 maximum of 200 basis points if the utility  
26 achieved at least 133.33% of the unmodified

1 lifetime savings goal. If the utility achieved  
2 more than 100% of the modified goal but less than  
3 133.33% of the unmodified goal, then the return on  
4 equity component shall be linearly interpolated  
5 between a 0% increase for meeting 100% of the  
6 modified goal and a 200 basis point increase for  
7 achieving 133.33% of the unmodified goal.

8 (D) For the period of January 1, 2034 through  
9 December 31, 2037, as well as for all subsequent  
10 four-year plan periods, provide for an adjustment to  
11 the return on equity component of the utility's  
12 weighted average cost of capital calculated under  
13 subsection (d) of this Section:

14 (i) If the product of the incremental annual  
15 savings goal and minimum average savings life  
16 specified in subsection (b-16) of this Section is  
17 unmodified, and if the independent evaluator  
18 determines that the utility achieved lifetime  
19 energy savings that is less than 100% of the  
20 product of the incremental annual savings goal and  
21 minimum average savings life specified in  
22 subsection (b-16) of this Section, the return on  
23 equity component shall be reduced by 6 basis  
24 points for each percent by which the utility did  
25 not achieve 100% of the lifetime savings goal, up  
26 to a maximum reduction of 200 basis points for

1 achieving 66.67% or less of the lifetime savings  
2 goal.

3 (ii) If the product of the incremental annual  
4 savings goal and minimum average savings life  
5 specified in subsection (b-16) of this Section is  
6 unmodified, and if the independent evaluator  
7 determines that the utility achieved lifetime  
8 energy savings that is greater than the product of  
9 the incremental annual savings goal and minimum  
10 average savings life specified in subsection  
11 (b-16) of this Section, the return on equity  
12 component shall be increased by 6 basis points for  
13 each percent by which the utility exceeded 100% of  
14 the lifetime savings goal, up to a maximum  
15 increase of 200 basis points for achieving 133.33%  
16 or more of the lifetime savings goal.

17 (iii) If the product of the incremental annual  
18 savings goal and minimum average savings life  
19 specified in subsection (b-16) of this Section is  
20 reduced under paragraph (4) of subsection (f),  
21 then the return on equity shall be reduced by 10  
22 basis points for every percent by which the  
23 utility fails to achieve the modified lifetime  
24 savings goal, up to a maximum of a 200 basis point  
25 reduction for achieving 80% or less of the  
26 modified goal.

1           (iv) If the product of the incremental annual  
2           savings goal and minimum average savings life  
3           specified in subsection (b-16) of this Section is  
4           reduced under paragraph (4) of subsection (f), the  
5           return on equity component shall be increased by a  
6           maximum of 200 basis points if the utility  
7           achieved at least 133.33% of the unmodified  
8           lifetime savings goal. If the utility achieved  
9           more than 100% of the modified goal but less than  
10           133.33% of the unmodified goal, then the return on  
11           equity component shall be linearly interpolated  
12           between a 0% increase for meeting 100% of the  
13           modified goal and a 200 basis point increase for  
14           achieving 133.33% of the unmodified goal.

15           ~~(C) Notwithstanding provisions in subparagraphs~~  
16           ~~(A) and (B) of paragraph (7) of this subsection, if the~~  
17           ~~applicable annual incremental goal for an electric~~  
18           ~~utility is ever less than 0.6% of deemed average~~  
19           ~~weather normalized sales of electric power and energy~~  
20           ~~during calendar years 2014, 2015 and 2016, an~~  
21           ~~adjustment to the return on equity component of the~~  
22           ~~utility's weighted average cost of capital calculated~~  
23           ~~under subsection (d) of this Section shall be made as~~  
24           ~~follows:~~

25           ~~(i) The return on equity component shall be~~  
26           ~~reduced by 8 basis points for each percent by~~

1 ~~which the utility did not achieve 100% of the~~  
2 ~~applicable annual total savings requirement.~~

3 ~~(ii) The return on equity component shall be~~  
4 ~~increased by 8 basis points for each percent by~~  
5 ~~which the utility exceeded 100% of the applicable~~  
6 ~~annual total savings requirement.~~

7 ~~(iii) The return on equity component shall not~~  
8 ~~be increased or decreased by an amount greater~~  
9 ~~than 200 basis points pursuant to this~~  
10 ~~subparagraph (C).~~

11 ~~(D) If the applicable annual incremental goal was~~  
12 ~~reduced under paragraph (1), (2), (3), or (4) of~~  
13 ~~subsection (f) of this Section, then the following~~  
14 ~~adjustments shall be made to the calculations~~  
15 ~~described in subparagraphs (A), (B), and (C) of this~~  
16 ~~paragraph (8):~~

17 ~~(i) The calculation for determining~~  
18 ~~achievement that is at least 125% or 134%, as~~  
19 ~~applicable, of the applicable annual incremental~~  
20 ~~goal or the applicable annual total savings~~  
21 ~~requirement, as applicable, shall use the~~  
22 ~~unreduced applicable annual incremental goal to~~  
23 ~~set the value.~~

24 ~~(ii) For the period through December 31, 2025,~~  
25 ~~the calculation for determining achievement that~~  
26 ~~is less than 125% but more than 100% of the~~

1 ~~applicable annual incremental goal or the~~  
2 ~~applicable annual total savings requirement, as~~  
3 ~~applicable, shall use the reduced applicable~~  
4 ~~annual incremental goal to set the value for 100%~~  
5 ~~achievement of the goal and shall use the~~  
6 ~~unreduced goal to set the value for 125%~~  
7 ~~achievement. The 8 basis point value shall also be~~  
8 ~~modified, as necessary, so that the 200 basis~~  
9 ~~points are evenly apportioned among each~~  
10 ~~percentage point value between 100% and 125%~~  
11 ~~achievement.~~

12 ~~(iii) For the period of January 1, 2026~~  
13 ~~through December 31, 2029 and all subsequent~~  
14 ~~4-year periods, the calculation for determining~~  
15 ~~achievement that is less than 125% or 134%, as~~  
16 ~~applicable, but more than 100% of the applicable~~  
17 ~~annual incremental goal or the applicable annual~~  
18 ~~total savings requirement, as applicable, shall~~  
19 ~~use the reduced applicable annual incremental goal~~  
20 ~~to set the value for 100% achievement of the goal~~  
21 ~~and shall use the unreduced goal to set the value~~  
22 ~~for 125% achievement. The 6 basis point value or 8~~  
23 ~~basis point value, as applicable, shall also be~~  
24 ~~modified, as necessary, so that the 200 basis~~  
25 ~~points are evenly apportioned among each~~  
26 ~~percentage point value between 100% and 125% or~~

1 ~~between 100% and 134% achievement, as applicable.~~

2 (9) The utility shall submit the energy savings data  
3 to the independent evaluator no later than 30 days after  
4 the close of the plan year. The independent evaluator  
5 shall determine the cumulative persisting annual savings  
6 for a given plan year, as well as an estimate of job  
7 impacts and other macroeconomic impacts of the efficiency  
8 programs for that year, no later than 120 days after the  
9 close of the plan year. The utility shall submit an  
10 informational filing to the Commission no later than 160  
11 days after the close of the plan year that attaches the  
12 independent evaluator's final report identifying the  
13 cumulative persisting annual savings for the year and  
14 calculates, under paragraph (7) or (8) of this subsection  
15 (g), as applicable, any resulting change to the utility's  
16 return on equity component of the weighted average cost of  
17 capital applicable to the next plan year beginning with  
18 the January monthly billing period and extending through  
19 the December monthly billing period. However, if the  
20 utility recovers the costs incurred under this Section  
21 under paragraphs (2) and (3) of subsection (d) of this  
22 Section, then the utility shall not be required to submit  
23 such informational filing, and shall instead submit the  
24 information that would otherwise be included in the  
25 informational filing as part of its filing under paragraph  
26 (3) of such subsection (d) that is due on or before June 1



1 of each year.

2 For those utilities that must submit the informational  
3 filing, the Commission may, on its own motion or by  
4 petition, initiate an investigation of such filing,  
5 provided, however, that the utility's proposed return on  
6 equity calculation shall be deemed the final, approved  
7 calculation on December 15 of the year in which it is filed  
8 unless the Commission enters an order on or before  
9 December 15, after notice and hearing, that modifies such  
10 calculation consistent with this Section.

11 The adjustments to the return on equity component  
12 described in paragraph ~~paragraphs~~ (7) ~~and (8)~~ of this  
13 subsection (g) shall be applied as described in such  
14 paragraphs through a separate tariff mechanism, which  
15 shall be filed by the utility under subsections (f) and  
16 (g) of this Section.

17 (9.5) The utility must demonstrate how it will ensure  
18 that program implementation contractors and energy  
19 efficiency installation vendors will promote workforce  
20 equity and quality jobs.

21 (9.6) Utilities shall collect data necessary to ensure  
22 compliance with paragraph (9.5) no less than quarterly and  
23 shall communicate progress toward compliance with  
24 paragraph (9.5) to program implementation contractors and  
25 energy efficiency installation vendors no less than  
26 quarterly. Utilities shall work with relevant vendors,

1 providing education, training, and other resources needed  
2 to ensure compliance and, where necessary, adjusting or  
3 terminating work with vendors that cannot assist with  
4 compliance.

5 (10) Utilities required to implement efficiency  
6 programs under subsections (b-5), ~~and~~ (b-10), and (b-16)  
7 shall report annually to the Illinois Commerce Commission  
8 and the General Assembly on how hiring, contracting, job  
9 training, and other practices related to its energy  
10 efficiency programs enhance the diversity of vendors  
11 working on such programs. These reports must include data  
12 on vendor and employee diversity, including data on the  
13 implementation of paragraphs (9.5) and (9.6). If the  
14 utility is not meeting the requirements of paragraphs  
15 (9.5) and (9.6), the utility shall submit a plan to adjust  
16 their activities so that they meet the requirements of  
17 paragraphs (9.5) and (9.6) within the following year.

18 (h) No more than 4% of energy efficiency and  
19 demand-response program revenue may be allocated for research,  
20 development, or pilot deployment of new equipment or measures.  
21 Electric utilities shall work with interested stakeholders to  
22 formulate a plan for how these funds should be spent,  
23 incorporate statewide approaches for these allocations, and  
24 file a 4-year plan that demonstrates that collaboration. If a  
25 utility files a request for modified annual energy savings  
26 goals with the Commission, then a utility shall forgo spending

1 portfolio dollars on research and development proposals.

2 (i) When practicable, electric utilities shall incorporate  
3 advanced metering infrastructure data into the planning,  
4 implementation, and evaluation of energy efficiency measures  
5 and programs, subject to the data privacy and confidentiality  
6 protections of applicable law.

7 (j) The independent evaluator shall follow the guidelines  
8 and use the savings set forth in Commission-approved energy  
9 efficiency policy manuals and technical reference manuals, as  
10 each may be updated from time to time. Until such time as  
11 measure life values for energy efficiency measures implemented  
12 for low-income households under subsection (c) of this Section  
13 are incorporated into such Commission-approved manuals, the  
14 low-income measures shall have the same measure life values  
15 that are established for same measures implemented in  
16 households that are not low-income households.

17 (k) Notwithstanding any provision of law to the contrary,  
18 an electric utility subject to the requirements of this  
19 Section may file a tariff cancelling an automatic adjustment  
20 clause tariff in effect under this Section or Section 8-103,  
21 which shall take effect no later than one business day after  
22 the date such tariff is filed. Thereafter, the utility shall  
23 be authorized to defer and recover its expenditures incurred  
24 under this Section through a new tariff authorized under  
25 subsection (d) of this Section or in the utility's next rate  
26 case under Article IX or Section 16-108.5 of this Act, with

1 interest at an annual rate equal to the utility's weighted  
2 average cost of capital as approved by the Commission in such  
3 case. If the utility elects to file a new tariff under  
4 subsection (d) of this Section, the utility may file the  
5 tariff within 10 days after June 1, 2017 (the effective date of  
6 Public Act 99-906), and the cost inputs to such tariff shall be  
7 based on the projected costs to be incurred by the utility  
8 during the calendar year in which the new tariff is filed and  
9 that were not recovered under the tariff that was cancelled as  
10 provided for in this subsection. Such costs shall include  
11 those incurred or to be incurred by the utility under its  
12 multi-year plan approved under subsections (f) and (g) of this  
13 Section, including, but not limited to, projected capital  
14 investment costs and projected regulatory asset balances with  
15 correspondingly updated depreciation and amortization reserves  
16 and expense. The Commission shall, after notice and hearing,  
17 approve, or approve with modification, such tariff and cost  
18 inputs no later than 75 days after the utility filed the  
19 tariff, provided that such approval, or approval with  
20 modification, shall be consistent with the provisions of this  
21 Section to the extent they do not conflict with this  
22 subsection (k). The tariff approved by the Commission shall  
23 take effect no later than 5 days after the Commission enters  
24 its order approving the tariff.

25 No later than 60 days after the effective date of the  
26 tariff cancelling the utility's automatic adjustment clause

1 tariff, the utility shall file a reconciliation that  
2 reconciles the moneys collected under its automatic adjustment  
3 clause tariff with the costs incurred during the period  
4 beginning June 1, 2016 and ending on the date that the electric  
5 utility's automatic adjustment clause tariff was cancelled. In  
6 the event the reconciliation reflects an under-collection, the  
7 utility shall recover the costs as specified in this  
8 subsection (k). If the reconciliation reflects an  
9 over-collection, the utility shall apply the amount of such  
10 over-collection as a one-time credit to retail customers'  
11 bills.

12 (1) For the calendar years covered by a multi-year plan  
13 commencing after December 31, 2017, subsections (a) through  
14 (j) of this Section do not apply to eligible large private  
15 energy customers that have chosen to opt out of multi-year  
16 plans consistent with this subsection (1).

17 (1) For purposes of this subsection (1), "eligible  
18 large private energy customer" means any retail customers,  
19 except for federal, State, municipal, and other public  
20 customers, of an electric utility that serves more than  
21 3,000,000 retail customers, except for federal, State,  
22 municipal and other public customers, in the State and  
23 whose total highest 30 minute demand was more than 10,000  
24 kilowatts, or any retail customers of an electric utility  
25 that serves less than 3,000,000 retail customers but more  
26 than 500,000 retail customers in the State and whose total

1 highest 15 minute demand was more than 10,000 kilowatts.  
2 For purposes of this subsection (1), "retail customer" has  
3 the meaning set forth in Section 16-102 of this Act.  
4 However, for a business entity with multiple sites located  
5 in the State, where at least one of those sites qualifies  
6 as an eligible large private energy customer, then any of  
7 that business entity's sites, properly identified on a  
8 form for notice, shall be considered eligible large  
9 private energy customers for the purposes of this  
10 subsection (1). A determination of whether this subsection  
11 is applicable to a customer shall be made for each  
12 multi-year plan beginning after December 31, 2017. The  
13 criteria for determining whether this subsection (1) is  
14 applicable to a retail customer shall be based on the 12  
15 consecutive billing periods prior to the start of the  
16 first year of each such multi-year plan.

17 (2) Within 45 days after September 15, 2021 (the  
18 effective date of Public Act 102-662), the Commission  
19 shall prescribe the form for notice required for opting  
20 out of energy efficiency programs. The notice must be  
21 submitted to the retail electric utility 12 months before  
22 the next energy efficiency planning cycle. However, within  
23 120 days after the Commission's initial issuance of the  
24 form for notice, eligible large private energy customers  
25 may submit a form for notice to an electric utility. The  
26 form for notice for opting out of energy efficiency

1 programs shall include all of the following:

2 (A) a statement indicating that the customer has  
3 elected to opt out;

4 (B) the account numbers for the customer accounts  
5 to which the opt out shall apply;

6 (C) the mailing address associated with the  
7 customer accounts identified under subparagraph (B);

8 (D) an American Society of Heating, Refrigerating,  
9 and Air-Conditioning Engineers (ASHRAE) level 2 or  
10 higher audit report conducted by an independent  
11 third-party expert identifying cost-effective energy  
12 efficiency project opportunities that could be  
13 invested in over the next 10 years. A retail customer  
14 with specialized processes may utilize a self-audit  
15 process in lieu of the ASHRAE audit;

16 (E) a description of the customer's plans to  
17 reallocate the funds toward internal energy efficiency  
18 efforts identified in the subparagraph (D) report,  
19 including, but not limited to: (i) strategic energy  
20 management or other programs, including descriptions  
21 of targeted buildings, equipment and operations; (ii)  
22 eligible energy efficiency measures; and (iii)  
23 expected energy savings, itemized by technology. If  
24 the subparagraph (D) audit report identifies that the  
25 customer currently utilizes the best available energy  
26 efficient technology, equipment, programs, and

1 operations, the customer may provide a statement that  
2 more efficient technology, equipment, programs, and  
3 operations are not reasonably available as a means of  
4 satisfying this subparagraph (E); and

5 (F) the effective date of the opt out, which will  
6 be the next January 1 following notice of the opt out.

7 (3) Upon receipt of a properly and timely noticed  
8 request for opt out submitted by an eligible large private  
9 energy customer, the retail electric utility shall grant  
10 the request, file the request with the Commission and,  
11 beginning January 1 of the following year, the opted out  
12 customer shall no longer be assessed the costs of the plan  
13 and shall be prohibited from participating in that 4-year  
14 plan cycle to give the retail utility the certainty to  
15 design program plan proposals.

16 (4) Upon a customer's election to opt out under  
17 paragraphs (1) and (2) of this subsection (1) and  
18 commencing on the effective date of said opt out, the  
19 account properly identified in the customer's notice under  
20 paragraph (2) shall not be subject to any cost recovery  
21 and shall not be eligible to participate in, or directly  
22 benefit from, compliance with energy efficiency cumulative  
23 persisting savings requirements under subsections (a)  
24 through (j).

25 (5) A utility's cumulative persisting annual savings  
26 targets will exclude any opted out load.



1           (6) The request to opt out is only valid for the  
2 requested plan cycle. An eligible large private energy  
3 customer must also request to opt out for future energy  
4 plan cycles, otherwise the customer will be included in  
5 the future energy plan cycle.

6           (m) Notwithstanding the requirements of this Section, as  
7 part of a proceeding to approve a multi-year plan under  
8 subsections (f) and (g) of this Section if the multi-year plan  
9 has been designed to maximize savings, but does not meet the  
10 cost cap limitations of this Section, the Commission shall  
11 reduce the amount of energy efficiency measures implemented  
12 for any single year, and whose costs are recovered under  
13 subsection (d) of this Section, by an amount necessary to  
14 limit the estimated average net increase due to the cost of the  
15 measures to no more than

16           (1) 3.5% for each of the 4 years beginning January 1,  
17 2018,

18           (2) (blank),

19           (3) 4% for each of the 5 ~~4~~ years beginning January 1,  
20 2022,

21           (4) 4.25% for electric utilities with more than 3  
22 million retail customers, and 5.10% for electric utilities  
23 with less than 3 million retail customers but more 500,000  
24 retail customers, for the 3 ~~4~~ years beginning January 1,  
25 2027 ~~2026~~, and

26           (5) the percentages specified in paragraph (4) ~~4.25%~~

1 plus an increase sufficient to account for the rate of  
2 inflation between January 1, 2027 ~~2026~~ and January 1 of  
3 the first year of each subsequent 4-year plan cycle,  
4 of the average amount paid per kilowatthour by residential  
5 eligible retail customers during calendar year 2023 ~~2015~~. An  
6 electric utility may plan to spend up to 10% more in any year  
7 during an applicable multi-year plan period to  
8 cost-effectively achieve additional savings so long as the  
9 average over the applicable multi-year plan period does not  
10 exceed the percentages defined in items (1) through (5). To  
11 determine the total amount that may be spent by an electric  
12 utility in any single year, the applicable percentage of the  
13 average amount paid per kilowatthour shall be multiplied by  
14 the total amount of energy delivered by such electric utility  
15 in the calendar year 2023 ~~2015~~, adjusted to reflect the  
16 proportion of the utility's load attributable to customers  
17 that have opted out of subsections (a) through (j) of this  
18 Section under subsection (l) of this Section. For purposes of  
19 this subsection (m), the amount paid per kilowatthour  
20 includes, without limitation, estimated amounts paid for  
21 supply, transmission, distribution, surcharges, and add-on  
22 taxes. For purposes of this Section, "eligible retail  
23 customers" shall have the meaning set forth in Section  
24 16-111.5 of this Act. Once the Commission has approved a plan  
25 under subsections (f) and (g) of this Section, no subsequent  
26 rate impact determinations shall be made.

1 (n) A utility shall take advantage of the efficiencies  
2 available through existing Illinois Home Weatherization  
3 Assistance Program infrastructure and services, such as  
4 enrollment, marketing, quality assurance and implementation,  
5 which can reduce the need for similar services at a lower cost  
6 than utility-only programs, subject to capacity constraints at  
7 community action agencies, for both single-family and  
8 multifamily weatherization services, to the extent Illinois  
9 Home Weatherization Assistance Program community action  
10 agencies provide multifamily services. A utility's plan shall  
11 demonstrate that in formulating annual weatherization budgets,  
12 it has sought input and coordination with community action  
13 agencies regarding agencies' capacity to expand and maximize  
14 Illinois Home Weatherization Assistance Program delivery using  
15 the ratepayer dollars collected under this Section.

16 (o) The recent results of PJM capacity auctions will  
17 affect the market prices paid by customers. Load growth,  
18 electric supply constraints, and PJM capacity auction rules  
19 have resulted in increased PJM capacity prices for the  
20 2025-2026 PJM delivery year, which will increase the rates  
21 paid by customers beginning for the June 1, 2025 billing  
22 cycle. To promote bill transparency, for electric utilities  
23 serving customers located in the PJM interconnection region,  
24 each utility shall include at least the following statement as  
25 part of a bill insert or bill message provided with any bill  
26 issued to customers: "Your bill has increased this month due

1 to increased capacity prices resulting from PJM capacity  
2 auctions.". The amount of the monthly rate increase  
3 attributable to increased capacity prices resulting from the  
4 PJM capacity auction shall also be reflected in the customer's  
5 bill with the description "PJM capacity price increase  
6 impact". The electric utility's obligation to reflect the  
7 information required by this subsection shall begin with the  
8 June 1, 2025 billing cycle, and shall not continue past the  
9 December 2025 billing period.

10 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-30-23;  
11 103-613, eff. 7-1-24.)

12 (220 ILCS 5/16-107.6)

13 Sec. 16-107.6. Distributed generation rebate.

14 (a) In this Section:

15 "Additive services" means the services that distributed  
16 energy resources provide to the energy system and society that  
17 are not (1) already included in the base rebates for  
18 system-wide grid services; or (2) otherwise already  
19 compensated. Additive services may reflect, but shall not be  
20 limited to, any geographic, time-based, performance-based, and  
21 other benefits of distributed energy resources, as well as the  
22 present and future technological capabilities of distributed  
23 energy resources and present and future grid needs.

24 "Distributed energy resource" means a wide range of  
25 technologies that are located on the customer side of the

1 customer's electric meter, including, but not limited to,  
2 distributed generation, energy storage, electric vehicles, and  
3 demand response technologies.

4 "Energy storage system" means commercially available  
5 technology that is capable of absorbing energy and storing it  
6 for a period of time for use at a later time, including, but  
7 not limited to, electrochemical, thermal, and  
8 electromechanical technologies, and may be interconnected  
9 behind the customer's meter or interconnected behind its own  
10 meter.

11 "Smart inverter" means a device that converts direct  
12 current into alternating current and meets the IEEE 1547-2018  
13 equipment standards. Until devices that meet the IEEE  
14 1547-2018 standard are available, devices that meet the UL  
15 1741 SA standard are acceptable.

16 "Subscriber" has the meaning set forth in Section 1-10 of  
17 the Illinois Power Agency Act.

18 "Subscription" has the meaning set forth in Section 1-10  
19 of the Illinois Power Agency Act.

20 "System-wide grid services" means the benefits that a  
21 distributed energy resource provides to the distribution grid  
22 for a period of no less than 25 years. System-wide grid  
23 services do not vary by location, time, or the performance  
24 characteristics of the distributed energy resource.  
25 System-wide grid services include, but are not limited to,  
26 avoided or deferred distribution capacity costs, resilience

1 and reliability benefits, avoided or deferred distribution  
2 operation and maintenance costs, distribution voltage and  
3 power quality benefits, and line loss reductions.

4 "Threshold date" means December 31, 2024 or the date on  
5 which the utility's tariff or tariffs setting the new  
6 compensation values established under subsection (e) take  
7 effect, whichever is later.

8 (b) An electric utility that serves more than 200,000  
9 customers in the State shall file a petition with the  
10 Commission requesting approval of the utility's tariff to  
11 provide a rebate to the owner or operator of distributed  
12 generation, including third-party owned systems, that meets  
13 the following criteria:

14 (1) has a nameplate generating capacity no greater  
15 than 5,000 kilowatts and is primarily used to offset a  
16 customer's electricity load;

17 (2) is located on the customer's side of the billing  
18 meter and for the customer's own use;

19 (3) is interconnected to electric distribution  
20 facilities owned by the electric utility under rules  
21 adopted by the Commission by means of one or more  
22 inverters ~~the inverter~~ or smart inverters ~~inverter~~  
23 required by this Section, as applicable.

24 For purposes of this Section, "distributed generation"  
25 shall satisfy the definition of distributed renewable energy  
26 generation device set forth in Section 1-10 of the Illinois

1 Power Agency Act to the extent such definition is consistent  
2 with the requirements of this Section.

3 In addition, any new photovoltaic distributed generation  
4 that is installed after June 1, 2017 (the effective date of  
5 Public Act 99-906) must be installed by a qualified person, as  
6 defined by subsection (i) of Section 1-56 of the Illinois  
7 Power Agency Act.

8 The tariff shall include a base rebate that compensates  
9 distributed generation for the system-wide grid services  
10 associated with distributed generation and, after the  
11 proceeding described in subsection (e) of this Section, an  
12 additional payment or payments for the additive services. The  
13 tariff shall provide that the smart inverter or smart  
14 inverters associated with the distributed generation shall  
15 provide autonomous response to grid conditions through its  
16 default settings as approved by the Commission. Default  
17 settings may not be changed after the execution of the  
18 interconnection agreement except by mutual agreement between  
19 the utility and the owner or operator of the distributed  
20 generation. Nothing in this Section shall negate or supersede  
21 Institute of Electrical and Electronics Engineers equipment  
22 standards or other similar standards or requirements. The  
23 tariff shall not limit the ability of the smart inverter or  
24 smart inverters or other distributed energy resource to  
25 provide wholesale market products such as regulation, demand  
26 response, or other services, or limit the ability of the owner

1 of the smart inverter or the other distributed energy resource  
2 to receive compensation for providing those wholesale market  
3 products or services.

4 (b-5) Within 30 days after the effective date of this  
5 amendatory Act of the 102nd General Assembly, each electric  
6 public utility with 3,000,000 or more retail customers shall  
7 file a tariff with the Commission that further compensates any  
8 retail customer that installs or has installed photovoltaic  
9 facilities paired with energy storage facilities on or  
10 adjacent to its premises for the benefits the facilities  
11 provide to the distribution grid. The tariff shall provide  
12 that, in addition to the other rebates identified in this  
13 Section, the electric utility shall rebate to such retail  
14 customer (i) the previously incurred and future costs of  
15 installing interconnection facilities and related  
16 infrastructure to enable full participation in the PJM  
17 Interconnection, LLC or its successor organization frequency  
18 regulation market; and (ii) all wholesale demand charges  
19 incurred after the effective date of this amendatory Act of  
20 the 102nd General Assembly. The Commission shall approve, or  
21 approve with modification, the tariff within 120 days after  
22 the utility's filing.

23 (c) The proposed tariff authorized by subsection (b) of  
24 this Section shall include the following participation terms  
25 for rebates to be applied under this Section for distributed  
26 generation that satisfies the criteria set forth in subsection



1 (b) of this Section:

2 (1) The owner or operator of distributed generation  
3 that services customers not eligible for net metering  
4 under subsection (d), (d-5), or (e) of Section 16-107.5 of  
5 this Act may apply for a rebate as provided for in this  
6 Section. Until the threshold date, the value of the rebate  
7 shall be \$250 per kilowatt of nameplate generating  
8 capacity, measured as nominal DC power output, of that  
9 customer's distributed generation. To the extent the  
10 distributed generation also has an associated energy  
11 storage, then the energy storage system shall be  
12 separately compensated with a base rebate of \$250 per  
13 kilowatt-hour of nameplate capacity. Any distributed  
14 generation device that is compensated for storage in this  
15 subsection (1) before the threshold date shall participate  
16 in one or more programs determined through the Multi-Year  
17 Integrated Grid Planning process that are designed to meet  
18 peak reduction and flexibility. After the threshold date,  
19 the value of the base rebate and additional compensation  
20 for any additive services shall be as determined by the  
21 Commission in the proceeding described in subsection (e)  
22 of this Section, provided that the value of the base  
23 rebate for system-wide grid services shall not be lower  
24 than \$250 per kilowatt of nameplate generating capacity of  
25 distributed generation or community renewable generation  
26 project.

1           (2) The owner or operator of distributed generation  
2           that, before the threshold date, would have been eligible  
3           for net metering under subsection (d), (d-5), or (e) of  
4           Section 16-107.5 of this Act and that has not previously  
5           received a distributed generation rebate, may apply for a  
6           rebate as provided for in this Section. Until the  
7           threshold date, the value of the base rebate shall be \$300  
8           per kilowatt of nameplate generating capacity, measured as  
9           nominal DC power output, of the distributed generation.  
10          The owner or operator of distributed generation that,  
11          before the threshold date, is eligible for net metering  
12          under subsection (d), (d-5), or (e) of Section 16-107.5 of  
13          this Act may apply for a base rebate for an associated  
14          energy storage device behind the same retail customer  
15          meter ~~that uses the same smart inverter~~ as the distributed  
16          generation, regardless of whether the distributed  
17          generation applies for a rebate for the distributed  
18          generation device. The energy storage system shall be  
19          separately compensated at a base payment of \$300 per  
20          kilowatt-hour of nameplate capacity. Any distributed  
21          generation device that is compensated for storage in this  
22          subsection (2) before the threshold date shall participate  
23          in a peak time rebate program, hourly pricing program, or  
24          time-of-use rate program offered by the applicable  
25          electric utility. After the threshold date, the value of  
26          the base rebate and additional compensation for any

1 additive services shall be as determined by the Commission  
2 in the proceeding described in subsection (e) of this  
3 Section, provided that, prior to December 31, 2029, the  
4 value of the base rebate for system-wide services shall  
5 not be lower than \$300 per kilowatt of nameplate  
6 generating capacity of distributed generation, after which  
7 it shall not be lower than \$250 per kilowatt of nameplate  
8 capacity. The eligibility of energy storage devices that  
9 are interconnected behind the same retail customer meter  
10 as the distributed generation shall not be limited to  
11 energy storage devices interconnected after the effective  
12 date of this amendatory Act of the 103rd General Assembly.  
13 To the extent that an electric utility's tariffs are  
14 inconsistent with the requirements of this paragraph (2)  
15 as modified by this amendatory Act of the 103rd General  
16 Assembly, such electric utility shall, within 30 days,  
17 file modified tariffs consistent with the requirements of  
18 this paragraph (2).

19 (3) Upon approval of a rebate application submitted  
20 under this subsection (c), the retail customer shall no  
21 longer be entitled to receive any delivery service credits  
22 for the excess electricity generated by its facility and  
23 shall be subject to the provisions of subsection (n) of  
24 Section 16-107.5 of this Act unless the owner or operator  
25 receives a rebate only for an energy storage device and  
26 not for the distributed generation device.

1           (4) To be eligible for a rebate described in this  
2           subsection (c), the owner or operator of the distributed  
3           generation must have a smart inverter installed and in  
4           operation on the distributed generation.

5           (d) The Commission shall review the proposed tariff  
6           authorized by subsection (b) of this Section and may make  
7           changes to the tariff that are consistent with this Section  
8           and with the Commission's authority under Article IX of this  
9           Act, subject to notice and hearing. Following notice and  
10          hearing, the Commission shall issue an order approving, or  
11          approving with modification, such tariff no later than 240  
12          days after the utility files its tariff. Upon the effective  
13          date of this amendatory Act of the 102nd General Assembly, an  
14          electric utility shall file a petition with the Commission to  
15          amend and update any existing tariffs to comply with  
16          subsections (b) and (c).

17          (e) By no later than June 30, 2023, the Commission shall  
18          open an independent, statewide investigation into the value  
19          of, and compensation for, distributed energy resources. The  
20          Commission shall conduct the investigation, but may arrange  
21          for experts or consultants independent of the utilities and  
22          selected by the Commission to assist with the investigation.  
23          The cost of the investigation shall be shared by the utilities  
24          filing tariffs under subsection (b) of this Section but may be  
25          recovered as an expense through normal ratemaking procedures.

26          (1) The Commission shall ensure that the investigation

1 includes, at minimum, diverse sets of stakeholders; a  
2 review of best practices in calculating the value of  
3 distributed energy resource benefits; a review of the full  
4 value of the distributed energy resources and the manner  
5 in which each component of that value is or is not  
6 otherwise compensated; and assessments of how the value of  
7 distributed energy resources may evolve based on the  
8 present and future technological capabilities of  
9 distributed energy resources and based on present and  
10 future grid needs.

11 (2) The Commission's final order concluding this  
12 investigation shall establish an annual process and  
13 formula for the compensation of distributed generation and  
14 energy storage systems, and an initial set of inputs for  
15 that formula. The Commission's final order concluding this  
16 investigation shall establish base rebates that compensate  
17 distributed generation, community renewable generation  
18 projects and energy storage systems for the system-wide  
19 grid services that they provide. Those base rebate values  
20 shall be consistent across the state, and shall not vary  
21 by customer, customer class, customer location, or any  
22 other variable. With respect to rebates for distributed  
23 generation or community renewable generation projects,  
24 that rebate shall not be lower than \$250 per kilowatt of  
25 nameplate generating capacity of the distributed  
26 generation or community renewable generation project. The

1 Commission's final order concluding this proceeding shall  
2 also direct the utilities to update the formula, on an  
3 annual basis, with inputs derived from their integrated  
4 grid plans developed pursuant to Section 16-105.17. The  
5 base rebate shall be updated annually based on the annual  
6 updates to the formula inputs, but, with respect to  
7 rebates for distributed generation or community renewable  
8 generation projects, shall be no lower than \$250 per  
9 kilowatt of nameplate generating capacity of the  
10 distributed generation or community renewable generation  
11 project.

12 (3) The Commission shall also determine, as a part of  
13 its investigation under this subsection, whether  
14 distributed energy resources can provide any additive  
15 services. Those additive services may include services  
16 that are provided through utility-controlled responses to  
17 grid conditions. If the Commission determines that  
18 distributed energy resources can provide additive grid  
19 services, the Commission shall determine the terms and  
20 conditions for the operation and compensation of those  
21 services. That compensation shall be above and beyond the  
22 base rebate that the distributed energy generation,  
23 community renewable generation project and energy storage  
24 system receives. Compensation for additive services may  
25 vary by location, time, performance characteristics,  
26 technology types, or other variables.

1           (4) The Commission shall ensure that compensation for  
2 distributed energy resources, including base rebates and  
3 any payments for additive services, shall reflect all  
4 reasonably known and measurable values of the distributed  
5 generation over its full expected useful life.  
6 Compensation for additive services shall reflect, but  
7 shall not be limited to, any geographic, time-based,  
8 performance-based, and other benefits of distributed  
9 generation, as well as the present and future  
10 technological capabilities of distributed energy resources  
11 and present and future grid needs.

12           (5) The Commission shall consider the electric  
13 utility's integrated grid plan developed pursuant to  
14 Section 16-105.17 of this Act to help identify the value  
15 of distributed energy resources for the purpose of  
16 calculating the compensation described in this subsection.

17           (6) The Commission shall determine additional  
18 compensation for distributed energy resources that creates  
19 savings and value on the distribution system by being  
20 co-located or in close proximity to electric vehicle  
21 charging infrastructure in use by medium-duty and  
22 heavy-duty vehicles, primarily serving environmental  
23 justice communities, as outlined in the utility integrated  
24 grid planning process under Section 16-105.17 of this Act.

25           No later than 60 days after the Commission enters its  
26 final order under this subsection (e), each utility shall file

1 its updated tariff or tariffs in compliance with the order,  
2 including new tariffs for the recovery of costs incurred under  
3 this subsection (e) that shall provide for volumetric-based  
4 cost recovery, and the Commission shall approve, or approve  
5 with modification, the tariff or tariffs within 240 days after  
6 the utility's filing.

7 (f) Notwithstanding any provision of this Act to the  
8 contrary, the owner or operator of a community renewable  
9 generation project as defined in Section 1-10 of the Illinois  
10 Power Agency Act shall also be eligible to apply for the rebate  
11 described in this Section. The owner or operator of the  
12 community renewable generation project may apply for a rebate  
13 only if the owner or operator, or previous owner or operator,  
14 of the community renewable generation project has not already  
15 submitted an application, and, regardless of whether the  
16 subscriber is a residential or non-residential customer, may  
17 be allowed the amount identified in paragraph (1) of  
18 subsection (c) applicable on the date that the application is  
19 submitted.

20 (g) The owner of the distributed generation or community  
21 renewable generation project may apply for the rebate or  
22 rebates approved under this Section at the time of execution  
23 of an interconnection agreement with the distribution utility  
24 and shall receive the value available at that time of  
25 execution of the interconnection agreement, provided the  
26 project reaches mechanical completion within 24 months after



1 execution of the interconnection agreement. If the project has  
2 not reached mechanical completion within 24 months after  
3 execution, the owner may reapply for the rebate or rebates  
4 approved under this Section available at the time of  
5 application and shall receive the value available at the time  
6 of application. The utility shall issue the rebate no later  
7 than 60 days after the project is energized. In the event the  
8 application is incomplete or the utility is otherwise unable  
9 to calculate the payment based on the information provided by  
10 the owner, the utility shall issue the payment no later than 60  
11 days after the application is complete or all requested  
12 information is received.

13 (h) An electric utility shall recover from its retail  
14 customers all of the costs of the rebates made under a tariff  
15 or tariffs approved under subsection (d) of this Section,  
16 including, but not limited to, the value of the rebates and all  
17 costs incurred by the utility to comply with and implement  
18 subsections (b) and (c) of this Section, but not including  
19 costs incurred by the utility to comply with and implement  
20 subsection (e) of this Section, consistent with the following  
21 provisions:

22 (1) The utility shall defer the full amount of its  
23 costs as a regulatory asset. The total costs deferred as a  
24 regulatory asset shall be amortized over a 15-year period.  
25 The unamortized balance shall be recognized as of December  
26 31 for a given year. The utility shall also earn a return

1 on the total of the unamortized balance of the regulatory  
2 assets, less any deferred taxes related to the unamortized  
3 balance, at an annual rate equal to the utility's weighted  
4 average cost of capital that includes, based on a year-end  
5 capital structure, the utility's actual cost of debt for  
6 the applicable calendar year and a cost of equity, which  
7 shall be calculated as the sum of (i) the average for the  
8 applicable calendar year of the monthly average yields of  
9 30-year U.S. Treasury bonds published by the Board of  
10 Governors of the Federal Reserve System in its weekly H.15  
11 Statistical Release or successor publication; and (ii) 580  
12 basis points, including a revenue conversion factor  
13 calculated to recover or refund all additional income  
14 taxes that may be payable or receivable as a result of that  
15 return.

16 When an electric utility creates a regulatory asset  
17 under the provisions of this paragraph (1) of subsection  
18 (h), the costs are recovered over a period during which  
19 customers also receive a benefit, which is in the public  
20 interest. Accordingly, it is the intent of the General  
21 Assembly that an electric utility that elects to create a  
22 regulatory asset under the provisions of this paragraph  
23 (1) shall recover all of the associated costs, including,  
24 but not limited to, its cost of capital as set forth in  
25 this paragraph (1). After the Commission has approved the  
26 prudence and reasonableness of the costs that comprise the

1 regulatory asset, the electric utility shall be permitted  
2 to recover all such costs, and the value and  
3 recoverability through rates of the associated regulatory  
4 asset shall not be limited, altered, impaired, or reduced.  
5 To enable the financing of the incremental capital  
6 expenditures, including regulatory assets, for electric  
7 utilities that serve less than 3,000,000 retail customers  
8 but more than 500,000 retail customers in the State, the  
9 utility's actual year-end capital structure that includes  
10 a common equity ratio, excluding goodwill, of up to and  
11 including 50% of the total capital structure shall be  
12 deemed reasonable and used to set rates.

13 (2) The utility, at its election, may recover all of  
14 the costs as part of a filing for a general increase in  
15 rates under Article IX of this Act, as part of an annual  
16 filing to update a performance-based formula rate under  
17 subsection (d) of Section 16-108.5 of this Act, or through  
18 an automatic adjustment clause tariff, provided that  
19 nothing in this paragraph (2) permits the double recovery  
20 of such costs from customers. If the utility elects to  
21 recover the costs it incurs under subsections (b) and (c)  
22 through an automatic adjustment clause tariff, the utility  
23 may file its proposed tariff together with the tariff it  
24 files under subsection (b) of this Section or at a later  
25 time. The proposed tariff shall provide for an annual  
26 reconciliation, less any deferred taxes related to the

1 reconciliation, with interest at an annual rate of return  
2 equal to the utility's weighted average cost of capital as  
3 calculated under paragraph (1) of this subsection (h),  
4 including a revenue conversion factor calculated to  
5 recover or refund all additional income taxes that may be  
6 payable or receivable as a result of that return, of the  
7 revenue requirement reflected in rates for each calendar  
8 year, beginning with the calendar year in which the  
9 utility files its automatic adjustment clause tariff under  
10 this subsection (h), with what the revenue requirement  
11 would have been had the actual cost information for the  
12 applicable calendar year been available at the filing  
13 date. The Commission shall review the proposed tariff and  
14 may make changes to the tariff that are consistent with  
15 this Section and with the Commission's authority under  
16 Article IX of this Act, subject to notice and hearing.  
17 Following notice and hearing, the Commission shall issue  
18 an order approving, or approving with modification, such  
19 tariff no later than 240 days after the utility files its  
20 tariff.

21 (i) An electric utility shall recover from its retail  
22 customers, on a volumetric basis, all of the costs of the  
23 rebates made under a tariff or tariffs placed into effect  
24 under subsection (e) of this Section, including, but not  
25 limited to, the value of the rebates and all costs incurred by  
26 the utility to comply with and implement subsection (e) of

1 this Section, consistent with the following provisions:

2 (1) The utility may defer a portion of its costs as a  
3 regulatory asset. The Commission shall determine the  
4 portion that may be appropriately deferred as a regulatory  
5 asset. Factors that the Commission shall consider in  
6 determining the portion of costs that shall be deferred as  
7 a regulatory asset include, but are not limited to: (i)  
8 whether and the extent to which a cost effectively  
9 deferred or avoided other distribution system operating  
10 costs or capital expenditures; (ii) the extent to which a  
11 cost provides environmental benefits; (iii) the extent to  
12 which a cost improves system reliability or resilience;  
13 (iv) the electric utility's distribution system plan  
14 developed pursuant to Section 16-105.17 of this Act; (v)  
15 the extent to which a cost advances equity principles; and  
16 (vi) such other factors as the Commission deems  
17 appropriate. The remainder of costs shall be deemed an  
18 operating expense and shall be recoverable if found  
19 prudent and reasonable by the Commission.

20 The total costs deferred as a regulatory asset shall  
21 be amortized over a 15-year period. The unamortized  
22 balance shall be recognized as of December 31 for a given  
23 year. The utility shall also earn a return on the total of  
24 the unamortized balance of the regulatory assets, less any  
25 deferred taxes related to the unamortized balance, at an  
26 annual rate equal to the utility's weighted average cost

1 of capital that includes, based on a year-end capital  
2 structure, the utility's actual cost of debt for the  
3 applicable calendar year and a cost of equity, which shall  
4 be calculated as the sum of: (I) the average for the  
5 applicable calendar year of the monthly average yields of  
6 30-year U.S. Treasury bonds published by the Board of  
7 Governors of the Federal Reserve System in its weekly H.15  
8 Statistical Release or successor publication; and (II) 580  
9 basis points, including a revenue conversion factor  
10 calculated to recover or refund all additional income  
11 taxes that may be payable or receivable as a result of that  
12 return.

13 (2) The utility may recover all of the costs through  
14 an automatic adjustment clause tariff, on a volumetric  
15 basis. The utility may file its proposed cost-recovery  
16 tariff together with the tariff it files under subsection  
17 (e) of this Section or at a later time. The proposed tariff  
18 shall provide for an annual reconciliation, less any  
19 deferred taxes related to the reconciliation, with  
20 interest at an annual rate of return equal to the  
21 utility's weighted average cost of capital as calculated  
22 under paragraph (1) of this subsection (i), including a  
23 revenue conversion factor calculated to recover or refund  
24 all additional income taxes that may be payable or  
25 receivable as a result of that return, of the revenue  
26 requirement reflected in rates for each calendar year,

1 beginning with the calendar year in which the utility  
2 files its automatic adjustment clause tariff under this  
3 subsection (i), with what the revenue requirement would  
4 have been had the actual cost information for the  
5 applicable calendar year been available at the filing  
6 date. The Commission shall review the proposed tariff and  
7 may make changes to the tariff that are consistent with  
8 this Section and with the Commission's authority under  
9 Article IX of this Act, subject to notice and hearing.  
10 Following notice and hearing, the Commission shall issue  
11 an order approving, or approving with modification, such  
12 tariff no later than 240 days after the utility files its  
13 tariff.

14 (j) No later than 90 days after the Commission enters an  
15 order, or order on rehearing, whichever is later, approving an  
16 electric utility's proposed tariff under this Section, the  
17 electric utility shall provide notice of the availability of  
18 rebates under this Section.

19 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

20 (220 ILCS 5/16-135)

21 Sec. 16-135. Energy Storage Program.

22 (a) The Illinois General Assembly hereby finds and  
23 declares that:

24 (1) Energy storage systems provide opportunities to:

25 (A) reduce costs to ratepayers directly or

1 indirectly by avoiding or deferring the need for  
2 investment in new generation and for upgrades to  
3 systems for the transmission and distribution of  
4 electricity;

5 (B) reduce the use of fossil fuels for meeting  
6 demand during peak load periods;

7 (C) provide ancillary services such as frequency  
8 response, load following, and voltage support;

9 (D) assist electric utilities with integrating  
10 sources of renewable energy into the grid for the  
11 transmission and distribution of electricity, and with  
12 maintaining grid stability;

13 (E) support diversification of energy resources;

14 (F) enhance the resilience and reliability of the  
15 electric grid; and

16 (G) reduce greenhouse gas emissions and other air  
17 pollutants resulting from power generation, thereby  
18 minimizing public health impacts that result from  
19 power generation.

20 (2) There are significant barriers to obtaining the  
21 benefits of energy storage systems, including inadequate  
22 valuation of the services that energy storage can provide  
23 to the grid and the public.

24 (3) It is in the public interest to:

25 (A) develop a robust competitive market for  
26 existing and new providers of energy storage systems



1 in order to leverage Illinois' position as a leader in  
2 advanced energy and to capture the potential for  
3 economic development;

4 (B) implement targets and programs to achieve  
5 deployment of energy storage systems; and

6 (C) modernize distributed energy resource programs  
7 and interconnection standards to lower costs and  
8 efficiently deploy energy storage systems in order to  
9 increase economic development and job creation within  
10 the state's clean energy economy.

11 (b) In this Section:

12 "Energy storage peak standard" means a percentage of  
13 annual retail electricity sales during peak hours that an  
14 electric utility must derive from electricity discharged from  
15 eligible energy storage systems.

16 "Deployment" means the installation of energy storage  
17 systems through a variety of mechanisms, including utility  
18 procurement, customer installation, or other processes.

19 "Electric utility" has the same meaning as provided in  
20 Section 16-102 of this Act.

21 "Energy storage system" means a technology that is capable  
22 of absorbing zero-carbon energy, storing it for a period of  
23 time, and redelivering that energy after it has been stored in  
24 order to provide direct or indirect benefits to the broader  
25 electricity system. The term includes, but is not limited to,  
26 electrochemical, thermal, and electromechanical technologies.

1 "Nonwires alternatives solicitation" means a utility  
2 solicitation for third-party-owned or utility-owned  
3 distributed energy resources that uses nontraditional  
4 solutions to defer or replace planned investment on the  
5 distribution or transmission system.

6 "Total peak demand" means the highest hourly electricity  
7 demand for an electric utility in a given year, measured in  
8 megawatts, from all of the electric utility's customers of  
9 distribution service.

10 (c) The Commission, in consultation with the Illinois  
11 Power Agency, shall initiate a proceeding to examine specific  
12 programs, mechanisms, and policies that could support the  
13 deployment of energy storage systems. The Illinois Commerce  
14 Commission shall engage a broad group of Illinois  
15 stakeholders, including electric utilities, the energy storage  
16 industry, the renewable energy industry, and others to inform  
17 the proceeding. The proceeding must, at minimum:

18 (1) develop a framework to identify and measure the  
19 potential costs, benefits, that deployment of energy  
20 storage could produce, as well as barriers to realizing  
21 such benefits, including, but not limited to:

22 (A) avoided cost and deferred investments in  
23 generation, transmission, and distribution facilities;

24 (B) reduced ancillary services costs;

25 (C) reduced transmission and distribution  
26 congestion;

1 (D) lower peak power costs and reduced capacity  
2 costs;

3 (E) reduced costs for emergency power supplies  
4 during outages;

5 (F) reduced curtailment of renewable energy  
6 generators;

7 (G) reduced greenhouse gas emissions and other  
8 criteria air pollutants;

9 (H) increased grid hosting capacity of renewable  
10 energy generators that produce energy on an  
11 intermittent basis;

12 (I) increased reliability and resilience of the  
13 electric grid;

14 (J) reduced line losses;

15 (K) increased resource diversification;

16 (L) increased economic development;

17 (2) analyze and estimate:

18 (A) the impact on the system's ability to  
19 integrate renewable resources;

20 (B) the benefits of addition of storage at  
21 specific locations, such as at existing peaking units  
22 or locations on the grid close to large load centers;

23 (C) the impact on grid reliability and power  
24 quality; and

25 (D) the effect on retail electric rates and supply  
26 rates over the useful life of a given energy storage

1 system; and

2 (3) evaluate and identify cost-effective policies and  
3 programs to support the deployment of energy storage  
4 systems, including, but not limited to:

5 (A) incentive programs;

6 (B) energy storage peak standards;

7 (C) nonwires alternative solicitation;

8 (D) peak demand reduction programs for  
9 behind-the-meter storage for all customer classes;

10 (E) value of distributed energy resources  
11 programs;

12 (F) tax incentives;

13 (G) time-varying rates;

14 (H) updating of interconnection processes and  
15 metering standards; and

16 (I) procurement by the Illinois Power Agency of  
17 energy storage resources.

18 (d) The Commission shall, no later than May 31, 2022,  
19 submit to the General Assembly and the Governor any  
20 recommendations for additional legislative, regulatory, or  
21 executive actions based on the findings of the proceeding.

22 (e) At the conclusion of the proceeding required under  
23 subsection (c), the Commission shall consider and recommend to  
24 the Governor and General Assembly energy storage deployment  
25 targets, if any, for each electric utility that serves more  
26 than 200,000 customers to be achieved by December 31, 2032,

1 including recommended interim targets.

2 (f) In setting recommendations for energy storage  
3 deployment targets, the Commission shall:

4 (1) take into account the costs and benefits of  
5 procuring energy storage according to the framework  
6 developed in the proceeding under subsection (c);

7 (2) consider establishing specific subcategories of  
8 deployment of systems by point of interconnection or  
9 application.

10 (g) The Commission, in its role as the relevant electric  
11 retail regulatory authority for Illinois, shall initiate a  
12 workshop process no later than February 1, 2025, for the  
13 purpose of facilitating the development of an initial forward  
14 storage procurement process and model contract for the  
15 procurement of utility-scale energy storage resources,  
16 hereafter "initial procurement". The workshops shall be  
17 coordinated by the staff of the Commission, or a facilitator  
18 or any other experts or consultants retained by the staff of  
19 the Commission, in consultation with the Illinois Power  
20 Agency. The workshop process shall be designed to develop an  
21 effective initial procurement of no more than 1,500 megawatts  
22 of utility-scale stand-alone energy storage resources whereby  
23 the Illinois Power Agency shall be positioned to have  
24 developed a confidential benchmark and solicited, received,  
25 and opened sealed bids for such initial procurement to  
26 conclude not later than August 26, 2025. The workshop process

1 shall conclude no later than April 1, 2025. Following the  
2 workshop process, the staff of the Commission, or the  
3 facilitator retained by the staff, shall prepare and submit a  
4 report to the Governor, the General Assembly, and the  
5 Commission no later than May 1, 2025, that summarizes the  
6 information obtained through the workshop process and  
7 recommends the most effective procurement process, structure,  
8 and contract terms that would result in a successful initial  
9 procurement.

10 Specifically, for the purposes of this initial procurement  
11 only, the report shall at a minimum include:

12 (1) a definition and key terms of contracting  
13 structures, including, but not limited to, tolling  
14 agreements and indexed credits, and whether they are used  
15 in other states;

16 (2) an assessment of changes to the contract  
17 structures used by other states necessary to fit the legal  
18 and regulatory structure of Illinois;

19 (3) commercial terms required for the contract to be  
20 financeable;

21 (4) contract structures that avoid a requirement that  
22 contracting utilities consider such agreement a capital  
23 lease under generally accepted accounting principles,  
24 including the appropriate signatories;

25 (5) necessary or appropriate roles for the owner of an  
26 energy storage system selected in a procurement to, either

1 directly or through a third-party administrator which may  
2 be an affiliate, be responsible for operation,  
3 maintenance, dispatch, and other operational functions of  
4 the energy storage system;

5 (6) other allocations of rights and responsibilities  
6 between the winning bidder, the electric utility, and, if  
7 applicable, the third-party administrator;

8 (7) an assessment of whether a contract length  
9 different from 20 years is financeable;

10 (8) a model of a standard contract, including contract  
11 terms and conditions, to be used by the Illinois Power  
12 Agency and its procurement administrator for the initial  
13 procurement;

14 (9) an analysis of whether 1,000 megawatts is the  
15 appropriate size for the initial procurement and whether  
16 additional procurements beyond August 2025 are valuable to  
17 Illinois taking into consideration the amount of projects  
18 in advanced stages of development and Illinois' need for  
19 storage energy systems in order to ensure it can meet its  
20 clean energy goals and to prevent or minimize any  
21 anticipated resource adequacy shortfalls;

22 (10) an assessment of the appropriate cost recovery  
23 and allocation structure that ensures electric utilities  
24 can recover all of the costs associated with the  
25 procurement of energy storage resources;

26 (11) an assessment of the appropriate geographic

1 location for the battery storage systems, including, but  
2 not limited to:

3 (A) the geographic split of the megawatts of  
4 capacity of the energy storage resources procured  
5 pursuant to this initial procurement between those  
6 interconnected to the Midcontinent ISO, Inc. and PJM  
7 Interconnection, LLC; and

8 (B) the potential benefits of procuring one or  
9 more projects within an area designated as an area of  
10 the State certified by the Department of Commerce and  
11 Economic Opportunity as an Enterprise Zone;

12 (12) an assessment of minimum application  
13 requirements, such as having achieved interconnection  
14 milestones, including, but not limited to:

15 (A) projects that have applied for approval for  
16 surplus interconnection service or to transfer  
17 existing capacity interconnection rights to the  
18 relevant regional transmission organization and have  
19 received a completeness determination following  
20 completion of the initial review process and whether  
21 it is beneficial if such projects are also colocated  
22 with a renewable energy resource;

23 (B) for projects interconnected to MISO, projects  
24 that have signed an interconnection agreement or  
25 provided the most current deposit in the Midcontinent  
26 ISO, Inc. definitive planning phase cycle 2021 or an



1 earlier definitive planning phase cycle; or

2 (C) for projects interconnected to PJM

3 Interconnection, LLC, projects that have received a

4 Phase 2 study; and

5 (13) an assessment of the impact of the costs and  
6 benefits to Illinois ratepayers of these issues related to  
7 this initial procurement.

8 Given the rapid actions required pursuant to this Section,  
9 the procurement of any facilitator, expert, or consultant  
10 pursuant to this subsection is exempt from the requirements of  
11 Section 20-10 of the Illinois Procurement Code.

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

13 Section 20. The Prevailing Wage Act is amended by changing  
14 Section 2 as follows:

15 (820 ILCS 130/2)

16 Sec. 2. This Act applies to the wages of laborers,  
17 mechanics and other workers employed in any public works, as  
18 hereinafter defined, by any public body and to anyone under  
19 contracts for public works. This includes any maintenance,  
20 repair, assembly, or disassembly work performed on equipment  
21 whether owned, leased, or rented.

22 As used in this Act, unless the context indicates  
23 otherwise:

24 "Public works" means all fixed works constructed or

1 demolished by any public body, or paid for wholly or in part  
2 out of public funds. "Public works" as defined herein includes  
3 all projects financed in whole or in part with bonds, grants,  
4 loans, or other funds made available by or through the State or  
5 any of its political subdivisions, including but not limited  
6 to: bonds issued under the Industrial Project Revenue Bond Act  
7 (Article 11, Division 74 of the Illinois Municipal Code), the  
8 Industrial Building Revenue Bond Act, the Illinois Finance  
9 Authority Act, the Illinois Sports Facilities Authority Act,  
10 or the Build Illinois Bond Act; loans or other funds made  
11 available pursuant to the Build Illinois Act; loans or other  
12 funds made available pursuant to the Riverfront Development  
13 Fund under Section 10-15 of the River Edge Redevelopment Zone  
14 Act; or funds from the Fund for Illinois' Future under Section  
15 6z-47 of the State Finance Act, funds for school construction  
16 under Section 5 of the General Obligation Bond Act, funds  
17 authorized under Section 3 of the School Construction Bond  
18 Act, funds for school infrastructure under Section 6z-45 of  
19 the State Finance Act, and funds for transportation purposes  
20 under Section 4 of the General Obligation Bond Act. "Public  
21 works" also includes (i) all projects financed in whole or in  
22 part with funds from the Environmental Protection Agency under  
23 the Illinois Renewable Fuels Development Program Act for which  
24 there is no project labor agreement; (ii) all work performed  
25 pursuant to a public private agreement under the Public  
26 Private Agreements for the Illiana Expressway Act or the

1 Public-Private Agreements for the South Suburban Airport Act;  
2 (iii) all projects undertaken under a public-private agreement  
3 under the Public-Private Partnerships for Transportation Act  
4 or the Department of Natural Resources World Shooting and  
5 Recreational Complex Act; and (iv) all transportation  
6 facilities undertaken under a design-build contract or a  
7 Construction Manager/General Contractor contract under the  
8 Innovations for Transportation Infrastructure Act. "Public  
9 works" also includes all projects at leased facility property  
10 used for airport purposes under Section 35 of the Local  
11 Government Facility Lease Act. "Public works" also includes  
12 the construction of a new wind power facility by a business  
13 designated as a High Impact Business under Section  
14 5.5(a)(3)(E) of the Illinois Enterprise Zone Act, and the  
15 construction of a new utility-scale solar power facility by a  
16 business designated as a High Impact Business under Section  
17 5.5(a)(3)(E-5) of the Illinois Enterprise Zone Act, the  
18 construction of a new battery energy storage solution facility  
19 by a business designated as a High Impact Business under  
20 Section 5.5(a)(3)(I) of the Illinois Enterprise Zone Act, and  
21 the construction of a high voltage direct current converter  
22 station by a business designated as a High Impact Business  
23 under Section 5.5(a)(3)(J) of the Illinois Enterprise Zone  
24 Act. "Public works" also includes electric vehicle charging  
25 station projects financed pursuant to the Electric Vehicle Act  
26 and renewable energy projects required to pay the prevailing

1 wage pursuant to the Illinois Power Agency Act. "Public works"  
2 also includes power washing projects by a public body or paid  
3 for wholly or in part out of public funds in which steam or  
4 pressurized water, with or without added abrasives or  
5 chemicals, is used to remove paint or other coatings, oils or  
6 grease, corrosion, or debris from a surface or to prepare a  
7 surface for a coating. "Public works" does not include work  
8 done directly by any public utility company, whether or not  
9 done under public supervision or direction, or paid for wholly  
10 or in part out of public funds. "Public works" also includes  
11 construction projects performed by a third party contracted by  
12 any public utility, as described in subsection (a) of Section  
13 2.1, in public rights-of-way, as defined in Section 21-201 of  
14 the Public Utilities Act, whether or not done under public  
15 supervision or direction, or paid for wholly or in part out of  
16 public funds. "Public works" also includes construction  
17 projects that exceed 15 aggregate miles of new fiber optic  
18 cable, performed by a third party contracted by any public  
19 utility, as described in subsection (b) of Section 2.1, in  
20 public rights-of-way, as defined in Section 21-201 of the  
21 Public Utilities Act, whether or not done under public  
22 supervision or direction, or paid for wholly or in part out of  
23 public funds. "Public works" also includes any corrective  
24 action performed pursuant to Title XVI of the Environmental  
25 Protection Act for which payment from the Underground Storage  
26 Tank Fund is requested. "Public works" also includes all

1 construction projects involving fixtures or permanent  
2 attachments affixed to light poles that are owned by a public  
3 body, including street light poles, traffic light poles, and  
4 other lighting fixtures, whether or not done under public  
5 supervision or direction, or paid for wholly or in part out of  
6 public funds, unless the project is performed by employees  
7 employed directly by the public body. "Public works" also  
8 includes work performed subject to the Mechanical Insulation  
9 Energy and Safety Assessment Act. "Public works" also includes  
10 the removal, hauling, and transportation of biosolids, lime  
11 sludge, and lime residue from a water treatment plant or  
12 facility and the disposal of biosolids, lime sludge, and lime  
13 residue removed from a water treatment plant or facility at a  
14 landfill. "Public works" does not include projects undertaken  
15 by the owner at an owner-occupied single-family residence or  
16 at an owner-occupied unit of a multi-family residence. "Public  
17 works" does not include work performed for soil and water  
18 conservation purposes on agricultural lands, whether or not  
19 done under public supervision or paid for wholly or in part out  
20 of public funds, done directly by an owner or person who has  
21 legal control of those lands.

22 "Construction" means all work on public works involving  
23 laborers, workers or mechanics. This includes any maintenance,  
24 repair, assembly, or disassembly work performed on equipment  
25 whether owned, leased, or rented.

26 "Locality" means the county where the physical work upon

1 public works is performed, except (1) that if there is not  
2 available in the county a sufficient number of competent  
3 skilled laborers, workers and mechanics to construct the  
4 public works efficiently and properly, "locality" includes any  
5 other county nearest the one in which the work or construction  
6 is to be performed and from which such persons may be obtained  
7 in sufficient numbers to perform the work and (2) that, with  
8 respect to contracts for highway work with the Department of  
9 Transportation of this State, "locality" may at the discretion  
10 of the Secretary of the Department of Transportation be  
11 construed to include two or more adjacent counties from which  
12 workers may be accessible for work on such construction.

13 "Public body" means the State or any officer, board or  
14 commission of the State or any political subdivision or  
15 department thereof, or any institution supported in whole or  
16 in part by public funds, and includes every county, city,  
17 town, village, township, school district, irrigation, utility,  
18 reclamation improvement or other district and every other  
19 political subdivision, district or municipality of the state  
20 whether such political subdivision, municipality or district  
21 operates under a special charter or not.

22 "Labor organization" means an organization that is the  
23 exclusive representative of an employer's employees recognized  
24 or certified pursuant to the National Labor Relations Act.

25 The terms "general prevailing rate of hourly wages",  
26 "general prevailing rate of wages" or "prevailing rate of

1 wages" when used in this Act mean the hourly cash wages plus  
2 annualized fringe benefits for training and apprenticeship  
3 programs approved by the U.S. Department of Labor, Bureau of  
4 Apprenticeship and Training, health and welfare, insurance,  
5 vacations and pensions paid generally, in the locality in  
6 which the work is being performed, to employees engaged in  
7 work of a similar character on public works.

8 (Source: P.A. 102-9, eff. 1-1-22; 102-444, eff. 8-20-21;  
9 102-673, eff. 11-30-21; 102-813, eff. 5-13-22; 102-1094, eff.  
10 6-15-22; 103-8, eff. 6-7-23; 103-327, eff. 1-1-24; 103-346,  
11 eff. 1-1-24; 103-359, eff. 7-28-23; 103-447, eff. 8-4-23;  
12 103-605, eff. 7-1-24.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 655/5.5 from Ch. 67 1/2, par. 609.1

4 20 ILCS 3855/1-10

5 20 ILCS 3855/1-56

6 20 ILCS 3855/1-75

7 220 ILCS 5/8-103B

8 220 ILCS 5/16-107.6

9 220 ILCS 5/16-135

10 820 ILCS 130/2