

1 AN ACT concerning regulation.

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

4 Section 5. The Public Utilities Act is amended by adding
5 Section 8-408 as follows:

6 (220 ILCS 5/8-408 new)

7 Sec. 8-408. Energy efficiency plans for small
8 multi-jurisdictional utilities.

9 (a) Any electric or gas public utility with fewer than
10 200,000 customers in Illinois on January 1, 2007 that offers
11 energy efficiency programs to its customers in a state adjacent
12 to Illinois may seek the approval of the Commission to offer
13 the same or comparable energy efficiency programs to its
14 customers in Illinois. For each program to be offered, the
15 utility shall submit to the Commission:

16 (1) a description of the program;

17 (2) a proposed implementation schedule and method;

18 (3) the number of eligible participants;

19 (4) the expected rate of participation per year;

20 (5) the estimated annual peak demand and energy
21 savings;

22 (6) the budget or level of spending; and

23 (7) the rate impacts and average bill impacts, by

1 customer class, resulting from the program.

2 The Commission shall approve each program demonstrated to
3 be cost-effective. Programs for low-income customers shall be
4 approved by the Commission even if they have not been
5 demonstrated to be cost-effective if they are demonstrated to
6 be reasonable. An order of the State agency that regulates the
7 rates of the utility in the adjacent state that finds a program
8 to be cost-effective or reasonable shall be sufficient to
9 demonstrate that the program is cost-effective or reasonable
10 for the utility's customers in Illinois. Approved programs may
11 be delivered by the utility or by a contractor or agent of the
12 utility.

13 (b) Notwithstanding the provisions of Section 9-201, a
14 public utility providing approved energy efficiency programs
15 in the State shall be permitted to recover the reasonable costs
16 of those programs through an automatic adjustment clause tariff
17 filed with and approved by the Commission. Each year the
18 Commission shall initiate a review to reconcile any amounts
19 collected with the actual costs and to determine the adjustment
20 to the annual tariff factor to match annual expenditures. The
21 determination shall be made within 90 days after the date of
22 initiation of the review.

23 (c) The utility may request a waiver of one or more
24 components of an approved energy efficiency program at any time
25 in order to improve the program's effectiveness. The Commission
26 may grant the waiver if good cause is shown by the utility.

1 Notwithstanding the cessation of the programs, a utility shall
2 file a final reconciliation of the amounts collected as
3 compared to the actual costs and shall continue the resulting
4 factor until any over-recovery or under-recovery approaches
5 zero.

6 (d) A public utility that offers approved energy efficiency
7 programs in the State may do so through at least December 31,
8 2012. The Commission shall monitor the performance of the
9 energy efficiency programs and, on or before October 31, 2012,
10 the Commission shall make a determination regarding whether the
11 programs should be continued beyond calendar year 2012. The
12 Commission shall also file a written report with the General
13 Assembly explaining the basis for that determination and
14 detailing the results of the energy efficiency programs,
15 including energy savings, participation numbers, and costs.

16 Section 99. Effective date. This Act takes effect January
17 1, 2008.