



Sen. Don Harmon

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1 AMENDMENT TO SENATE BILL 2220

2 AMENDMENT NO. _____. Amend Senate Bill 2220 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 5.

5 Section 5-1. Short title. This Article may be cited as the
6 Global Warming Response Act. References in this Article to
7 "this Act" mean this Article.

8 Section 5-5. Findings.

9 (a) The world's scientists have formed a near-unanimous
10 chorus, warning that pollution primarily caused by burning
11 fossil fuels are causing the temperature of the Earth to rise.

12 (b) Warning signs of global warming are being discovered
13 and reported throughout the world. Melting glaciers, severe
14 storms, prolonged drought, reduced mountain snow-pack, and
15 dying coral reefs are among the signs that global warming is

1 underway.

2 (c) Decisive action at the international, national, State,
3 and local levels to address the threat of global warming is
4 necessary to meet the challenge posed by global warming.

5 (d) Illinois business and industry will benefit from
6 proactive policies that will ensure that we remain competitive
7 as the world's economy shifts from high-carbon to low-carbon
8 energy technologies.

9 (e) By exercising a global leadership role, Illinois will
10 also position its economy, technology centers, financial
11 institutions, and businesses to benefit from national and
12 international efforts to reduce emissions of greenhouse gases.

13 (f) Many of the clean energy policies that reduce global
14 warming pollution also provide economic and quality of life
15 benefits such as reduced energy bills, green space
16 preservation, air quality improvements, reduced traffic
17 congestion, improved transportation choices, and economic
18 development and job creation through energy conservation and
19 new energy technologies.

20 (g) According to an analysis performed by ICF
21 International, reducing global warming pollution in Illinois
22 to 1990 levels by 2020, and using clean energy technologies to
23 meet these caps, will cause job growth, growth in the gross
24 state product, and will save consumers money compared with a
25 do-nothing scenario.

26 (h) In the absence of a federal policy, states and cities

1 are establishing their own plans to reduce carbon dioxide and
2 other greenhouse gas emissions. For example, 15 states have
3 economy-wide global warming pollution reduction goals, 13
4 states have regulated global warming pollution from automobile
5 tailpipes, and 10 states have set limits on global warming
6 pollution from power plants.

7 (i) The mayors of more than 750 U.S. cities, including 27
8 Illinois cities representing over 30% of Illinois' population,
9 have signed the U.S. Mayors Climate Protection Agreement,
10 pledging to reduce greenhouse emissions in their own cities to
11 7% below 1990 levels by 2012. The State encourages these local
12 initiatives and should seek to encourage their success with its
13 policies and programs.

14 (j) It is the intent of the General Assembly that the
15 Illinois Environmental Protection Agency, in consultation with
16 State agencies and stakeholders, including the environmental
17 justice community, industry sectors, business groups, academic
18 institutions, environmental organizations, and others,
19 implement the global warming pollution reduction targets in
20 this Act in the manner that minimizes costs and maximizes
21 benefits for Illinois's economy, improves and modernizes
22 Illinois's energy infrastructure and maintains electric system
23 reliability, maximizes additional environmental and economic
24 co-benefits for Illinois, and complements the State's efforts
25 to improve air quality.

26 (k) Twelve Midwest states, including Illinois, have

1 entered into an agreement to promote global warming solutions
2 in the Midwest, and the Governors of Illinois, Iowa, Michigan,
3 Minnesota, and Wisconsin have entered into an agreement to
4 jointly develop greenhouse gas emissions reduction targets in
5 these states and to establish market-based mechanisms that
6 allow for the greatest efficiency in reaching those targets.
7 The General Assembly supports this collaboration and
8 Illinois's participation in it.

9 (1) The consequences of climate change that are projected,
10 and probably already beginning, to occur in Illinois pose grave
11 risks to Illinois' economy, public health, and environment.
12 Potential negative impacts include disruptions to Illinois
13 agriculture, greater frequency of extreme weather events,
14 water supply shortages, spread of tropical diseases not
15 historically present in Illinois, and increased ozone levels.
16 It is the responsibility of the State to act to take action to
17 prevent or lessen these impacts.

18 Section 5-10. Definitions. As used in this Act:

19 "Allowance" means an authorization to emit, during a
20 specified year, up to one ton of carbon dioxide equivalent.

21 "Alternative compliance mechanism" means an action
22 undertaken by a greenhouse gas emission source that achieves
23 the equivalent reduction of greenhouse gas emissions over the
24 same time period as a direct emission reduction and that is
25 approved by the Illinois Environmental Protection Agency.

1 "Board" means the Illinois Pollution Control Board.

2 "Carbon dioxide equivalent" means the amount of carbon
3 dioxide by weight that would produce the same global warming
4 impact as a given weight of another greenhouse gas, based on
5 the best available science, including that from the
6 Intergovernmental Panel on Climate Change.

7 "Cost-effective" or "cost-effectiveness" means the cost
8 per unit of reduced emissions of greenhouse gases adjusted for
9 its global warming potential.

10 "Direct emission reduction" means a greenhouse gas
11 emission reduction action made by a greenhouse gas emission
12 source at that source.

13 "Emissions reduction measure" means programs, measures,
14 standards, and alternative compliance mechanisms authorized
15 pursuant to this Act, applicable to sources or categories of
16 sources, that are designed to reduce emissions of greenhouse
17 gases.

18 "Greenhouse gas" or "greenhouse gases" includes all of the
19 following gases: carbon dioxide, methane, nitrous oxide,
20 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

21 "Greenhouse gas emission limit" means an authorization,
22 during a specified year, to emit up to a level of greenhouse
23 gases specified by the Illinois Environmental Protection
24 Agency, expressed in tons of carbon dioxide equivalents.

25 "Greenhouse gas emission source" or "source" means any
26 source or category of sources of greenhouse gas emissions whose

1 emissions are at a level of significance as determined by the
2 Illinois Environmental Protection Agency that its
3 participation in this program will enable the State to
4 effectively reduce greenhouse gas emissions and monitor
5 compliance with the statewide greenhouse gas emissions limit.

6 "Leakage" means a reduction in emissions of greenhouse
7 gases within the State that is offset by an increase in
8 emissions of greenhouse gases outside the State.

9 "Market-based compliance mechanism" means either of the
10 following:

11 (1) A system of market-based, declining, annual
12 aggregate emissions limitations for sources or categories
13 of sources that emit greenhouse gases.

14 (2) Greenhouse gas emissions exchanges, banking,
15 credits, and other transactions, governed by rules and
16 protocols established by the Illinois Environmental
17 Protection Agency, that result in the same greenhouse gas
18 emission reduction over the same time period as direct
19 compliance with a greenhouse gas emission limit or emission
20 reduction measure adopted by the State agency pursuant to
21 this division.

22 "State agency" means the Illinois Environmental Protection
23 Agency.

24 "Statewide greenhouse gas emissions" means the total
25 annual emissions of greenhouse gases in the State. Statewide
26 emissions shall be expressed in tons of carbon dioxide

1 equivalents.

2 "Statewide greenhouse gas emissions limit" means the
3 maximum allowable level of statewide greenhouse gas emissions
4 in 2020, as determined by the State agency.

5 Section 5-15. Monitoring and regulating sources of
6 emissions of greenhouse gases. The Illinois Environmental
7 Protection Agency is the State agency charged with monitoring
8 and regulating sources of emissions of greenhouse gases that
9 cause global warming in order to reduce emissions of greenhouse
10 gases.

11 Section 5-20. Mandatory greenhouse gas emissions
12 reporting.

13 (a) On or before June 1, 2009, the State agency shall
14 propose and the Board shall adopt rules to require the
15 reporting and verification of statewide greenhouse gas
16 emissions and to monitor and enforce compliance with this
17 program.

18 (b) The rules shall do all of the following:

19 (1) Require the monitoring and annual reporting of
20 greenhouse gas emissions from greenhouse gas emission
21 sources beginning with the sources or categories of sources
22 that contribute the most to statewide emissions.

23 (2) Account for greenhouse gas emissions from all
24 electricity consumed in the State, including transmission

1 and distribution line losses from electricity generated
2 within the State or imported from outside the State.

3 (3) Ensure the rigorous and consistent accounting of
4 emissions and provide reporting tools and formats to ensure
5 collection of necessary data.

6 (4) Ensure that greenhouse gas emission sources
7 maintain comprehensive records of all reported greenhouse
8 gas emissions.

9 (c) The State agency shall do both of the following:

10 (1) Periodically review and update its emission
11 reporting requirements, as necessary.

12 (2) Review existing and proposed international,
13 federal, and State greenhouse gas emission reporting
14 programs, make reasonable efforts to promote consistency
15 among the programs established pursuant to this Act and
16 other programs, and streamline reporting requirements on
17 greenhouse gas emission sources.

18 Section 5-25. Statewide greenhouse gas emissions limit.

19 (a) By January 1, 2009, the State agency shall, after one
20 or more public workshops, with public notice and an opportunity
21 to comment, determine what the statewide greenhouse gas
22 emissions level was in 1990 and propose to the Board a
23 statewide greenhouse gas emission limit that is equivalent to
24 that level, to be achieved by 2020. The Board shall consider
25 and either revise or adopt the proposed level by June 1, 2009.

1 In order to ensure the most accurate determination feasible,
2 the State agency shall evaluate the best available scientific,
3 technological, and economic information on greenhouse gas
4 emissions to determine the 1990 level of greenhouse gas
5 emissions.

6 (b) The statewide greenhouse gas emissions limit shall
7 remain in effect unless otherwise amended or repealed.

8 (c) It is the intent of the General Assembly that the
9 statewide greenhouse gas emissions limit continue in existence
10 and be used to maintain and continue reductions in emissions of
11 greenhouse gases beyond 2020.

12 (d) The State agency shall make recommendations to the
13 Governor and the Legislature on how to continue reductions of
14 greenhouse gas emissions beyond 2020.

15 Section 5-30. Greenhouse gas emissions reductions.

16 (a) The State agency shall propose and the Board shall
17 adopt rules in an open public process to achieve the maximum
18 technologically feasible and cost-effective greenhouse gas
19 emission reductions from sources or categories of sources,
20 subject to the criteria and schedules set forth in this
21 Section.

22 (b) Early action reduction measures.

23 (1) On or before December 30, 2008, the State agency
24 shall publish and make available to the public a list of
25 discrete early action greenhouse gas emission reduction

1 measures that can be implemented prior to the measures and
2 limits adopted pursuant to subsection (d) of this Section.

3 (2) On or before June 1, 2009, the State agency shall
4 propose and the Board shall adopt rules to implement the
5 measures identified on the list published pursuant to
6 subsection (b)(1) of this Section.

7 (3) The rules adopted pursuant to this Section shall
8 achieve the maximum technologically feasible and
9 cost-effective reductions in greenhouse gas emissions from
10 those sources or categories of sources, in furtherance of
11 achieving the statewide greenhouse gas emissions limit.

12 (4) The rules adopted pursuant to this Section shall be
13 enforceable no later than January 1, 2011.

14 (c) On or before January 1, 2010, the State agency shall
15 prepare and approve a plan for achieving the maximum
16 technologically feasible and cost-effective reductions in
17 greenhouse gas emissions from sources or categories of sources
18 of greenhouse gases by 2020 under this Act. The State agency
19 shall consult with all relevant State agencies with
20 jurisdiction over sources of greenhouse gases on all elements
21 of its plan that pertain to energy related matters, including,
22 but not limited to, electrical generation, load
23 based-standards or requirements, the provision of reliable and
24 affordable electrical service, petroleum refining, and
25 statewide fuel supplies to ensure the greenhouse gas emissions
26 reduction activities to be adopted and implemented by the State

1 agency are complementary and non-duplicative and can be
2 implemented in an efficient and cost-effective manner.

3 The plan shall identify and make recommendations on direct
4 emission reduction measures, alternative compliance
5 mechanisms, market-based compliance mechanisms, and potential
6 monetary and non-monetary incentives for sources and
7 categories of sources that the State agency finds are necessary
8 or desirable to facilitate the achievement of the maximum
9 feasible and cost-effective reductions of greenhouse gas
10 emissions by 2020.

11 In making the determinations required by this subsection
12 (c), the State agency shall consider all relevant information
13 pertaining to greenhouse gas emissions reduction programs in
14 other states, localities, and nations.

15 The State agency shall evaluate the total potential costs
16 and total potential economic and non-economic benefits of the
17 plan for reducing greenhouse gases to Illinois's economy,
18 environment, and public health, using the best available
19 economic models, emission estimation techniques, and other
20 scientific methods.

21 In developing its plan, the State agency shall take into
22 account the relative contribution of each source or source
23 category to statewide greenhouse gas emissions and the
24 potential for adverse effects on small businesses and shall
25 recommend a de minimis threshold of greenhouse gas emissions
26 below which emission reduction requirements will not apply.

1 In developing its plan, the State agency shall identify
2 opportunities for emission reductions measures from all
3 verifiable and enforceable voluntary actions, including, but
4 not limited to, carbon sequestration projects and best
5 management practices.

6 The State agency shall conduct a series of public workshops
7 to give interested parties an opportunity to comment on the
8 plan.

9 The State agency shall update its plan for achieving the
10 maximum technologically feasible and cost-effective reductions
11 of greenhouse gas emissions at least once every 5 years.

12 (d) On or before January 1, 2012, the State agency shall
13 propose and the Board shall adopt source specific greenhouse
14 gas emission limits and emission reduction measures by rule to
15 achieve the maximum technologically feasible and
16 cost-effective reductions in greenhouse gas emissions in
17 furtherance of achieving the statewide greenhouse gas
18 emissions limit, to become operative beginning on January 1,
19 2013.

20 In developing rules pursuant to this Section and Section
21 5-35 of this Act to the extent feasible and in furtherance of
22 achieving the statewide greenhouse gas emission limit, the
23 State agency shall do all of the following:

24 (1) Design the rules, including distribution of
25 emissions allowances where appropriate, in a manner that is
26 equitable, seeks to minimize costs and maximize the total

1 benefits to Illinois, and encourages early action to reduce
2 greenhouse gas emissions.

3 (2) Ensure that activities undertaken to comply with
4 the rules do not disproportionately impact low-income
5 communities.

6 (3) Ensure that entities that have voluntarily reduced
7 their greenhouse gas emissions prior to the implementation
8 of this Section receive appropriate credit for early
9 voluntary reductions.

10 (4) Ensure that activities undertaken pursuant to the
11 rules complement and do not interfere with efforts to
12 achieve and maintain federal and State ambient air quality
13 standards and to reduce toxic air contaminant emissions.

14 (5) Consider cost-effectiveness of these rules.

15 (6) Consider overall societal benefits, including
16 reductions in other air pollutants, diversification of
17 energy sources, and other benefits to the economy,
18 environment, and public health.

19 (7) Minimize the administrative burden of implementing
20 and complying with these rules.

21 (8) Minimize leakage.

22 (9) Consider the significance of the contribution of
23 each source or category of sources to statewide emissions
24 of greenhouse gases.

25 In furtherance of achieving the statewide greenhouse gas
26 emissions limit, by January 1, 2012 the State agency may

1 propose and the Board may adopt a rule that establishes a
2 system of market-based, declining, annual aggregate emission
3 limits for sources or categories of sources that emit
4 greenhouse gas emissions, applicable from January 1, 2013 to
5 December 31, 2020.

6 Any rule adopted by the board pursuant to this Act shall
7 ensure all of the following:

8 (1) The greenhouse gas emission reductions achieved
9 are real, permanent, quantifiable, verifiable, and
10 enforceable by the State agency.

11 (2) For rules pursuant to Section 5-35 of this Act, the
12 reduction is in addition to any greenhouse gas emission
13 reduction otherwise required by law or rule and any other
14 greenhouse gas emission reduction that otherwise would
15 occur.

16 (3) If applicable, the greenhouse gas emission
17 reduction occurs over the same time period and is
18 equivalent in amount to any direct emission reduction
19 required pursuant to this Act.

20 The State agency shall rely upon the best available
21 economic and scientific information and its assessment of
22 existing and projected technological capabilities when
23 proposing the rules required by this Section.

24 The State agency shall consult with the Illinois Commerce
25 Commission in the development of the rules as they affect
26 electricity and natural gas providers in order to minimize

1 duplicative or inconsistent regulatory requirements.

2 After January 1, 2012, the State agency may revise rules
3 adopted pursuant to this Section and adopt additional rules to
4 further the provisions of this Act.

5 Section 5-35. Market-based compliance mechanisms.

6 (a) The State agency may include in the rules adopted
7 pursuant to Section 5-30 of this Act the use of market-based
8 compliance mechanisms to comply with the rules.

9 (b) Prior to the inclusion of any market-based compliance
10 mechanism in the rules, to the extent feasible and in
11 furtherance of achieving the statewide goal, the Board shall do
12 all of the following:

13 (1) Consider the potential for direct, indirect, and
14 cumulative emission impacts from these mechanisms,
15 including localized impacts in communities that are
16 already adversely impacted by air pollution.

17 (2) Design any market-based compliance mechanism to
18 prevent any increase in the emissions of toxic air
19 contaminants or criteria air pollutants.

20 (c) The State agency shall adopt rules governing how
21 market-based compliance mechanisms may be used by regulated
22 entities subject to greenhouse gas emission limits and
23 mandatory emission reporting requirements to achieve
24 compliance with their greenhouse gas emissions limits.

25 (d) Any allowance created as part of a market-based

1 compliance mechanism under this Act shall be distributed to a
2 greenhouse gas emission source through an auction.

3 (e) There is hereby created in the State treasury a special
4 fund known as the Global Warming Response Fund. The State
5 Treasurer shall deposit any revenue generated by an auction
6 into the Fund. All of the revenue deposited into the Fund shall
7 be used to support programs and projects that contribute to the
8 emissions reduction goals of this Act, including the
9 development of clean energy, energy efficiency improvements,
10 and carbon sequestration, and to address transition costs
11 including: job training, transition programs to help
12 industries adapt to clean technology and production, and
13 assistance to low income utility consumers.

14 (1) The State Agency (or DCEO) shall use the revenue
15 deposited in the fund to:

16 (A) provide grants and other forms of financial
17 assistance to commercial, institutional, and
18 industrial entities to support end-use energy
19 efficiency projects and new, efficient electric
20 generation facilities that contribute to the emissions
21 reduction goals of this Act, and that are state of the
22 art as determined by the Department, including but not
23 limited to energy efficiency and renewable energy
24 applications, to advance the next generation of
25 biofuels and fuel infrastructure, accelerate the
26 commercialization of plug-in hybrids, promote

1 development of commercial-scale renewable energy, and
2 invest in research and development of new, low-carbon
3 energy technology;

4 (B) invest in a skilled clean technologies
5 workforce, including investment in job training and
6 transition programs to help workers and industries
7 adapt to clean technology development and production;

8 (C) support programs that are designed to reduce
9 electricity demand or costs to electricity customers
10 in the low-income and moderate-income residential
11 sector with a focus on urban and rural areas, including
12 efforts to address impacts on ratepayers attributable
13 to the implementation of this Act;

14 (D) promote programs designed to promote local
15 government efforts to plan, develop, and implement
16 measures to reduce greenhouse gas emissions, including
17 but not limited to technical assistance to local
18 governments, and the awarding of grants and other forms
19 of assistance to local governments to conduct and
20 implement energy efficiency, renewable energy, and
21 distributed energy programs and land use planning
22 where the grant or assistance results in a measurable
23 reduction of the emission of greenhouse gases or a
24 measurable reduction in energy demand; and

25 (E) support programs that enhance the stewardship
26 and restoration of the State's forests and wetlands

1 that provide quantifiable progress towards the
2 emissions reduction goals of this Act.

3 Section 5-40. Enforcement. The State agency shall monitor
4 compliance with and enforce any rule, order, emission
5 limitation, emissions reduction measure, or market-based
6 compliance mechanism adopted by the State agency pursuant to
7 this Act.

8 ARTICLE 10.

9 Section 10-1. Short title. This Article may be cited as the
10 Illinois Energy Efficient Furnace Act. References in this
11 Article to "this Act" mean this Article.

12 Section 10-5. Findings.

13 (a) Home heating accounts for nearly 50% of the energy used
14 in our homes.

15 (b) In the Midwest, volatile natural gas prices continue to
16 make families vulnerable to unpredictable heating costs.

17 (c) The Department of Energy's federal standard for
18 furnaces is appropriate for Southern states, but is inadequate
19 for Northern states like Illinois.

20 (d) An efficient furnace can save a consumer in Illinois
21 \$150 to \$200 per year in natural gas costs.

22 (e) A statewide energy efficiency standard for furnaces

1 will save Illinois citizens a significant sum of money every
2 year.

3 (f) Saving natural gas keeps money in the State and
4 improves the State's economy.

5 (g) Saving energy through energy efficiency will also
6 reduce harmful pollution that causes global warming and
7 respiratory disease.

8 Section 10-10. Definitions. For purposes of this Act:

9 "Compensation" means money or any other valuable thing,
10 regardless of form, received or to be received by a person for
11 services rendered.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Electricity ratio" is the ratio of furnace electricity use
15 to total furnace energy use. $\text{Electricity ratio} =$
16 $(3.412 \cdot \text{EAE}) / (1000 \cdot \text{EF} + 3.412 \cdot \text{EAE})$ where EAE (average annual
17 auxiliary electrical consumption) and EF (average annual fuel
18 energy consumption) are defined in Appendix N to subpart B of
19 part 430 of title 10 of the Code of Federal Regulations and EF
20 is expressed in millions of BTUs per year.

21 "Residential furnace" means a self-contained space heater
22 designed to supply heated air through ducts longer than 10
23 inches and that uses only single-phase electric current or DC
24 current in conjunction with natural gas, propane, or home
25 heating oil, and that:

1 (1) is designed to be the principle heating source for
2 the living space of one or more residences;

3 (2) is not contained within the same cabinet as a
4 central air conditioner whose rated cooling capacity is
5 above 65,000 BTU per hour; and

6 (3) has a heat input rate of less than 225,000 BTU per
7 hour.

8 Section 10-15. Minimum furnace efficiency standard.

9 (a) Scope.

10 (1) The provisions of this Section apply to residential
11 furnaces sold, offered for sale, or installed in the State.

12 (2) The provisions of this Act do not apply to:

13 (i) new products manufactured in the State and sold
14 outside the State;

15 (ii) new products manufactured outside the State
16 that are sold at wholesale inside the State for final
17 retail sale and installation outside the State;

18 (iii) products installed in mobile manufactured
19 homes at the time of construction; or

20 (iv) products designed expressly for installation
21 and use in recreational vehicles.

22 (b) Efficiency standards.

23 (1) No later than one year after the effective date of
24 this Act, the Department shall promulgate rules
25 establishing minimum efficiency standards for residential

1 furnaces.

2 (2) The rules shall provide for the following minimum
3 efficiency standards:

4 (A) Residential furnaces that use natural gas or
5 propane shall have a minimum Annual Fuel Utilization
6 Efficiency (AFUE) of 90% and a maximum electricity
7 ratio of 2%. AFUE shall be measured in accordance with
8 the federal test method for measuring the energy
9 consumption of furnaces and boilers contained in
10 Appendix N to subpart B of part 430, title 10, Code of
11 Federal Regulations.

12 (B) The Department may adopt rules to exempt
13 compliance with the foregoing residential furnace AFUE
14 standards at any building, site, or location where
15 complying with the standards would conflict with any
16 local zoning ordinance, building or plumbing code, or
17 other rule regarding installation and venting of
18 residential furnaces or residential boilers.

19 (c) Implementation.

20 (1) No later than 6 months after the effective date of
21 this Act, the Department, in consultation with the Attorney
22 General, shall determine if State implementation of
23 residential furnace standards is preempted by federal law.
24 The Department shall make separate determinations with
25 respect to minimum AFUE and maximum electricity ratio
26 standards. If the Department determines that a waiver from

1 federal preemption is not needed, then on January 1, 2009,
2 or on the date that is one year after the effective date of
3 this Act, whichever is later, no new residential furnace
4 may be sold or offered for sale in the State unless the
5 efficiency of the new product meets or exceeds the
6 applicable non-preempted efficiency standards set forth in
7 the rules adopted pursuant to subsection (b) of this
8 Section.

9 If the Department determines that a waiver from federal
10 preemption is required, then the Department shall apply for
11 a waiver within one year of after that determination. Upon
12 approval of the federal waiver application, the applicable
13 State standards shall go into effect at the earliest date
14 permitted by federal law.

15 (2) One year after the effective date of this Section,
16 as determined in item (1) of this subsection, no
17 residential furnace may be installed for compensation in
18 the State unless the efficiency of the new product meets or
19 exceeds the efficiency standards set forth in the rules
20 adopted pursuant to subsection (b) of this Section.

21 (d) New and revised standards. The Department may adopt
22 rules, in accordance with the Illinois Administrative
23 Procedure Act, to establish increased efficiency standards for
24 residential furnaces. In considering new or amended standards,
25 the Department, in consultation with the other State agencies,
26 shall set efficiency standards upon a determination that

1 increased efficiency standards would serve to promote energy
2 conservation in the State and would be cost-effective for
3 consumers who purchase and use the new products, provided that
4 no new or increased efficiency standards shall become effective
5 within one year following the adoption of any amended rules
6 establishing increased efficiency standards. The Department
7 may apply for a waiver of federal preemption in accordance with
8 federal procedures for State efficiency standards for any
9 product regulated by the federal government.

10 (e) Testing, certification, labeling and enforcement.

11 (1) The manufacturers of residential furnaces shall
12 test products in accordance with the test procedures
13 adopted pursuant to this Act or those specified in the
14 State Building Code. The Department, in consultation with
15 other State agencies, shall adopt test procedures for
16 determining the energy efficiency of residential furnaces
17 if the test procedures provided for in this Act are
18 inappropriate. The Department shall adopt U.S. Department
19 of Energy approved test methods, or in the absence of U.S.
20 Department of Energy approved test methods, other
21 appropriate nationally recognized test methods. The
22 Department may adopt updated test methods when new versions
23 of test procedures become available.

24 (2) Manufacturers of residential furnaces shall
25 certify to the Department that residential furnaces are in
26 compliance with the provisions of this Act. Certifications

1 shall be based on test results. The Department shall
2 promulgate rules governing the certification of
3 residential furnaces and shall coordinate with the
4 certification programs of other states and federal
5 agencies with similar standards.

6 (3) Manufacturers of residential furnaces shall
7 identify each product offered for sale or installation in
8 the State as in compliance with the provisions of this Act
9 by means of a mark, label, or tag on the product and
10 packaging at the time of sale or installation. The
11 Department shall promulgate rules governing the
12 identification of residential furnaces and packaging,
13 which shall be coordinated to the greatest practical extent
14 with the labeling programs of other states and federal
15 agencies with equivalent efficiency standards. The
16 Department shall allow the use of existing marks, labels,
17 or tags that indicate compliance with the efficiency
18 requirements of this Act.

19 (4) The Department may test residential furnaces. If
20 tested furnaces are found not to be in compliance with
21 established minimum efficiency standards the Department
22 shall:

23 (A) charge the manufacturer of the furnace for the
24 cost of product purchase and testing; and

25 (B) make information available to the public on
26 furnaces found in violation with the standards.

1 (5) With prior notice and at reasonable and convenient
2 hours, the Department may cause periodic inspections to be
3 made of distributors or retailers of residential furnaces
4 in order to determine compliance with the provisions of
5 this Act. The Department shall also coordinate with
6 building contractors regarding inspections prior to
7 occupancy of newly constructed buildings containing new
8 products that are also covered by the applicable building
9 code.

10 (6) The Department shall investigate complaints
11 received concerning violations of this Act and shall report
12 the results of investigations to the Attorney General. The
13 Attorney General may institute proceedings to enforce the
14 provisions of this Act. Any manufacturer, distributor, or
15 retailer, or any person who installs a product covered by
16 this Act for compensation, who violates any provision of
17 this Act shall be issued a warning by the Department for
18 any first violation. Repeat violations shall be subject to
19 a civil penalty of not more than \$250 imposed by the
20 Department. Each violation shall constitute a separate
21 offense, and each day that a violation continues shall
22 constitute a separate offense. Penalties assessed under
23 this paragraph are in addition to costs assessed under this
24 Section.

25 (7) The Department may adopt rules as necessary to
26 insure the proper implementation and enforcement of the

1 provisions of this Act.

2 (f) Severability. The provisions of this Act are severable
3 under Section 1.31 of the Statute on Statutes.

4 ARTICLE 15.

5 Section 15-1. Short title. This Act may be cited as the
6 Illinois Clean Car Act. References in this Article to "this
7 Act" mean this Article.

8 Section 15-5. Definitions. For purposes of this Act:

9 (a) "Agency" means the Environmental Protection Agency.

10 (b) "Board" means the Pollution Control Board.

11 (c) "Transfer" includes the terms acquire, purchase, sell,
12 or lease.

13 Section 15-10. Adoption of a Program.

14 (a) By January 1, 2009 the Agency shall propose and the
15 Board shall establish by rule a Clean Car Program that is (i)
16 authorized by Section 177 of the federal Clean Air Act, and
17 (ii) applicable to vehicles of the 2011 model year and every
18 subsequent model year.

19 (b) As part of the Program, the Agency shall establish new
20 motor vehicle emission standards and compliance requirements
21 for vehicles of the 2011 model year and every subsequent model
22 year as authorized by Section 177 of the federal Clean Air Act.

1 (c) As part of the compliance requirements established
2 under this Act, the Agency may adopt by rule motor vehicle
3 emission inspection, recall, and warranty requirements.

4 Section 15-15. Minimization of administrative impact.

5 (a) To minimize the administrative impact of the Program
6 and to minimize the impact of motor vehicle emissions generated
7 in other states on the air quality of this State, the Agency
8 may:

9 (1) adopt by reference the rules, regulations,
10 procedures, and certification data of any of the states
11 that have adopted clean car standards authorized by Section
12 177 of the federal Clean Air Act; and

13 (2) work in cooperation with any of the states that
14 have clean car standards, authorized by Section 177 of the
15 federal Clean Air Act, to administer certification, in-use
16 compliance, inspection, recall, and warranty requirements
17 for the Program.

18 Section 15-20. Title; registration.

19 (a) Except as otherwise provided in this Section, the
20 Secretary of State shall not register or issue a title for a
21 new motor vehicle that is subject to the provisions of this Act
22 if the motor vehicle is not in compliance with the provisions
23 of this Act or any rule adopted under this Act.

24 (b) Notwithstanding subsection (a) of this Section, the

1 Secretary of State may, in consultation with the Agency, adopt
2 rules to exempt motor vehicles from the Program. These
3 exemptions shall be limited to:

4 (1) motor vehicles sold for registration out of the
5 State;

6 (2) motor vehicles sold from a licensed dealer to
7 another licensed dealer; or

8 (3) any motor vehicles that would be exempted from the
9 Low Emission Vehicle Program established under California
10 law.

11 Any motor vehicle exempted under this subsection (b) is
12 exempt from the requirements of the Program, and the Secretary
13 of State shall note that exemption on the title of the motor
14 vehicle.

15 (c) The Secretary of State, in consultation with the
16 Agency, shall adopt rules to prohibit the transfer of new motor
17 vehicles or new motor vehicle engines that are not in
18 compliance with the provisions of this Act, if those rules are
19 necessary to comply with Section 177 of the federal Clean Air
20 Act.

21 ARTICLE 17.

22 Section 17-1. Short title. This Act may be cited as the
23 Clean Home-Grown Fuels Act. References in this Article to "this
24 Act" mean this Article.

1 Section 17-5. Findings.

2 (a) Illinois' agricultural economy would benefit greatly
3 from expanding its growth of feedstock for the cleanest
4 possible transportation fuels.

5 (b) Greenhouse gas emissions pose a threat to the health of
6 Illinois' citizens, leading State industries, and the quality
7 of the environment.

8 (c) Illinois' use of motor vehicles is a significant source
9 of greenhouse gas emissions in the State, contributing
10 approximately 25% of the State's annual greenhouse gas
11 emissions.

12 (d) Illinois is almost entirely dependent on one source of
13 motor vehicle fuel for use for its transportation economy, the
14 price of which is highly volatile and, therefore, imperils our
15 economic security, endangers our jobs, and jeopardizes our
16 industries.

17 (e) The purpose of this Act is to bolster Illinois'
18 agricultural economy by requiring the greater use of fuels with
19 a lower carbon dioxide content than that of gasoline, thereby
20 simultaneously reducing the State's global warming pollution.

21 Section 17-10. Definitions.

22 "Alternative fuel" means any fuel used for the generation
23 of power in an automobile, sport utility vehicle, or truck that
24 does not meet the definition of "motor vehicle fuel".

1 Alternative fuel includes, but is not limited to, electricity,
2 hydrogen, and fuel cells.

3 "Carbon intensity" means the measurement of lifecycle
4 greenhouse gas emissions from motor vehicle fuels expressed in
5 carbon dioxide equivalent per unit of energy delivered.

6 "Greenhouse gas" means all gases defined by the
7 Intergovernmental Panel on Climate Change as contributing to
8 global warming, including water vapor, carbon dioxide, nitrous
9 oxide, methane, sulphur hexafluoride, hydrofluorocarbons, and
10 perfluorocarbons.

11 "Motor vehicle fuel" means any liquid product used for the
12 generation of power in an internal combustion engine, except
13 for aviation gasoline, aviation jet fuels, and liquefied
14 petroleum gas.

15 "Provider" means a refiner, blender, producer, or importer
16 of motor vehicle fuel.

17 "Retail dealer" means any person who owns, operates,
18 controls, or supervises an establishment at which motor vehicle
19 fuel is offered for sale to the public.

20 "Wholesale dealer" means a person who sells motor vehicle
21 fuel if the seller knows or has reasonable cause to believe
22 that the buyer intends to resell the motor vehicle fuel in the
23 same or an altered form to a retailer dealer, a nonretailer
24 dealer, or another wholesaler.

25 Section 17-20. Creation of a sliding scale for the sale of

1 clean fuels in Illinois.

2 By January 1, 2010, the Illinois Environmental Protection
3 Agency shall, by rule:

4 (a) Adopt a clean fuels standard, including enforcement and
5 credit mechanisms, that achieves the maximum technologically
6 feasible and cost-effective greenhouse gas emissions
7 reductions from motor vehicle fuels. The standard shall have a
8 goal of reducing the carbon intensity of the use of motor
9 vehicle fuels by at least 10% by the year 2020.

10 (b) To reduce carbon intensity by 6% by 2020, the Agency
11 shall require, beginning in 2011, the following proportion of
12 total motor vehicle fuel sold in the State have a carbon
13 content at least 50% lower than that of gasoline's 2005 carbon
14 intensity on a full lifecycle basis:

15 (i) 2011: 1.00%

16 (ii) 2012: 1.50%

17 (iii) 2013: 2.25%

18 (iv) 2014: 3.00%

19 (v) 2015: 4.50%

20 (vi) 2016: 5.75%

21 (vii) 2017: 7.00%

22 (viii) 2018: 8.50%

23 (ix) 2019: 10.25%

24 (x) 2020: 12.00%

25 (c) To reduce carbon intensity by the remaining 4% by 2020,
26 the Agency shall permit fuel providers to use any other

1 combination of motor vehicle or alternative fuels, with no
2 interim goals.

3 (d) Issue best management practices, standards,
4 incentives, or certification programs to avoid or reduce, to
5 the maximum extent practicable, negative environmental impacts
6 associated with implementation of the clean fuels standard and
7 to avoid or minimize negative environmental impacts from the
8 sourcing and production of clean fuels.

9 Section 17-30. Implementation.

10 (a) The clean fuels standard shall apply to all fuel
11 providers in Illinois.

12 (b) The baseline year for the purpose of determining the
13 percent reduction of the carbon intensity of fuels is 2005.

14 (c) No later than January 1, 2010, the Agency shall:

15 (a) define the term "full lifecycle" and shall measure
16 the carbon intensity of fuels on the full lifecycle basis
17 for each motor vehicle fuel; and

18 (b) establish a system of credits and other
19 market-based methods by which fuel providers exceeding the
20 performance required by the program shall receive credits
21 that may be applied to future obligations or traded to
22 providers that do not meet the performance required by the
23 program.

24 Section 17-40. Reporting requirements.

1 (1) By October 1, 2011, to permit reporting by
2 providers for calendar year 2011, the Agency shall develop
3 and adopt, by rule, environmental reporting requirements
4 for providers that:

5 (a) require providers to identify the motor
6 vehicle fuels or alternative fuels, or both, used to
7 comply with the clean fuels standard; and

8 (b) require providers to demonstrate increasing
9 availability to the general public of motor vehicle
10 fuels or alternative fuels, or both, that meet the
11 clean fuels standard. The report shall require a
12 listing of wholesale dealers and retail dealers that
13 are dispensing motor vehicle fuels or alternative
14 fuels, or both, that meet the clean fuels standard.

15 (2) Beginning June 30, 2012, and by June 30 of every
16 year thereafter, each provider shall submit to the Agency a
17 report indicating whether the provider has met all
18 reporting requirements for the previous calendar year. The
19 Agency shall make the reports available to the public,
20 including by publishing the reports on its website.

21 ARTICLE 20.

22 Section 20-5. The Energy Efficient Commercial Building Act
23 is amended by changing Sections 1, 5, 10, 15, 20, and 45 as
24 follows:

1 (20 ILCS 3125/1)

2 Sec. 1. Short title. This Act may be cited as the Energy
3 Efficient ~~Commercial~~ Building Act.

4 (Source: P.A. 93-936, eff. 8-13-04.)

5 (20 ILCS 3125/5)

6 Sec. 5. Findings.

7 (a) The legislature finds that an effective energy
8 efficient ~~commercial~~ building code is essential to:

9 (1) reduce the air pollutant emissions from energy
10 consumption that are affecting the health of residents of
11 this State;

12 (2) moderate future peak electric power demand;

13 (3) assure the reliability of the electrical grid and
14 an adequate supply of heating oil and natural gas; and

15 (4) control energy costs for residents and businesses
16 in this State.

17 (b) The legislature further finds that this State has a
18 number of different climate types, all of which require energy
19 for both cooling and heating, and that there are many
20 cost-effective measures that can reduce peak energy use and
21 reduce cooling, heating, lighting, and other energy costs in
22 ~~commercial~~ buildings.

23 (Source: P.A. 93-936, eff. 8-13-04.)

1 (20 ILCS 3125/10)

2 Sec. 10. Definitions.

3 "Board" means the Capital Development Board.

4 "Building" includes both residential buildings and
5 commercial buildings.

6 "Code" means the latest published edition of the
7 International Code Council's International Energy Conservation
8 Code, excluding published supplements but including the
9 adaptations to the Code that are made by the Board.

10 "Commercial building" means any building except a building
11 that is a residential building, as defined in this Section.

12 "Department" means the Department of Commerce and Economic
13 Opportunity.

14 "Municipality" means any city, village, or incorporated
15 town.

16 "Residential building" means (i) a detached one-family or
17 2-family dwelling or (ii) any building that is 3 stories or
18 less in height above grade that contains multiple dwelling
19 units, in which the occupants reside on a primarily permanent
20 basis, such as a townhouse, a row house, an apartment house, a
21 convent, a monastery, a rectory, a fraternity or sorority
22 house, a dormitory, and a rooming house.

23 (Source: P.A. 93-936, eff. 8-13-04; 94-815, eff. 5-26-06.)

24 (20 ILCS 3125/15)

25 Sec. 15. Energy Efficient Building Code. The Board, in

1 consultation with the Department, shall adopt the Code as
2 minimum requirements applying to the construction of,
3 renovations to, and additions to all ~~commercial~~ buildings in
4 the State. The Board may appropriately adapt the International
5 Energy Conservation Code to apply to the particular economy,
6 population distribution, geography, and climate of the State
7 and construction therein, consistent with the public policy
8 objectives of this Act.

9 (Source: P.A. 93-936, eff. 8-13-04.)

10 (20 ILCS 3125/20)

11 Sec. 20. Applicability.

12 (a) The Code shall take effect one year after it is adopted
13 by the Board and shall apply to any new ~~commercial~~ building or
14 structure in this State for which a building permit application
15 is received by a municipality or county, except as otherwise
16 provided by this Act. In the case of any addition, alteration,
17 renovation, or repair to an existing commercial structure, the
18 Code adopted under this Act applies only to the portions of
19 that structure that are being added, altered, renovated, or
20 repaired.

21 (b) The following buildings shall be exempt from the Code:

22 (1) Buildings otherwise exempt from the provisions of a
23 locally adopted building code and buildings that do not
24 contain a conditioned space.

25 (2) Buildings that do not use either electricity or

1 fossil fuel for comfort conditioning. For purposes of
2 determining whether this exemption applies, a building
3 will be presumed to be heated by electricity, even in the
4 absence of equipment used for electric comfort heating,
5 whenever the building is provided with electrical service
6 in excess of 100 amps, unless the code enforcement official
7 determines that this electrical service is necessary for
8 purposes other than providing electric comfort heating.

9 (3) Historic buildings. This exemption shall apply to
10 those buildings that are listed on the National Register of
11 Historic Places or the Illinois Register of Historic
12 Places, and to those buildings that have been designated as
13 historically significant by a local governing body that is
14 authorized to make such designations.

15 (4) Additions, alterations, renovations, or repairs to
16 existing residential structures ~~Residential buildings.~~

17 (5) Other buildings specified as exempt by the
18 International Energy Conservation Code.

19 (Source: P.A. 93-936, eff. 8-13-04.)

20 (20 ILCS 3125/45)

21 Sec. 45. Home rule. Unless otherwise provided in this
22 Section, no ~~no~~ unit of local government, including any home
23 rule unit, may regulate energy efficient building standards in
24 a manner that is less stringent than the provisions contained
25 in this Act. Any unit of local government that has adopted the

1 efficiency standards of the 2000 International Energy
2 Conservation Code, including the 2001 supplement, on or before
3 January 1, 2007, may continue to regulate energy efficient
4 building standards under that Code.

5 This Section is a denial and limitation of home rule powers
6 and functions under subsection (i) of Section 6 of Article VII
7 of the Illinois Constitution on the concurrent exercise by home
8 rule units of powers and functions exercised by the State.
9 Nothing in this Section, however, prevents a unit of local
10 government from adopting an energy efficiency code or standards
11 that are more stringent than the Code under this Act.

12 (Source: P.A. 93-936, eff. 8-13-04.)

13 Section 20-10. The State Finance Act is amended by adding
14 Section 5.708 as follows:

15 (30 ILCS 105/5.708 new)

16 Sec. 5.708. The Global Warming Response Fund.

17 (415 ILCS 140/Act rep.)

18 Section 20-15. The Kyoto Protocol Act of 1998 is repealed.

19 ARTICLE 99.

20 Section 99-99. Effective date. This Act takes effect upon
21 becoming law."