

1 AN ACT concerning finance.

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

4 Section 5. If and only if Senate Bill 658 of the 96th
5 General Assembly (as amended by House Amendment No. 3) becomes
6 law, the Illinois Power Agency Act is amended by changing
7 Section 1-56 as follows:

8 (20 ILCS 3855/1-56 as added by 09600SB0658eng with ham003)
9 Sec. 1-56. Clean coal SNG facility construction.

10 (a) It is the intention of the General Assembly to provide
11 additional long-term natural gas price stability to the State
12 and consumers by promoting the development of a clean coal SNG
13 facility that would produce a minimum annual output of 30 Bcf
14 of SNG and commence construction no later than June 1, 2013 on
15 a brownfield site in a municipality with at least one million
16 residents. The costs associated with preparing a facility cost
17 report for such a facility, which contains all of the
18 information required by subsection (b) of this Section, may be
19 paid or reimbursed pursuant to subsection (c) of this Section.

20 (b) The facility cost report for a facility that meets the
21 criteria set forth in subsection (a) of this Section shall be
22 prepared by a duly licensed engineering firm that details the
23 estimated capital costs payable to one or more contractors or

1 suppliers for the engineering, procurement, and construction
2 of the components comprising the facility and the estimated
3 costs of operation and maintenance of the facility. The report
4 must be provided to the General Assembly and the Agency on or
5 before April 30, 2010. The facility cost report shall include
6 all off the following:

7 (1) An estimate of the capital cost of the core plant
8 based on a front-end engineering and design study. The core
9 plant shall include all civil, structural, mechanical,
10 electrical, control, and safety systems. The quoted
11 construction costs shall be expressed in nominal dollars as
12 of the date that the quote is prepared and shall include:

13 (A) capitalized financing costs during
14 construction;

15 (B) taxes, insurance, and other owner's costs; and

16 (C) any assumed escalation in materials and labor
17 beyond the date as of which the construction cost quote
18 is expressed;

19 (2) An estimate of the capital cost of the balance of
20 the plant, including any capital costs associated with site
21 preparation and remediation, sequestration of carbon
22 dioxide emissions, and all interconnects and interfaces
23 required to operate the facility, such as construction or
24 backfeed power supply, pipelines to transport substitute
25 natural gas or carbon dioxide, potable water supply,
26 natural gas supply, water supply, water discharge,

1 landfill, access roads, and coal delivery. The front-end
2 engineering and design study and the cost study for the
3 balance of the plant shall include sufficient design work
4 to permit quantification of major categories of materials,
5 commodities and labor hours, and receipt of quotes from
6 vendors of major equipment required to construct and
7 operate the facility.

8 (3) An operating and maintenance cost quote that will
9 provide the estimated cost of delivered fuel, personnel,
10 maintenance contracts, chemicals, catalysts, consumables,
11 spares, and other fixed and variable operating and
12 maintenance costs. This quote is subject to the following
13 requirements:

14 (A) The delivered fuel cost estimate shall be
15 provided by a recognized third party expert or experts
16 in the fuel and transportation industries.

17 (B) The balance of the operating and maintenance
18 cost quote, excluding delivered fuel costs shall be
19 developed based on the inputs provided by a duly
20 licensed engineering firm performing the construction
21 cost quote, potential vendors under long-term service
22 agreements and plant operating agreements, or
23 recognized third-party plant operator or operators.

24 The operating and maintenance cost quote shall be
25 expressed in nominal dollars as of the date that the quote
26 is prepared and shall include (i) taxes, insurance, and

1 other owner's costs and (ii) any assumed escalation in
2 materials and labor beyond the date as of which the
3 operating and maintenance cost quote is expressed.

4 (c) Reasonable amounts paid or due to be paid by the owner
5 or owners of the clean coal SNG facility to third parties
6 unrelated to the owner or owners to prepare the facility cost
7 report will ~~may~~ be reimbursed or paid up to \$10 million through
8 Coal Development Bonds, ~~through funding authorized pursuant to~~
9 ~~20 ILCS 3501/825-65.~~

10 (d) The Agency shall review the facility report and based
11 on that report, consider whether to enter into long term
12 contracts to purchase SNG from the facility pursuant to Section
13 1-20 of this Act. To assist with its evaluation of the report,
14 the Agency may hire one or more experts or consultants, the
15 reasonable costs of which, not to exceed \$250,000, shall be
16 paid for by the owner or owners of the clean coal SNG facility
17 submitting the facility cost report. The Agency may begin the
18 process of selecting such experts or consultants prior to
19 receipt of the facility cost report.

20 (Source: 09600SB0658eng with ham003.)

21 Section 10. If and only if Senate Bill 658 of the 96th
22 General Assembly (as amended by House Amendment No. 3) becomes
23 law, the General Obligation Bond Act is amended by changing
24 Section 7 as follows:

1 (30 ILCS 330/7) (from Ch. 127, par. 657)

2 Sec. 7. Coal and Energy Development. The amount of
3 \$698,200,000 is authorized to be used by the Department of
4 Commerce and Economic Opportunity (formerly Department of
5 Commerce and Community Affairs) for coal and energy development
6 purposes, pursuant to Sections 2, 3 and 3.1 of the Illinois
7 Coal and Energy Development Bond Act, for the purposes
8 specified in Section 8.1 of the Energy Conservation and Coal
9 Development Act, for the purposes specified in Section 605-332
10 of the Department of Commerce and Economic Opportunity Law of
11 the Civil Administrative Code of Illinois, and for the purpose
12 of facility cost reports prepared pursuant to Sections 1-56 or
13 Section 1-75(d)(4) of the Illinois Power Agency Act and for the
14 purpose of development costs pursuant to Section 8.1 of the
15 Energy Conservation and Coal Development Act. Of this amount:

16 (a) \$115,000,000 is for the specific purposes of
17 acquisition, development, construction, reconstruction,
18 improvement, financing, architectural and technical planning
19 and installation of capital facilities consisting of
20 buildings, structures, durable equipment, and land for the
21 purpose of capital development of coal resources within the
22 State and for the purposes specified in Section 8.1 of the
23 Energy Conservation and Coal Development Act;

24 (b) \$35,000,000 is for the purposes specified in Section
25 8.1 of the Energy Conservation and Coal Development Act and
26 making a grant to the owner of a generating station located in

1 Illinois and having at least three coal-fired generating units
2 with accredited summer capability greater than 500 megawatts
3 each at such generating station as provided in Section 6 of
4 that Bond Act;

5 (c) \$13,200,000 is for research, development and
6 demonstration of forms of energy other than that derived from
7 coal, either on or off State property;

8 (d) \$500,000,000 is for the purpose of providing financial
9 assistance to new electric generating facilities as provided in
10 Section 605-332 of the Department of Commerce and Economic
11 Opportunity Law of the Civil Administrative Code of Illinois;
12 and

13 (e) \$35,000,000 is for the purpose of facility cost reports
14 prepared for not more than one facility pursuant to Section
15 1-75(d) (4) of the Illinois Power Agency Act and not more than
16 one facility pursuant to Section 1-56 of the Illinois Power
17 Agency Act and for the purpose of up to \$6,000,000 of
18 development costs pursuant to Section 8.1 of the Energy
19 Conservation and Coal Development Act.

20 (Source: P.A. 94-793, eff. 5-19-06; 95-1026, eff. 1-12-09.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.