



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB1629

by Rep. John E. Bradley

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-80

Amends the Illinois Power Agency Act. Provides that any clean coal facility developed, financed, constructed, or operated by the Illinois Power Agency may be constructed within 10 miles of the Rend Lake Conservancy District in a county with unemployment above the State average as of the effective date of the amendatory Act. Further provides that the first facility that the Agency develops, finances, or constructs shall be a facility that uses coal that has high volatile bituminous rank and greater than 1.7 pounds of sulfur per million btu content (was, coal produced in Illinois). Makes other changes. Effective immediately.

LRB097 08897 ASK 49029 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Power Agency Act is amended by  
5 changing Section 1-80 as follows:

6 (20 ILCS 3855/1-80)

7 Sec. 1-80. Resource Development Bureau. The Resource  
8 Development Bureau has the following duties and  
9 responsibilities:

10 (a) At the Agency's discretion, conduct feasibility  
11 studies on the construction of any facility. Funding for a  
12 study shall come from either:

13 (i) fees assessed by the Agency on municipal  
14 electric systems, governmental aggregators, unit or  
15 units of local government, or rural electric  
16 cooperatives requesting the feasibility study; or

17 (ii) an appropriation from the General Assembly.

18 (b) If the Agency undertakes the construction of a  
19 facility, moneys generated from the sale of revenue bonds  
20 by the Authority for the facility shall be used to  
21 reimburse the source of the money used for the facility's  
22 feasibility study.

23 (c) The Agency may develop, finance, construct, or

1 operate electric generation and co-generation facilities  
2 that use indigenous coal or renewable resources, or both,  
3 financed with bonds issued by the Authority on behalf of  
4 the Agency. Any such facility that uses coal must be a  
5 clean coal facility and, except as otherwise provided, must  
6 be constructed in a location where the geology is suitable  
7 for carbon sequestration. Any clean coal facility that is  
8 developed, financed, constructed, or operated by the  
9 Agency may be constructed within 10 miles of the Rend Lake  
10 Conservancy District in a county with unemployment above  
11 the State average as of the effective date of this  
12 amendatory Act of the 97th General Assembly. The Agency may  
13 also develop, finance, construct, or operate a carbon  
14 sequestration facility.

15 (1) The Agency may enter into contractual  
16 arrangements with private and public entities,  
17 including but not limited to municipal electric  
18 systems, governmental aggregators, and rural electric  
19 cooperatives, to plan, site, construct, improve,  
20 rehabilitate, and operate those electric generation  
21 and co-generation facilities. No contract shall be  
22 entered into by the Agency that would jeopardize the  
23 tax-exempt status of any bond issued in connection with  
24 a project for which the Agency entered into the  
25 contract.

26 (2) The Agency shall hold at least one public

1 hearing before entering into any such contractual  
2 arrangements. At least 30-days' notice of the hearing  
3 shall be given by publication once in each week during  
4 that period in 6 newspapers within the State, at least  
5 one of which has a circulation area that includes the  
6 location of the proposed facility.

7 (3) The first facility that the Agency develops,  
8 finances, or constructs shall be a facility that uses  
9 coal that has high volatile bituminous rank and greater  
10 than 1.7 pounds of sulfur per million btu content  
11 ~~produced in Illinois~~. The Agency may, however, also  
12 develop, finance, or construct renewable energy  
13 facilities after work on the first facility has  
14 commenced.

15 (4) The Agency may not develop, finance, or  
16 construct a nuclear power plant.

17 (5) The Agency shall assess fees to applicants  
18 seeking to partner with the Agency on projects.

19 (d) Use of electricity generated by the Agency's  
20 facilities. The Agency may supply electricity produced by  
21 the Agency's facilities to municipal electric systems,  
22 governmental aggregators, or rural electric cooperatives  
23 in Illinois. The electricity shall be supplied at cost.

24 (1) Contracts to supply power and energy from the  
25 Agency's facilities shall provide for the effectuation  
26 of the policies set forth in this Act.

1           (2) The contracts shall also provide that,  
2           notwithstanding any provision in the Public Utilities  
3           Act, entities supplied with power and energy from an  
4           Agency facility shall supply the power and energy to  
5           retail customers at the same price paid to purchase  
6           power and energy from the Agency.

7           (e) Electric utilities shall not be required to purchase  
8           electricity directly or indirectly from facilities developed  
9           or sponsored by the Agency.

10          (f) The Agency may sell excess capacity and excess energy  
11          into the wholesale electric market at prevailing market rates;  
12          provided, however, the Agency may not sell excess capacity or  
13          excess energy through the procurement process described in  
14          Section 16-111.5 of the Public Utilities Act.

15          (g) The Agency shall not directly sell electric power and  
16          energy to retail customers. Nothing in this paragraph shall be  
17          construed to prohibit sales to municipal electric systems,  
18          governmental aggregators, or rural electric cooperatives.

19          (Source: P.A. 95-481, eff. 8-28-07; 95-1027, eff. 6-1-09.)

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