

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 changing
5 Sections 16-107.5 and 16-111.5B as follows:

6 (220 ILCS 5/16-107.5)

7 Sec. 16-107.5. Net electricity metering.

8 (a) The Legislature finds and declares that a program to
9 provide net electricity metering, as defined in this Section,
10 for eligible customers can encourage private investment in
11 renewable energy resources, stimulate economic growth, enhance
12 the continued diversification of Illinois' energy resource
13 mix, and protect the Illinois environment.

14 (b) As used in this Section, (i) "eligible customer" means
15 a retail customer that owns or operates a solar, wind, or other
16 eligible renewable electrical generating facility with a rated
17 capacity of not more than 2,000 kilowatts that is located on
18 the customer's premises and is intended primarily to offset the
19 customer's own electrical requirements; (ii) "electricity
20 provider" means an electric utility or alternative retail
21 electric supplier; (iii) "eligible renewable electrical
22 generating facility" means a generator powered by solar
23 electric energy, wind, dedicated crops grown for electricity

1 generation, agricultural residues, untreated and unadulterated
2 wood waste, landscape trimmings, livestock manure, anaerobic
3 digestion of livestock or food processing waste, fuel cells or
4 microturbines powered by renewable fuels, or hydroelectric
5 energy; and (iv) "net electricity metering" (or "net metering")
6 means the measurement, during the billing period applicable to
7 an eligible customer, of the net amount of electricity supplied
8 by an electricity provider to the customer's premises or
9 provided to the electricity provider by the customer.

10 (c) A net metering facility shall be equipped with metering
11 equipment that can measure the flow of electricity in both
12 directions at the same rate.

13 (1) For eligible customers whose electric service has
14 not been declared competitive pursuant to Section 16-113 of
15 this Act as of July 1, 2011 and whose electric delivery
16 service is provided and measured on a kilowatt-hour basis
17 and electric supply service is not provided based on hourly
18 pricing, this shall typically be accomplished through use
19 of a single, bi-directional meter. If the eligible
20 customer's existing electric revenue meter does not meet
21 this requirement, the electricity provider shall arrange
22 for the local electric utility or a meter service provider
23 to install and maintain a new revenue meter at the
24 electricity provider's expense.

25 (2) For eligible customers whose electric service has
26 not been declared competitive pursuant to Section 16-113 of

1 this Act as of July 1, 2011 and whose electric delivery
2 service is provided and measured on a kilowatt demand basis
3 and electric supply service is not provided based on hourly
4 pricing, this shall typically be accomplished through use
5 of a dual channel meter capable of measuring the flow of
6 electricity both into and out of the customer's facility at
7 the same rate and ratio. If such customer's existing
8 electric revenue meter does not meet this requirement, then
9 the electricity provider shall arrange for the local
10 electric utility or a meter service provider to install and
11 maintain a new revenue meter at the electricity provider's
12 expense.

13 (3) For all other eligible customers, the electricity
14 provider may arrange for the local electric utility or a
15 meter service provider to install and maintain metering
16 equipment capable of measuring the flow of electricity both
17 into and out of the customer's facility at the same rate
18 and ratio, typically through the use of a dual channel
19 meter. If the eligible customer's existing electric
20 revenue meter does not meet this requirement, then the
21 costs of installing such equipment shall be paid for by the
22 customer.

23 (d) An electricity provider shall measure and charge or
24 credit for the net electricity supplied to eligible customers
25 or provided by eligible customers whose electric service has
26 not been declared competitive pursuant to Section 16-113 of the

1 Act as of July 1, 2011 and whose electric delivery service is
2 provided and measured on a kilowatt-hour basis and electric
3 supply service is not provided based on hourly pricing in the
4 following manner:

5 (1) If the amount of electricity used by the customer
6 during the billing period exceeds the amount of electricity
7 produced by the customer, the electricity provider shall
8 charge the customer for the net electricity supplied to and
9 used by the customer as provided in subsection (e-5) of
10 this Section.

11 (2) If the amount of electricity produced by a customer
12 during the billing period exceeds the amount of electricity
13 used by the customer during that billing period, the
14 electricity provider supplying that customer shall apply a
15 1:1 kilowatt-hour credit to a subsequent bill for service
16 to the customer for the net electricity supplied to the
17 electricity provider. The electricity provider shall
18 continue to carry over any excess kilowatt-hour credits
19 earned and apply those credits to subsequent billing
20 periods to offset any customer-generator consumption in
21 those billing periods until all credits are used or until
22 the end of the annualized period.

23 (3) At the end of the year or annualized over the
24 period that service is supplied by means of net metering,
25 or in the event that the retail customer terminates service
26 with the electricity provider prior to the end of the year

1 or the annualized period, any remaining credits in the
2 customer's account shall expire.

3 (d-5) An electricity provider shall measure and charge or
4 credit for the net electricity supplied to eligible customers
5 or provided by eligible customers whose electric service has
6 not been declared competitive pursuant to Section 16-113 of
7 this Act as of July 1, 2011 and whose electric delivery service
8 is provided and measured on a kilowatt-hour basis and electric
9 supply service is provided based on hourly pricing in the
10 following manner:

11 (1) If the amount of electricity used by the customer
12 during any hourly period exceeds the amount of electricity
13 produced by the customer, the electricity provider shall
14 charge the customer for the net electricity supplied to and
15 used by the customer according to the terms of the contract
16 or tariff to which the same customer would be assigned to
17 or be eligible for if the customer was not a net metering
18 customer.

19 (2) If the amount of electricity produced by a customer
20 during any hourly period exceeds the amount of electricity
21 used by the customer during that hourly period, the energy
22 provider shall apply a credit for the net kilowatt-hours
23 produced in such period. The credit shall consist of an
24 energy credit and a delivery service credit. The energy
25 credit shall be valued at the same price per kilowatt-hour
26 as the electric service provider would charge for

1 kilowatt-hour energy sales during that same hourly period.
2 The delivery credit shall be equal to the net
3 kilowatt-hours produced in such hourly period times a
4 credit that reflects all kilowatt-hour based charges in the
5 customer's electric service rate, excluding energy
6 charges.

7 (e) An electricity provider shall measure and charge or
8 credit for the net electricity supplied to eligible customers
9 whose electric service has not been declared competitive
10 pursuant to Section 16-113 of this Act as of July 1, 2011 and
11 whose electric delivery service is provided and measured on a
12 kilowatt demand basis and electric supply service is not
13 provided based on hourly pricing in the following manner:

14 (1) If the amount of electricity used by the customer
15 during the billing period exceeds the amount of electricity
16 produced by the customer, then the electricity provider
17 shall charge the customer for the net electricity supplied
18 to and used by the customer as provided in subsection (e-5)
19 of this Section. ~~The , provided that the electricity~~
20 ~~provider shall assess and the customer shall remain~~ remains
21 responsible for all taxes, fees, and utility delivery
22 charges that would otherwise be applicable to the net ~~gross~~
23 amount of electricity used by ~~kilowatt-hours supplied to~~
24 the ~~eligible customer by the electricity provider.~~

25 (2) If the amount of electricity produced by a customer
26 during the billing period exceeds the amount of electricity

1 used by the customer during that billing period, then the
2 electricity provider supplying that customer shall apply a
3 1:1 kilowatt-hour credit that reflects the kilowatt-hour
4 based charges in the customer's electric service rate to a
5 subsequent bill for service to the customer for the net
6 electricity supplied to the electricity provider. The
7 electricity provider shall continue to carry over any
8 excess kilowatt-hour credits earned and apply those
9 credits to subsequent billing periods to offset any
10 customer-generator consumption in those billing periods
11 until all credits are used or until the end of the
12 annualized period.

13 (3) At the end of the year or annualized over the
14 period that service is supplied by means of net metering,
15 or in the event that the retail customer terminates service
16 with the electricity provider prior to the end of the year
17 or the annualized period, any remaining credits in the
18 customer's account shall expire.

19 (e-5) An electricity provider shall provide electric
20 service to eligible customers ~~whose electric service has not~~
21 ~~been declared competitive pursuant to Section 16-113 of this~~
22 ~~Act and whose electric supply service is not provided based on~~
23 ~~hourly pricing~~ who utilize net metering at non-discriminatory
24 rates that are identical, with respect to rate structure,
25 retail rate components, and any monthly charges, to the rates
26 that the customer would be charged if not a net metering

1 customer. An electricity provider shall not charge net metering
2 customers any fee or charge or require additional equipment,
3 insurance, or any other requirements not specifically
4 authorized by interconnection standards authorized by the
5 Commission, unless the fee, charge, or other requirement would
6 apply to other similarly situated customers who are not net
7 metering customers. The customer will remain responsible for
8 all taxes, fees, and utility delivery charges that would
9 otherwise be applicable to the net amount of electricity used
10 by the customer. Subsections (c) through (e) of this Section
11 shall not be construed to prevent an arms-length agreement
12 between an electricity provider and an eligible customer that
13 sets forth different prices, terms, and conditions for the
14 provision of net metering service, including, but not limited
15 to, the provision of the appropriate metering equipment for
16 non-residential customers.

17 (f) Notwithstanding the requirements of subsections (c)
18 through (e-5) of this Section, an electricity provider must
19 require dual-channel metering for customers operating eligible
20 renewable electrical generating facilities with a nameplate
21 rating up to 2,000 kilowatts and to whom the provisions of
22 neither subsection (d), (d-5), nor (e) of this Section apply.
23 In such cases, electricity charges and credits shall be
24 determined as follows:

25 (1) The electricity provider shall assess and the
26 customer remains responsible for all taxes, fees, and

1 utility delivery charges that would otherwise be
2 applicable to the gross amount of kilowatt-hours supplied
3 to the eligible customer by the electricity provider.

4 (2) Each month that service is supplied by means of
5 dual-channel metering, the electricity provider shall
6 compensate the eligible customer for any excess
7 kilowatt-hour credits at the electricity provider's
8 avoided cost of electricity supply over the monthly period
9 or as otherwise specified by the terms of a power-purchase
10 agreement negotiated between the customer and electricity
11 provider.

12 (3) For all eligible net metering customers taking
13 service from an electricity provider under contracts or
14 tariffs employing time of use rates, any monthly
15 consumption of electricity shall be calculated according
16 to the terms of the contract or tariff to which the same
17 customer would be assigned to or be eligible for if the
18 customer was not a net metering customer. When those same
19 customer-generators are net generators during any discrete
20 time of use period, the net kilowatt-hours produced shall
21 be valued at the same price per kilowatt-hour as the
22 electric service provider would charge for retail
23 kilowatt-hour sales during that same time of use period.

24 (g) For purposes of federal and State laws providing
25 renewable energy credits or greenhouse gas credits, the
26 eligible customer shall be treated as owning and having title

1 to the renewable energy attributes, renewable energy credits,
2 and greenhouse gas emission credits related to any electricity
3 produced by the qualified generating unit. The electricity
4 provider may not condition participation in a net metering
5 program on the signing over of a customer's renewable energy
6 credits; provided, however, this subsection (g) shall not be
7 construed to prevent an arms-length agreement between an
8 electricity provider and an eligible customer that sets forth
9 the ownership or title of the credits.

10 (h) Within 120 days after the effective date of this
11 amendatory Act of the 95th General Assembly, the Commission
12 shall establish standards for net metering and, if the
13 Commission has not already acted on its own initiative,
14 standards for the interconnection of eligible renewable
15 generating equipment to the utility system. The
16 interconnection standards shall address any procedural
17 barriers, delays, and administrative costs associated with the
18 interconnection of customer-generation while ensuring the
19 safety and reliability of the units and the electric utility
20 system. The Commission shall consider the Institute of
21 Electrical and Electronics Engineers (IEEE) Standard 1547 and
22 the issues of (i) reasonable and fair fees and costs, (ii)
23 clear timelines for major milestones in the interconnection
24 process, (iii) nondiscriminatory terms of agreement, and (iv)
25 any best practices for interconnection of distributed
26 generation.

1 (i) All electricity providers shall begin to offer net
2 metering no later than April 1, 2008.

3 (j) An electricity provider shall provide net metering to
4 eligible customers until the load of its net metering customers
5 equals 5% of the total peak demand supplied by that electricity
6 provider during the previous year. Electricity providers are
7 authorized to offer net metering beyond the 5% level if they so
8 choose.

9 (k) Each electricity provider shall maintain records and
10 report annually to the Commission the total number of net
11 metering customers served by the provider, as well as the type,
12 capacity, and energy sources of the generating systems used by
13 the net metering customers. Nothing in this Section shall limit
14 the ability of an electricity provider to request the redaction
15 of information deemed by the Commission to be confidential
16 business information. Each electricity provider shall notify
17 the Commission when the total generating capacity of its net
18 metering customers is equal to or in excess of the 5% cap
19 specified in subsection (j) of this Section.

20 (l) Notwithstanding the definition of "eligible customer"
21 in item (i) of subsection (b) of this Section, each electricity
22 provider shall consider whether to allow meter aggregation for
23 the purposes of net metering on:

24 (1) properties owned or leased by multiple customers
25 that contribute to the operation of an eligible renewable
26 electrical generating facility, such as a community-owned

1 wind project, a community-owned biomass project, a
2 community-owned solar project, or a community methane
3 digester processing livestock waste from multiple sources;
4 and

5 (2) individual units, apartments, or properties owned
6 or leased by multiple customers and collectively served by
7 a common eligible renewable electrical generating
8 facility, such as an apartment building served by
9 photovoltaic panels on the roof.

10 For the purposes of this subsection (1), "meter
11 aggregation" means the combination of reading and billing on a
12 pro rata basis for the types of eligible customers described in
13 this Section.

14 (m) Nothing in this Section shall affect the right of an
15 electricity provider to continue to provide, or the right of a
16 retail customer to continue to receive service pursuant to a
17 contract for electric service between the electricity provider
18 and the retail customer in accordance with the prices, terms,
19 and conditions provided for in that contract. Either the
20 electricity provider or the customer may require compliance
21 with the prices, terms, and conditions of the contract.

22 (Source: P.A. 97-616, eff. 10-26-11; 97-646, eff. 12-30-11.)

23 (220 ILCS 5/16-111.5B)

24 Sec. 16-111.5B. Provisions relating to energy efficiency
25 procurement.

1 (a) Beginning in 2012, procurement plans prepared pursuant
2 to Section 16-111.5 of this Act shall be subject to the
3 following additional requirements:

4 (1) The analysis included pursuant to paragraph (2) of
5 subsection (b) of Section 16-111.5 shall also include the
6 impact of energy efficiency building codes or appliance
7 standards, both current and projected.

8 (2) The procurement plan components described in
9 subsection (b) of Section 16-111.5 shall also include an
10 assessment of opportunities to expand the programs
11 promoting energy efficiency measures that have been
12 offered under plans approved pursuant to Section 8-103 of
13 this Act or to implement additional cost-effective energy
14 efficiency programs or measures.

15 (3) In addition to the information provided pursuant to
16 paragraph (1) of subsection (d) of Section 16-111.5 of this
17 Act, each Illinois utility procuring power pursuant to that
18 Section shall annually provide to the Illinois Power Agency
19 by July 15 of each year, or such other date as may be
20 required by the Commission or Agency, an assessment of
21 cost-effective energy efficiency programs or measures that
22 could be included in the procurement plan. The assessment
23 shall include the following:

24 (A) A comprehensive energy efficiency potential
25 study for the utility's service territory that was
26 completed within the past 3 years.

1 (B) Beginning in 2014, the most recent analysis
2 submitted pursuant to Section 8-103A of this Act and
3 approved by the Commission under subsection (f) of
4 Section 8-103 of this Act.

5 (C) Identification of new or expanded
6 cost-effective energy efficiency programs or measures
7 that are incremental to those included in energy
8 efficiency and demand-response plans approved by the
9 Commission pursuant to Section 8-103 of this Act and
10 that would be offered to all retail customers whose
11 electric service has not been declared competitive
12 under Section 16-113 of this Act and who are eligible
13 to purchase power and energy from the utility under
14 fixed-price bundled service tariffs, regardless of
15 whether such customers actually do purchase such power
16 and energy from the utility ~~eligible retail customers.~~

17 (D) Analysis showing that the new or expanded
18 cost-effective energy efficiency programs or measures
19 would lead to a reduction in the overall cost of
20 electric service.

21 (E) Analysis of how the cost of procuring
22 additional cost-effective energy efficiency measures
23 compares over the life of the measures to the
24 prevailing cost of comparable supply.

25 (F) An energy savings goal, expressed in
26 megawatt-hours, for the year in which the measures will

1 be implemented.

2 (G) For each expanded or new program, the estimated
3 amount that the program may reduce the agency's need to
4 procure supply.

5 In preparing such assessments, a utility shall conduct
6 an annual solicitation process for purposes of requesting
7 proposals from third-party vendors, the results of which
8 shall be provided to the Agency as part of the assessment,
9 including documentation of all bids received. The utility
10 shall develop requests for proposals consistent with the
11 manner in which it develops requests for proposals under
12 plans approved pursuant to Section 8-103 of this Act, which
13 considers input from the Agency and interested
14 stakeholders.

15 (4) The Illinois Power Agency shall include in the
16 procurement plan prepared pursuant to paragraph (2) of
17 subsection (d) of Section 16-111.5 of this Act energy
18 efficiency programs and measures it determines are
19 cost-effective and the associated annual energy savings
20 goal included in the annual solicitation process and
21 assessment submitted pursuant to paragraph (3) of this
22 subsection (a).

23 (5) Pursuant to paragraph (4) of subsection (d) of
24 Section 16-111.5 of this Act, the Commission shall also
25 approve the energy efficiency programs and measures
26 included in the procurement plan, including the annual

1 energy savings goal, if the Commission determines they
2 fully capture the potential for all achievable
3 cost-effective savings, to the extent practicable, and
4 otherwise satisfy the requirements of Section 8-103 of this
5 Act.

6 In the event the Commission approves the procurement of
7 additional energy efficiency, it shall reduce the amount of
8 power to be procured under the procurement plan to reflect
9 the additional energy efficiency and shall direct the
10 utility to undertake the procurement of such energy
11 efficiency, which shall not be subject to the requirements
12 of subsection (e) of Section 16-111.5 of this Act. The
13 utility shall consider input from the Agency and interested
14 stakeholders on the procurement and administration
15 process.

16 (6) An electric utility shall recover its costs
17 incurred under this Section related to the implementation
18 of energy efficiency programs and measures approved by the
19 Commission in its order approving the procurement plan
20 under Section 16-111.5 of this Act, including, but not
21 limited to, all costs associated with complying with this
22 Section and all start-up and administrative costs and the
23 costs for any evaluation, measurement, and verification of
24 the measures, from all retail customers whose electric
25 service has not been declared competitive under Section
26 16-113 of this Act and who are eligible to purchase power

1 and energy from the utility under fixed-price bundled
2 service tariffs, regardless of whether such customers
3 actually do purchase such power and energy from the utility
4 ~~eligible retail customers~~ through the automatic adjustment
5 clause tariff established pursuant to Section 8-103 of this
6 Act, provided, however, that the limitations described in
7 subsection (d) of that Section shall not apply to the costs
8 incurred pursuant to this Section or Section 16-111.7 of
9 this Act.

10 (b) For purposes of this Section, the term "energy
11 efficiency" shall have the meaning set forth in Section 1-10 of
12 the Illinois Power Agency Act, and the term "cost-effective"
13 shall have the meaning set forth in subsection (a) of Section
14 8-103 of this Act. ~~In addition, the estimated costs to acquire~~
15 ~~an additional energy efficiency measure, when divided by the~~
16 ~~number of kilowatt hours expected to be saved over the life of~~
17 ~~the measure, shall be less than or equal to the electricity~~
18 ~~costs that would be avoided as a result of the energy~~
19 ~~efficiency measure.~~

20 (Source: P.A. 97-616, eff. 10-26-11.)

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