

AN ACT concerning finance.

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

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

(20 ILCS 3855/1-56 as added by 09600SB0658eng with ham003)

Sec. 1-56. Clean coal SNG facility construction.

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

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

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

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

(A) capitalized financing costs during construction;

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

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

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

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

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

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

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

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

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

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

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

(Source: 09600SB0658eng with ham003.)

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

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

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

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

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

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

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

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

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

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

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