

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 1. Short title. This Act may be cited as the  
5 Electric Transmission Systems Construction Standards Act.

6 Section 5. Definitions. For the purposes of this Act:

7 "Commission" means the Illinois Commerce Commission.

8 "Construction contractor" means any entity responsible for  
9 the construction, installation, maintenance, or repair of  
10 electric transmission systems subject to this Act.

11 "Electric transmission systems" means an electrical  
12 transmission system designed and constructed with the  
13 capability of being safely and reliably energized at 69  
14 kilovolts or more, including transmission lines, transmission  
15 towers, conductors, insulators, foundations, grounding  
16 systems, access roads, and all associated transmission  
17 facilities, including transmission substations. "Electric  
18 transmission systems" does not include projects located on the  
19 electric generating facility's side of the facility's point of  
20 interconnection.

21 "OSHA" means Occupational Safety and Health  
22 Administration.

23 "Utility" has the meaning given to that term in Section

1 3-105 of the Public Utilities Act.

2 Section 10. Policy. The State of Illinois adopts the  
3 following policies to ensure that electric transmission  
4 systems are constructed to the highest standards of safety,  
5 competency, and reliability:

6 (1) Mandate the use of qualified, properly trained  
7 employees on all electric transmission systems.

8 (2) Protect workers by ensuring fair compensation in  
9 accordance with the Prevailing Wage Act.

10 (3) Promote public safety through OSHA-certified  
11 safety training and adherence to apprenticeship standards.

12 Section 15. Requirements for contractors.

13 (a) Prevailing wage compliance. All utilities and  
14 construction contractors responsible for the construction,  
15 installation, maintenance, or repair of electric transmission  
16 systems shall pay employees performing the construction,  
17 installation, maintenance, or repair work of such systems  
18 wages and benefits consistent with the Prevailing Wage Act.

19 (b) Training and competence requirement. To ensure safety  
20 and reliability in the construction, installation,  
21 maintenance, and repair of electric transmission systems, each  
22 electric utility and construction contractor must demonstrate  
23 the competence of their employees who are performing the work  
24 of construction, installation, maintenance, or repair of

1 electric transmission systems, which shall be consistent with  
2 the standards required by Illinois utilities as of January 1,  
3 2007, or greater. Competence must include, at a minimum: (1)  
4 completion, or active participation with ultimate completion,  
5 in an accredited or recognized apprenticeship program for the  
6 relevant craft, trade, or skill; or (2) a minimum of 2 years of  
7 direct employment in the specific work function.

8 The Commission shall oversee compliance to ensure  
9 employees meet these standards.

10 (c) Safety training. All employees engaged in the  
11 construction, installation, maintenance, or repair of electric  
12 transmission systems must successfully complete OSHA-certified  
13 safety training required for their specific roles on the  
14 project site.

15 (d) Diversity Plan.

16 (1) All construction contractors engaged in the  
17 construction, installation, maintenance, or repair of  
18 electric transmission systems shall develop a Diversity  
19 Plan that sets forth:

20 (A) the goals for apprenticeship hours to be  
21 performed by minorities and women;

22 (B) the goals for total hours to be performed by  
23 underrepresented minorities and women; and

24 (C) spending for women-owned, minority-owned,  
25 veteran-owned, and small business enterprises in the  
26 previous calendar year.

1           (2) These goals shall be expressed as a percentage of  
2           the total work performed by the construction contractor  
3           submitting the plan and the actual spending for all  
4           women-owned, minority-owned, veteran-owned, and small  
5           business enterprises shall also be expressed as a  
6           percentage of the total work performed by the construction  
7           contractor submitting the Diversity Plan.

8           (3) For purposes of the Diversity Plan, minorities and  
9           women shall have the same definition as defined in the  
10          Business Enterprise for Minorities, Women, and Persons  
11          with Disabilities Act.

12          (4) The construction contractor shall submit the  
13          Diversity Plan to the Commission.

14          Section 20. Rulemaking authority. The Commission shall  
15          adopt rules to implement and enforce this Act, including  
16          investigation procedures, penalties, and reporting  
17          requirements.

18          Section 50. The Illinois Enterprise Zone Act is amended by  
19          changing Section 5.5 as follows:

20           (20 ILCS 655/5.5) (from Ch. 67 1/2, par. 609.1)

21           Sec. 5.5. High Impact Business.

22           (a) In order to respond to unique opportunities to assist  
23           in the encouragement, development, growth, and expansion of

1 the private sector through large scale investment and  
2 development projects, the Department is authorized to receive  
3 and approve applications for the designation of "High Impact  
4 Businesses" in Illinois, for an initial term of 20 years with  
5 an option for renewal for a term not to exceed 20 years,  
6 subject to the following conditions:

7 (1) such applications may be submitted at any time  
8 during the year;

9 (2) such business is not located, at the time of  
10 designation, in an enterprise zone designated pursuant to  
11 this Act, except for grocery stores, as defined in the  
12 Grocery Initiative Act, and a new battery energy storage  
13 solution facility, as defined by subparagraph (I) of  
14 paragraph (3) of this subsection (a);

15 (3) the business intends to do, commits to do, or is  
16 one or more of the following:

17 (A) the business intends to make a minimum  
18 investment of \$12,000,000 which will be placed in  
19 service in qualified property and intends to create  
20 500 full-time equivalent jobs at a designated location  
21 in Illinois or intends to make a minimum investment of  
22 \$30,000,000 which will be placed in service in  
23 qualified property and intends to retain 1,500  
24 full-time retained jobs at a designated location in  
25 Illinois. The terms "placed in service" and "qualified  
26 property" have the same meanings as described in

1 subsection (h) of Section 201 of the Illinois Income  
2 Tax Act; or

3 (B) the business intends to establish a new  
4 electric generating facility at a designated location  
5 in Illinois. "New electric generating facility", for  
6 purposes of this Section, means a newly constructed  
7 electric generation plant or a newly constructed  
8 generation capacity expansion at an existing electric  
9 generation plant, including the transmission lines and  
10 associated equipment that transfers electricity from  
11 points of supply to points of delivery, and for which  
12 such new foundation construction commenced not sooner  
13 than July 1, 2001. Such facility shall be designed to  
14 provide baseload electric generation and shall operate  
15 on a continuous basis throughout the year; and (i)  
16 shall have an aggregate rated generating capacity of  
17 at least 1,000 megawatts for all new units at one site  
18 if it uses natural gas as its primary fuel and  
19 foundation construction of the facility is commenced  
20 on or before December 31, 2004, or shall have an  
21 aggregate rated generating capacity of at least 400  
22 megawatts for all new units at one site if it uses coal  
23 or gases derived from coal as its primary fuel and  
24 shall support the creation of at least 150 new  
25 Illinois coal mining jobs, or (ii) shall be funded  
26 through a federal Department of Energy grant before

1 December 31, 2010 and shall support the creation of  
2 Illinois coal mining jobs, or (iii) shall use coal  
3 gasification or integrated gasification-combined cycle  
4 units that generate electricity or chemicals, or both,  
5 and shall support the creation of Illinois coal mining  
6 jobs. The term "placed in service" has the same  
7 meaning as described in subsection (h) of Section 201  
8 of the Illinois Income Tax Act; or

9 (B-5) the business intends to establish a new  
10 gasification facility at a designated location in  
11 Illinois. As used in this Section, "new gasification  
12 facility" means a newly constructed coal gasification  
13 facility that generates chemical feedstocks or  
14 transportation fuels derived from coal (which may  
15 include, but are not limited to, methane, methanol,  
16 and nitrogen fertilizer), that supports the creation  
17 or retention of Illinois coal mining jobs, and that  
18 qualifies for financial assistance from the Department  
19 before December 31, 2010. A new gasification facility  
20 does not include a pilot project located within  
21 Jefferson County or within a county adjacent to  
22 Jefferson County for synthetic natural gas from coal;  
23 or

24 (C) the business intends to establish production  
25 operations at a new coal mine, re-establish production  
26 operations at a closed coal mine, or expand production

1 at an existing coal mine at a designated location in  
2 Illinois not sooner than July 1, 2001; provided that  
3 the production operations result in the creation of  
4 150 new Illinois coal mining jobs as described in  
5 subdivision (a)(3)(B) of this Section, and further  
6 provided that the coal extracted from such mine is  
7 utilized as the predominant source for a new electric  
8 generating facility. The term "placed in service" has  
9 the same meaning as described in subsection (h) of  
10 Section 201 of the Illinois Income Tax Act; or

11 (D) the business intends to construct new  
12 transmission facilities or upgrade existing  
13 transmission facilities at designated locations in  
14 Illinois, for which construction commenced not sooner  
15 than July 1, 2001. For the purposes of this Section,  
16 "transmission facilities" means transmission lines  
17 with a voltage rating of 115 kilovolts or above,  
18 including associated equipment, that transfer  
19 electricity from points of supply to points of  
20 delivery and that transmit a majority of the  
21 electricity generated by a new electric generating  
22 facility designated as a High Impact Business in  
23 accordance with this Section. The term "placed in  
24 service" has the same meaning as described in  
25 subsection (h) of Section 201 of the Illinois Income  
26 Tax Act; or

1           (E) the business intends to establish a new wind  
2 power facility at a designated location in Illinois.  
3 For purposes of this Section, "new wind power  
4 facility" means a newly constructed electric  
5 generation facility, a newly constructed expansion of  
6 an existing electric generation facility, or the  
7 replacement of an existing electric generation  
8 facility, including the demolition and removal of an  
9 electric generation facility irrespective of whether  
10 it will be replaced, placed in service or replaced on  
11 or after July 1, 2009, that generates electricity  
12 using wind energy devices, and such facility shall be  
13 deemed to include any permanent structures associated  
14 with the electric generation facility and all  
15 associated transmission lines, substations, and other  
16 equipment related to the generation of electricity  
17 from wind energy devices. For purposes of this  
18 Section, "wind energy device" means any device, with a  
19 nameplate capacity of at least 0.5 megawatts, that is  
20 used in the process of converting kinetic energy from  
21 the wind to generate electricity; or

22           (E-5) the business intends to establish a new  
23 utility-scale solar facility at a designated location  
24 in Illinois. For purposes of this Section, "new  
25 utility-scale solar power facility" means a newly  
26 constructed electric generation facility, or a newly

1 constructed expansion of an existing electric  
2 generation facility, placed in service on or after  
3 July 1, 2021, that (i) generates electricity using  
4 photovoltaic cells and (ii) has a nameplate capacity  
5 that is greater than 5,000 kilowatts, and such  
6 facility shall be deemed to include all associated  
7 transmission lines, substations, energy storage  
8 facilities, and other equipment related to the  
9 generation and storage of electricity from  
10 photovoltaic cells; or

11 (F) the business commits to (i) make a minimum  
12 investment of \$500,000,000, which will be placed in  
13 service in a qualified property, (ii) create 125  
14 full-time equivalent jobs at a designated location in  
15 Illinois, (iii) establish a fertilizer plant at a  
16 designated location in Illinois that complies with the  
17 set-back standards as described in Table 1: Initial  
18 Isolation and Protective Action Distances in the 2012  
19 Emergency Response Guidebook published by the United  
20 States Department of Transportation, (iv) pay a  
21 prevailing wage for employees at that location who are  
22 engaged in construction activities, and (v) secure an  
23 appropriate level of general liability insurance to  
24 protect against catastrophic failure of the fertilizer  
25 plant or any of its constituent systems; in addition,  
26 the business must agree to enter into a construction

1 project labor agreement including provisions  
2 establishing wages, benefits, and other compensation  
3 for employees performing work under the project labor  
4 agreement at that location; for the purposes of this  
5 Section, "fertilizer plant" means a newly constructed  
6 or upgraded plant utilizing gas used in the production  
7 of anhydrous ammonia and downstream nitrogen  
8 fertilizer products for resale; for the purposes of  
9 this Section, "prevailing wage" means the hourly cash  
10 wages plus fringe benefits for training and  
11 apprenticeship programs approved by the U.S.  
12 Department of Labor, Bureau of Apprenticeship and  
13 Training, health and welfare, insurance, vacations and  
14 pensions paid generally, in the locality in which the  
15 work is being performed, to employees engaged in work  
16 of a similar character on public works; this paragraph  
17 (F) applies only to businesses that submit an  
18 application to the Department within 60 days after  
19 July 25, 2013 (the effective date of Public Act  
20 98-109); or

21 (G) the business intends to establish a new  
22 cultured cell material food production facility at a  
23 designated location in Illinois. As used in this  
24 paragraph (G):

25 "Cultured cell material food production facility"  
26 means a facility (i) at which cultured animal cell

1 food is developed using animal cell culture  
2 technology, (ii) at which production processes occur  
3 that include the establishment of cell lines and cell  
4 banks, manufacturing controls, and all components and  
5 inputs, and (iii) that complies with all existing  
6 registrations, inspections, licensing, and approvals  
7 from all applicable and participating State and  
8 federal food agencies, including the Department of  
9 Agriculture, the Department of Public Health, and the  
10 United States Food and Drug Administration, to ensure  
11 that all food production is safe and lawful under  
12 provisions of the Federal Food, Drug and Cosmetic Act  
13 related to the development, production, and storage of  
14 cultured animal cell food.

15 "New cultured cell material food production  
16 facility" means a newly constructed cultured cell  
17 material food production facility that is placed in  
18 service on or after June 7, 2023 (the effective date of  
19 Public Act 103-9) or a newly constructed expansion of  
20 an existing cultured cell material food production  
21 facility, in a controlled environment, when the  
22 improvements are placed in service on or after June 7,  
23 2023 (the effective date of Public Act 103-9); ~~or~~

24 (H) the business is an existing or planned grocery  
25 store, as that term is defined in Section 5 of the  
26 Grocery Initiative Act, and receives financial support

1 under that Act within the 10 years before submitting  
2 its application under this Act; or ~~and~~

3 (I) the business intends to establish a new  
4 battery energy storage solution facility at a  
5 designated location in Illinois. As used in this  
6 paragraph (I):

7 "New battery energy storage solution facility"  
8 means a newly constructed battery energy storage  
9 facility, a newly constructed expansion of an existing  
10 battery energy storage facility, or the replacement of  
11 an existing battery energy storage facility that  
12 stores electricity using battery devices and other  
13 means. "New battery energy storage solution facility"  
14 includes any permanent structures associated with the  
15 new battery energy storage facility and all associated  
16 transmission lines, substations, and other equipment  
17 that is related to the storage and transmission of  
18 electric power and that has a capacity of not less than  
19 20 megawatt and storage capability of not less than 40  
20 megawatt hours of energy; or

21 (J) the business intends to construct a new high  
22 voltage direct current converter station at a  
23 designated location in Illinois. As used in this  
24 paragraph, "high voltage direct current converter  
25 station" has the same meaning given to that term in  
26 Section 1-10 of the Illinois Power Act; and

1           (4) no later than 90 days after an application is  
2           submitted, the Department shall notify the applicant of  
3           the Department's determination of the qualification of the  
4           proposed High Impact Business under this Section.

5           (b) Businesses designated as High Impact Businesses  
6           pursuant to subdivision (a)(3)(A) of this Section shall  
7           qualify for the credits and exemptions described in the  
8           following Acts: Section 9-222 and Section 9-222.1A of the  
9           Public Utilities Act, subsection (h) of Section 201 of the  
10          Illinois Income Tax Act, and Section 1d of the Retailers'  
11          Occupation Tax Act; provided that these credits and exemptions  
12          described in these Acts shall not be authorized until the  
13          minimum investments set forth in subdivision (a)(3)(A) of this  
14          Section have been placed in service in qualified properties  
15          and, in the case of the exemptions described in the Public  
16          Utilities Act and Section 1d of the Retailers' Occupation Tax  
17          Act, the minimum full-time equivalent jobs or full-time  
18          retained jobs set forth in subdivision (a)(3)(A) of this  
19          Section have been created or retained. Businesses designated  
20          as High Impact Businesses under this Section shall also  
21          qualify for the exemption described in Section 51 of the  
22          Retailers' Occupation Tax Act. The credit provided in  
23          subsection (h) of Section 201 of the Illinois Income Tax Act  
24          shall be applicable to investments in qualified property as  
25          set forth in subdivision (a)(3)(A) of this Section.

26          (b-5) Businesses designated as High Impact Businesses

1 pursuant to subdivisions (a) (3) (B), (a) (3) (B-5), (a) (3) (C),  
2 (a) (3) (D), (a) (3) (G), and (a) (3) (H) of this Section shall  
3 qualify for the credits and exemptions described in the  
4 following Acts: Section 51 of the Retailers' Occupation Tax  
5 Act, Section 9-222 and Section 9-222.1A of the Public  
6 Utilities Act, and subsection (h) of Section 201 of the  
7 Illinois Income Tax Act; however, the credits and exemptions  
8 authorized under Section 9-222 and Section 9-222.1A of the  
9 Public Utilities Act, and subsection (h) of Section 201 of the  
10 Illinois Income Tax Act shall not be authorized until the new  
11 electric generating facility, the new gasification facility,  
12 the new transmission facility, the new, expanded, or reopened  
13 coal mine, the new cultured cell material food production  
14 facility, or the existing or planned grocery store is  
15 operational, except that a new electric generating facility  
16 whose primary fuel source is natural gas is eligible only for  
17 the exemption under Section 51 of the Retailers' Occupation  
18 Tax Act.

19 (b-6) Businesses designated as High Impact Businesses  
20 pursuant to subdivision (a) (3) (E), ~~or (a) (3) (E-5)~~, (A) (3) (I),  
21 or (a) (3) (J) of this Section shall qualify for the exemptions  
22 described in Section 51 of the Retailers' Occupation Tax Act;  
23 any business so designated as a High Impact Business being,  
24 for purposes of this Section, a "Wind Energy Business".

25 (b-7) Beginning on January 1, 2021, businesses designated  
26 as High Impact Businesses by the Department shall qualify for

1 the High Impact Business construction jobs credit under  
2 subsection (h-5) of Section 201 of the Illinois Income Tax Act  
3 if the business meets the criteria set forth in subsection (i)  
4 of this Section. The total aggregate amount of credits awarded  
5 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)  
6 shall not exceed \$20,000,000 in any State fiscal year.

7 (c) High Impact Businesses located in federally designated  
8 foreign trade zones or sub-zones are also eligible for  
9 additional credits, exemptions and deductions as described in  
10 the following Acts: Section 9-221 and Section 9-222.1 of the  
11 Public Utilities Act; and subsection (g) of Section 201, and  
12 Section 203 of the Illinois Income Tax Act.

13 (d) Except for businesses contemplated under subdivision  
14 (a) (3) (E), (a) (3) (E-5), (a) (3) (G), ~~or~~ (a) (3) (H), (A) (3) (I), or  
15 (a) (3) (J) of this Section, existing Illinois businesses which  
16 apply for designation as a High Impact Business must provide  
17 the Department with the prospective plan for which 1,500  
18 full-time retained jobs would be eliminated in the event that  
19 the business is not designated.

20 (e) Except for new businesses contemplated under  
21 subdivision (a) (3) (E), subdivision (a) (3) (G), ~~or~~ subdivision  
22 (a) (3) (H), or subdivision (a) (3) (J) of this Section, new  
23 proposed facilities which apply for designation as High Impact  
24 Business must provide the Department with proof of alternative  
25 non-Illinois sites which would receive the proposed investment  
26 and job creation in the event that the business is not

1 designated as a High Impact Business.

2 (f) Except for businesses contemplated under subdivision  
3 (a) (3) (E), subdivision (a) (3) (G), ~~or~~ subdivision (a) (3) (H), or  
4 subdivision (a) (3) (J) of this Section, in the event that a  
5 business is designated a High Impact Business and it is later  
6 determined after reasonable notice and an opportunity for a  
7 hearing as provided under the Illinois Administrative  
8 Procedure Act, that the business would have placed in service  
9 in qualified property the investments and created or retained  
10 the requisite number of jobs without the benefits of the High  
11 Impact Business designation, the Department shall be required  
12 to immediately revoke the designation and notify the Director  
13 of the Department of Revenue who shall begin proceedings to  
14 recover all wrongfully exempted State taxes with interest. The  
15 business shall also be ineligible for all State funded  
16 Department programs for a period of 10 years.

17 (g) The Department shall revoke a High Impact Business  
18 designation if the participating business fails to comply with  
19 the terms and conditions of the designation.

20 (h) Prior to designating a business, the Department shall  
21 provide the members of the General Assembly and Commission on  
22 Government Forecasting and Accountability with a report  
23 setting forth the terms and conditions of the designation and  
24 guarantees that have been received by the Department in  
25 relation to the proposed business being designated.

26 (i) High Impact Business construction jobs credit.

1 Beginning on January 1, 2021, a High Impact Business may  
2 receive a tax credit against the tax imposed under subsections  
3 (a) and (b) of Section 201 of the Illinois Income Tax Act in an  
4 amount equal to 50% of the amount of the incremental income tax  
5 attributable to High Impact Business construction jobs credit  
6 employees employed in the course of completing a High Impact  
7 Business construction jobs project. However, the High Impact  
8 Business construction jobs credit may equal 75% of the amount  
9 of the incremental income tax attributable to High Impact  
10 Business construction jobs credit employees if the High Impact  
11 Business construction jobs credit project is located in an  
12 underserved area.

13 The Department shall certify to the Department of Revenue:  
14 (1) the identity of taxpayers that are eligible for the High  
15 Impact Business construction jobs credit; and (2) the amount  
16 of High Impact Business construction jobs credits that are  
17 claimed pursuant to subsection (h-5) of Section 201 of the  
18 Illinois Income Tax Act in each taxable year.

19 As used in this subsection (i):

20 "High Impact Business construction jobs credit" means an  
21 amount equal to 50% (or 75% if the High Impact Business  
22 construction project is located in an underserved area) of the  
23 incremental income tax attributable to High Impact Business  
24 construction job employees. The total aggregate amount of  
25 credits awarded under the Blue Collar Jobs Act (Article 20 of  
26 Public Act 101-9) shall not exceed \$20,000,000 in any State

1 fiscal year

2 "High Impact Business construction job employee" means a  
3 laborer or worker who is employed by a contractor or  
4 subcontractor in the actual construction work on the site of a  
5 High Impact Business construction job project.

6 "High Impact Business construction jobs project" means  
7 building a structure or building or making improvements of any  
8 kind to real property, undertaken and commissioned by a  
9 business that was designated as a High Impact Business by the  
10 Department. The term "High Impact Business construction jobs  
11 project" does not include the routine operation, routine  
12 repair, or routine maintenance of existing structures,  
13 buildings, or real property.

14 "Incremental income tax" means the total amount withheld  
15 during the taxable year from the compensation of High Impact  
16 Business construction job employees.

17 "Underserved area" means a geographic area that meets one  
18 or more of the following conditions:

19 (1) the area has a poverty rate of at least 20%  
20 according to the latest American Community Survey;

21 (2) 35% or more of the families with children in the  
22 area are living below 130% of the poverty line, according  
23 to the latest American Community Survey;

24 (3) at least 20% of the households in the area receive  
25 assistance under the Supplemental Nutrition Assistance  
26 Program (SNAP); or

1           (4) the area has an average unemployment rate, as  
2           determined by the Illinois Department of Employment  
3           Security, that is more than 120% of the national  
4           unemployment average, as determined by the U.S. Department  
5           of Labor, for a period of at least 2 consecutive calendar  
6           years preceding the date of the application.

7           (j) (Blank).

8           (j-5) Annually, until construction is completed, a company  
9           seeking High Impact Business Construction Job credits shall  
10          submit a report that, at a minimum, describes the projected  
11          project scope, timeline, and anticipated budget. Once the  
12          project has commenced, the annual report shall include actual  
13          data for the prior year as well as projections for each  
14          additional year through completion of the project. The  
15          Department shall issue detailed reporting guidelines  
16          prescribing the requirements of construction-related reports.

17          In order to receive credit for construction expenses, the  
18          company must provide the Department with evidence that a  
19          certified third-party executed an Agreed-Upon Procedure (AUP)  
20          verifying the construction expenses or accept the standard  
21          construction wage expense estimated by the Department.

22          Upon review of the final project scope, timeline, budget,  
23          and AUP, the Department shall issue a tax credit certificate  
24          reflecting a percentage of the total construction job wages  
25          paid throughout the completion of the project.

26          (k) Upon 7 business days' notice, each taxpayer shall make

1 available to each State agency and to federal, State, or local  
2 law enforcement agencies and prosecutors for inspection and  
3 copying at a location within this State during reasonable  
4 hours, the report under subsection (j-5).

5 (l) The changes made to this Section by Public Act  
6 102-1125, other than the changes in subsection (a), apply to  
7 High Impact Businesses that submit applications on or after  
8 February 3, 2023 (the effective date of Public Act 102-1125).

9 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;  
10 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.  
11 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,  
12 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;  
13 103-605, eff. 7-1-24.)

14 Section 55. The Energy Community Reinvestment Act is  
15 amended by changing Section 10-20 as follows:

16 (20 ILCS 735/10-20)

17 (Section scheduled to be repealed on September 15, 2045)

18 Sec. 10-20. Energy Transition Community Grants.

19 (a) Subject to appropriation, the Department shall  
20 establish an Energy Transition Community Grant Program to  
21 award grants to promote economic development in eligible  
22 communities.

23 (b) Funds shall be made available from the Energy  
24 Transition Assistance Fund to the Department to provide these

1 grants.

2 (c) Communities eligible to receive these grants must meet  
3 one or more of the following:

4 (1) the area contains a fossil fuel or nuclear power  
5 plant that was retired from service or has significantly  
6 reduced service within 6 years before the application for  
7 designation or will be retired or have service  
8 significantly reduced within 6 years following the  
9 application for designation;

10 (2) the area contains a coal mine that was closed or  
11 had operations significantly reduced within 6 years before  
12 the application for designation or is anticipated to be  
13 closed or have operations significantly reduced within 6  
14 years following the application for designation; or

15 (3) the area contains a nuclear power plant that was  
16 decommissioned, but continued storing nuclear waste before  
17 the effective date of this Act.

18 (d) Local units of governments in eligible areas may join  
19 with any other local unit of government, economic development  
20 organization, local educational institutions, community-based  
21 groups, or with any number or combination thereof to apply for  
22 the Energy Transition Community Grant.

23 (e) To receive grant funds, an eligible community must  
24 submit an application to the Department, using a form  
25 developed by the Department.

26 (f) For grants awarded to counties or other entities that

1 are not the city that hosts or has hosted the investor-owned  
2 electric generating plant, a resolution of support for the  
3 project from the city or cities that hosts or has hosted the  
4 investor-owned electric generating plant is required to be  
5 submitted with the application.

6 (g) Grants must be used to plan for or address the economic  
7 and social impact on the community or region of plant  
8 retirement or transition.

9 (h) Project applications shall include community input and  
10 consultation with a diverse set of stakeholders, including,  
11 but not limited to: Regional Planning Councils, where  
12 applicable; economic development organizations; low-income or  
13 environmental justice communities; educational institutions;  
14 elected and appointed officials; organizations representing  
15 workers; and other relevant organizations.

16 (i) Grant costs are authorized to procure third-party  
17 vendors for grant writing and implementation costs, including  
18 for guidance and opportunities to apply for additional  
19 federal, State, local, and private funding resources. If the  
20 application is approved for pre-award, one-time reimbursable  
21 costs to apply for the Energy Transition Community Grant are  
22 authorized up to 3% of the award.

23 (j) Units of local government that are taxing authorities  
24 for a nuclear plant that was decommissioned before January 1,  
25 2021 shall receive grants in proportional shares of \$15 per  
26 kilogram of spent nuclear fuel stored at such a facility, less

1 any payments made to such communities from the federal  
2 government based on the amount of waste stored at a  
3 decommissioned nuclear plant and any property tax payments.  
4 75% of grant funds received by taxing authorities must be used  
5 for property tax abatement purposes.

6 (Source: P.A. 102-662, eff. 9-15-21.)

7 Section 60. The Illinois Power Agency Act is amended by  
8 changing Sections 1-56 and 1-75 as follows:

9 (20 ILCS 3855/1-56)

10 Sec. 1-56. Illinois Power Agency Renewable Energy  
11 Resources Fund; Illinois Solar for All Program.

12 (a) The Illinois Power Agency Renewable Energy Resources  
13 Fund is created as a special fund in the State treasury.

14 (b) The Illinois Power Agency Renewable Energy Resources  
15 Fund shall be administered by the Agency as described in this  
16 subsection (b), provided that the changes to this subsection  
17 (b) made by Public Act 99-906 shall not interfere with  
18 existing contracts under this Section.

19 (1) The Illinois Power Agency Renewable Energy  
20 Resources Fund shall be used to purchase renewable energy  
21 credits according to any approved procurement plan  
22 developed by the Agency prior to June 1, 2017.

23 (2) The Illinois Power Agency Renewable Energy  
24 Resources Fund shall also be used to create the Illinois

1 Solar for All Program, which provides incentives for  
2 low-income distributed generation and community solar  
3 projects, and other associated approved expenditures. The  
4 objectives of the Illinois Solar for All Program are to  
5 bring photovoltaics to low-income communities in this  
6 State in a manner that maximizes the development of new  
7 photovoltaic generating facilities, to create a long-term,  
8 low-income solar marketplace throughout this State, to  
9 integrate, through interaction with stakeholders, with  
10 existing energy efficiency initiatives, and to minimize  
11 administrative costs. The Illinois Solar for All Program  
12 shall be implemented in a manner that seeks to minimize  
13 administrative costs, and maximize efficiencies and  
14 synergies available through coordination with similar  
15 initiatives, including the Adjustable Block program  
16 described in subparagraphs (K) through (M) of paragraph  
17 (1) of subsection (c) of Section 1-75, energy efficiency  
18 programs, job training programs, and community action  
19 agencies. The Agency shall strive to ensure that renewable  
20 energy credits procured through the Illinois Solar for All  
21 Program and each of its subprograms are purchased from  
22 projects across the breadth of low-income and  
23 environmental justice communities in Illinois, including  
24 both urban and rural communities, are not concentrated in  
25 a few communities, and do not exclude particular  
26 low-income or environmental justice communities. The

1 Agency shall include a description of its proposed  
2 approach to the design, administration, implementation and  
3 evaluation of the Illinois Solar for All Program, as part  
4 of the long-term renewable resources procurement plan  
5 authorized by subsection (c) of Section 1-75 of this Act,  
6 and the program shall be designed to grow the low-income  
7 solar market. The Agency or utility, as applicable, shall  
8 purchase renewable energy credits from the (i)  
9 photovoltaic distributed renewable energy generation  
10 projects and (ii) community solar projects that are  
11 procured under procurement processes authorized by the  
12 long-term renewable resources procurement plans approved  
13 by the Commission.

14 The Illinois Solar for All Program shall include the  
15 program offerings described in subparagraphs (A) through  
16 (E) of this paragraph (2), which the Agency shall  
17 implement through contracts with third-party providers  
18 and, subject to appropriation, pay the approximate amounts  
19 identified using monies available in the Illinois Power  
20 Agency Renewable Energy Resources Fund. Each contract that  
21 provides for the installation of solar facilities shall  
22 provide that the solar facilities will produce energy and  
23 economic benefits, at a level determined by the Agency to  
24 be reasonable, for the participating low-income customers.  
25 The monies available in the Illinois Power Agency  
26 Renewable Energy Resources Fund and not otherwise

1 committed to contracts executed under subsection (i) of  
2 this Section, as well as, in the case of the programs  
3 described under subparagraphs (A) through (E) of this  
4 paragraph (2), funding authorized pursuant to subparagraph  
5 (O) of paragraph (1) of subsection (c) of Section 1-75 of  
6 this Act, shall initially be allocated among the programs  
7 described in this paragraph (2), as follows: 35% of these  
8 funds shall be allocated to programs described in  
9 subparagraphs (A) and (E) of this paragraph (2), 40% of  
10 these funds shall be allocated to programs described in  
11 subparagraph (B) of this paragraph (2), and 25% of these  
12 funds shall be allocated to programs described in  
13 subparagraph (C) of this paragraph (2). The allocation of  
14 funds among subparagraphs (A), (B), (C), and (E) of this  
15 paragraph (2) may be changed if the Agency, after  
16 receiving input through a stakeholder process, determines  
17 incentives in subparagraphs (A), (B), (C), or (E) of this  
18 paragraph (2) have not been adequately subscribed to fully  
19 utilize available Illinois Solar for All Program funds.

20 Contracts that will be paid with funds in the Illinois  
21 Power Agency Renewable Energy Resources Fund shall be  
22 executed by the Agency. Contracts that will be paid with  
23 funds collected by an electric utility shall be executed  
24 by the electric utility.

25 Contracts under the Illinois Solar for All Program  
26 shall include an approach, as set forth in the long-term

1 renewable resources procurement plans, to ensure the  
2 wholesale market value of the energy is credited to  
3 participating low-income customers or organizations and to  
4 ensure tangible economic benefits flow directly to program  
5 participants, except in the case of low-income  
6 multi-family housing where the low-income customer does  
7 not directly pay for energy. Priority shall be given to  
8 projects that demonstrate meaningful involvement of  
9 low-income community members in designing the initial  
10 proposals. Acceptable proposals to implement projects must  
11 demonstrate the applicant's ability to conduct initial  
12 community outreach, education, and recruitment of  
13 low-income participants in the community. Projects must  
14 include job training opportunities if available, with the  
15 specific level of trainee usage to be determined through  
16 the Agency's long-term renewable resources procurement  
17 plan, and the Illinois Solar for All Program Administrator  
18 shall coordinate with the job training programs described  
19 in paragraph (1) of subsection (a) of Section 16-108.12 of  
20 the Public Utilities Act and in the Energy Transition Act.

21 The Agency shall make every effort to ensure that  
22 small and emerging businesses, particularly those located  
23 in low-income and environmental justice communities, are  
24 able to participate in the Illinois Solar for All Program.  
25 These efforts may include, but shall not be limited to,  
26 proactive support from the program administrator,

1 different or preferred access to subprograms and  
2 administrator-identified customers or grassroots  
3 education provider-identified customers, and different  
4 incentive levels. The Agency shall report on progress and  
5 barriers to participation of small and emerging businesses  
6 in the Illinois Solar for All Program at least once a year.  
7 The report shall be made available on the Agency's website  
8 and, in years when the Agency is updating its long-term  
9 renewable resources procurement plan, included in that  
10 Plan.

11 (A) Low-income single-family and small multifamily  
12 solar incentive. This program will provide incentives  
13 to low-income customers, either directly or through  
14 solar providers, to increase the participation of  
15 low-income households in photovoltaic on-site  
16 distributed generation at residential buildings  
17 containing one to 4 units. Companies participating in  
18 this program that install solar panels shall commit to  
19 hiring job trainees for a portion of their low-income  
20 installations, and an administrator shall facilitate  
21 partnering the companies that install solar panels  
22 with entities that provide solar panel installation  
23 job training. It is a goal of this program that a  
24 minimum of 25% of the incentives for this program be  
25 allocated to projects located within environmental  
26 justice communities. Contracts entered into under this

1 paragraph may be entered into with an entity that will  
2 develop and administer the program and shall also  
3 include contracts for renewable energy credits from  
4 the photovoltaic distributed generation that is the  
5 subject of the program, as set forth in the long-term  
6 renewable resources procurement plan. Additionally:

7 (i) The Agency shall reserve a portion of this  
8 program for projects that promote energy  
9 sovereignty through ownership of projects by  
10 low-income households, not-for-profit  
11 organizations providing services to low-income  
12 households, affordable housing owners, community  
13 cooperatives, or community-based limited liability  
14 companies providing services to low-income  
15 households. Projects that feature energy ownership  
16 should ensure that local people have control of  
17 the project and reap benefits from the project  
18 over and above energy bill savings. The Agency may  
19 consider the inclusion of projects that promote  
20 ownership over time or that involve partial  
21 project ownership by communities, as promoting  
22 energy sovereignty. Incentives for projects that  
23 promote energy sovereignty may be higher than  
24 incentives for equivalent projects that do not  
25 promote energy sovereignty under this same  
26 program.

1 (ii) Through its long-term renewable resources  
2 procurement plan, the Agency shall consider  
3 additional program and contract requirements to  
4 ensure faithful compliance by applicants  
5 benefiting from preferences for projects  
6 designated to promote energy sovereignty. The  
7 Agency shall make every effort to enable solar  
8 providers already participating in the Adjustable  
9 Block Program under subparagraph (K) of paragraph  
10 (1) of subsection (c) of Section 1-75 of this Act,  
11 and particularly solar providers developing  
12 projects under item (i) of subparagraph (K) of  
13 paragraph (1) of subsection (c) of Section 1-75 of  
14 this Act to easily participate in the Low-Income  
15 Distributed Generation Incentive program described  
16 under this subparagraph (A), and vice versa. This  
17 effort may include, but shall not be limited to,  
18 utilizing similar or the same application systems  
19 and processes, similar or the same forms and  
20 formats of communication, and providing active  
21 outreach to companies participating in one program  
22 but not the other. The Agency shall report on  
23 efforts made to encourage this cross-participation  
24 in its long-term renewable resources procurement  
25 plan.

26 (B) Low-Income Community Solar Project Initiative.

1           Incentives shall be offered to low-income customers,  
2           either directly or through developers, to increase the  
3           participation of low-income subscribers of community  
4           solar projects. The developer of each project shall  
5           identify its partnership with community stakeholders  
6           regarding the location, development, and participation  
7           in the project, provided that nothing shall preclude a  
8           project from including an anchor tenant that does not  
9           qualify as low-income. Companies participating in this  
10          program that develop or install solar projects shall  
11          commit to hiring job trainees for a portion of their  
12          low-income installations, and an administrator shall  
13          facilitate partnering the companies that install solar  
14          projects with entities that provide solar installation  
15          and related job training. It is a goal of this program  
16          that a minimum of 25% of the incentives for this  
17          program be allocated to community photovoltaic  
18          projects in environmental justice communities. The  
19          Agency shall reserve a portion of this program for  
20          projects that promote energy sovereignty through  
21          ownership of projects by low-income households,  
22          not-for-profit organizations providing services to  
23          low-income households, affordable housing owners, or  
24          community-based limited liability companies providing  
25          services to low-income households. Projects that  
26          feature energy ownership should ensure that local

1 people have control of the project and reap benefits  
2 from the project over and above energy bill savings.  
3 The Agency may consider the inclusion of projects that  
4 promote ownership over time or that involve partial  
5 project ownership by communities, as promoting energy  
6 sovereignty. Incentives for projects that promote  
7 energy sovereignty may be higher than incentives for  
8 equivalent projects that do not promote energy  
9 sovereignty under this same program. Contracts entered  
10 into under this paragraph may be entered into with  
11 developers and shall also include contracts for  
12 renewable energy credits related to the program.

13 (C) Incentives for non-profits and public  
14 facilities. Under this program funds shall be used to  
15 support on-site photovoltaic distributed renewable  
16 energy generation devices to serve the load associated  
17 with not-for-profit customers and to support  
18 photovoltaic distributed renewable energy generation  
19 that uses photovoltaic technology to serve the load  
20 associated with public sector customers taking service  
21 at public buildings. Companies participating in this  
22 program that develop or install solar projects shall  
23 commit to hiring job trainees for a portion of their  
24 low-income installations, and an administrator shall  
25 facilitate partnering the companies that install solar  
26 projects with entities that provide solar installation

1 and related job training. Through its long-term  
2 renewable resources procurement plan, the Agency shall  
3 consider additional program and contract requirements  
4 to ensure faithful compliance by applicants benefiting  
5 from preferences for projects designated to promote  
6 energy sovereignty. It is a goal of this program that  
7 at least 25% of the incentives for this program be  
8 allocated to projects located in environmental justice  
9 communities. Contracts entered into under this  
10 paragraph may be entered into with an entity that will  
11 develop and administer the program or with developers  
12 and shall also include contracts for renewable energy  
13 credits related to the program.

14 (D) (Blank).

15 (E) Low-income large multifamily solar incentive.  
16 This program shall provide incentives to low-income  
17 customers, either directly or through solar providers,  
18 to increase the participation of low-income households  
19 in photovoltaic on-site distributed generation at  
20 residential buildings with 5 or more units. Companies  
21 participating in this program that develop or install  
22 solar projects shall commit to hiring job trainees for  
23 a portion of their low-income installations, and an  
24 administrator shall facilitate partnering the  
25 companies that install solar projects with entities  
26 that provide solar installation and related job

1 training. It is a goal of this program that a minimum  
2 of 25% of the incentives for this program be allocated  
3 to projects located within environmental justice  
4 communities. The Agency shall reserve a portion of  
5 this program for projects that promote energy  
6 sovereignty through ownership of projects by  
7 low-income households, not-for-profit organizations  
8 providing services to low-income households,  
9 affordable housing owners, or community-based limited  
10 liability companies providing services to low-income  
11 households. Projects that feature energy ownership  
12 should ensure that local people have control of the  
13 project and reap benefits from the project over and  
14 above energy bill savings. The Agency may consider the  
15 inclusion of projects that promote ownership over time  
16 or that involve partial project ownership by  
17 communities, as promoting energy sovereignty.  
18 Incentives for projects that promote energy  
19 sovereignty may be higher than incentives for  
20 equivalent projects that do not promote energy  
21 sovereignty under this same program.

22 The requirement that a qualified person, as defined in  
23 paragraph (1) of subsection (i) of this Section, install  
24 photovoltaic devices does not apply to the Illinois Solar  
25 for All Program described in this subsection (b).

26 In addition to the programs outlined in paragraphs (A)

1 through (E), the Agency and other parties may propose  
2 additional programs through the Long-Term Renewable  
3 Resources Procurement Plan developed and approved under  
4 paragraph (5) of subsection (b) of Section 16-111.5 of the  
5 Public Utilities Act. Additional programs may target  
6 market segments not specified above and may also include  
7 incentives targeted to increase the uptake of  
8 nonphotovoltaic technologies by low-income customers,  
9 including energy storage paired with photovoltaics, if the  
10 Commission determines that the Illinois Solar for All  
11 Program would provide greater benefits to the public  
12 health and well-being of low-income residents through also  
13 supporting that additional program versus supporting  
14 programs already authorized.

15 (3) Costs associated with the Illinois Solar for All  
16 Program and its components described in paragraph (2) of  
17 this subsection (b), including, but not limited to, costs  
18 associated with procuring experts, consultants, and the  
19 program administrator referenced in this subsection (b)  
20 and related incremental costs, costs related to income  
21 verification and facilitating customer participation in  
22 the program, and costs related to the evaluation of the  
23 Illinois Solar for All Program, may be paid for using  
24 monies in the Illinois Power Agency Renewable Energy  
25 Resources Fund, and funds allocated pursuant to  
26 subparagraph (O) of paragraph (1) of subsection (c) of

1 Section 1-75, but the Agency or program administrator  
2 shall strive to minimize costs in the implementation of  
3 the program. The Agency or contracting electric utility  
4 shall purchase renewable energy credits from generation  
5 that is the subject of a contract under subparagraphs (A)  
6 through (E) of paragraph (2) of this subsection (b), and  
7 may pay for such renewable energy credits through an  
8 upfront payment per installed kilowatt of nameplate  
9 capacity paid once the device is interconnected at the  
10 distribution system level of the interconnecting utility  
11 and verified as energized. Payments for renewable energy  
12 credits shall be in exchange for all renewable energy  
13 credits generated by the system during the first 15 years  
14 of operation and shall be structured to overcome barriers  
15 to participation in the solar market by the low-income  
16 community. The incentives provided for in this Section may  
17 be implemented through the pricing of renewable energy  
18 credits where the prices paid for the credits are higher  
19 than the prices from programs offered under subsection (c)  
20 of Section 1-75 of this Act to account for the additional  
21 capital necessary to successfully access targeted market  
22 segments. The Agency or contracting electric utility shall  
23 retire any renewable energy credits purchased under this  
24 program and the credits shall count toward the obligation  
25 under subsection (c) of Section 1-75 of this Act for the  
26 electric utility to which the project is interconnected,

1 if applicable.

2 The Agency shall direct that up to 5% of the funds  
3 available under the Illinois Solar for All Program to  
4 community-based groups and other qualifying organizations  
5 to assist in community-driven education efforts related to  
6 the Illinois Solar for All Program, including general  
7 energy education, job training program outreach efforts,  
8 and other activities deemed to be qualified by the Agency.  
9 Grassroots education funding shall not be used to support  
10 the marketing by solar project development firms and  
11 organizations, unless such education provides equal  
12 opportunities for all applicable firms and organizations.

13 (4) The Agency shall, consistent with the requirements  
14 of this subsection (b), propose the Illinois Solar for All  
15 Program terms, conditions, and requirements, including the  
16 prices to be paid for renewable energy credits, and which  
17 prices may be determined through a formula, through the  
18 development, review, and approval of the Agency's  
19 long-term renewable resources procurement plan described  
20 in subsection (c) of Section 1-75 of this Act and Section  
21 16-111.5 of the Public Utilities Act. In the course of the  
22 Commission proceeding initiated to review and approve the  
23 plan, including the Illinois Solar for All Program  
24 proposed by the Agency, a party may propose an additional  
25 low-income solar or solar incentive program, or  
26 modifications to the programs proposed by the Agency, and

1 the Commission may approve an additional program, or  
2 modifications to the Agency's proposed program, if the  
3 additional or modified program more effectively maximizes  
4 the benefits to low-income customers after taking into  
5 account all relevant factors, including, but not limited  
6 to, the extent to which a competitive market for  
7 low-income solar has developed. Following the Commission's  
8 approval of the Illinois Solar for All Program, the Agency  
9 or a party may propose adjustments to the program terms,  
10 conditions, and requirements, including the price offered  
11 to new systems, to ensure the long-term viability and  
12 success of the program. The Commission shall review and  
13 approve any modifications to the program through the plan  
14 revision process described in Section 16-111.5 of the  
15 Public Utilities Act.

16 (5) The Agency shall issue a request for  
17 qualifications for a third-party program administrator or  
18 administrators to administer all or a portion of the  
19 Illinois Solar for All Program. The third-party program  
20 administrator shall be chosen through a competitive bid  
21 process based on selection criteria and requirements  
22 developed by the Agency, including, but not limited to,  
23 experience in administering low-income energy programs and  
24 overseeing statewide clean energy or energy efficiency  
25 services. If the Agency retains a program administrator or  
26 administrators to implement all or a portion of the

1 Illinois Solar for All Program, each administrator shall  
2 periodically submit reports to the Agency and Commission  
3 for each program that it administers, at appropriate  
4 intervals to be identified by the Agency in its long-term  
5 renewable resources procurement plan, provided that the  
6 reporting interval is at least quarterly. The third-party  
7 program administrator may be, but need not be, the same  
8 administrator as for the Adjustable Block program  
9 described in subparagraphs (K) through (M) of paragraph  
10 (1) of subsection (c) of Section 1-75. The Agency, through  
11 its long-term renewable resources procurement plan  
12 approval process, shall also determine if individual  
13 subprograms of the Illinois Solar for All Program are  
14 better served by a different or separate Program  
15 Administrator.

16 The third-party administrator's responsibilities  
17 shall also include facilitating placement for graduates of  
18 Illinois-based renewable energy-specific job training  
19 programs, including the Clean Jobs Workforce Network  
20 Program and the Illinois Climate Works Preapprenticeship  
21 Program administered by the Department of Commerce and  
22 Economic Opportunity and programs administered under  
23 Section 16-108.12 of the Public Utilities Act. To increase  
24 the uptake of trainees by participating firms, the  
25 administrator shall also develop a web-based clearinghouse  
26 for information available to both job training program

1 graduates and firms participating, directly or indirectly,  
2 in Illinois solar incentive programs. The program  
3 administrator shall also coordinate its activities with  
4 entities implementing electric and natural gas  
5 income-qualified energy efficiency programs, including  
6 customer referrals to and from such programs, and connect  
7 prospective low-income solar customers with any existing  
8 deferred maintenance programs where applicable.

9 (6) The long-term renewable resources procurement plan  
10 shall also provide for an independent evaluation of the  
11 Illinois Solar for All Program. At least every 2 years,  
12 the Agency shall select an independent evaluator to review  
13 and report on the Illinois Solar for All Program and the  
14 performance of the third-party program administrator of  
15 the Illinois Solar for All Program. The evaluation shall  
16 be based on objective criteria developed through a public  
17 stakeholder process. The process shall include feedback  
18 and participation from Illinois Solar for All Program  
19 stakeholders, including participants and organizations in  
20 environmental justice and historically underserved  
21 communities. The report shall include a summary of the  
22 evaluation of the Illinois Solar for All Program based on  
23 the stakeholder developed objective criteria. The report  
24 shall include the number of projects installed; the total  
25 installed capacity in kilowatts; the average cost per  
26 kilowatt of installed capacity to the extent reasonably

1 obtainable by the Agency; the number of jobs or job  
2 opportunities created; economic, social, and environmental  
3 benefits created; and the total administrative costs  
4 expended by the Agency and program administrator to  
5 implement and evaluate the program. The report shall be  
6 delivered to the Commission and posted on the Agency's  
7 website, and shall be used, as needed, to revise the  
8 Illinois Solar for All Program. The Commission shall also  
9 consider the results of the evaluation as part of its  
10 review of the long-term renewable resources procurement  
11 plan under subsection (c) of Section 1-75 of this Act.

12 (7) If additional funding for the programs described  
13 in this subsection (b) is available under subsection (k)  
14 of Section 16-108 of the Public Utilities Act, then the  
15 Agency shall submit a procurement plan to the Commission  
16 no later than September 1, 2018, that proposes how the  
17 Agency will procure programs on behalf of the applicable  
18 utility. After notice and hearing, the Commission shall  
19 approve, or approve with modification, the plan no later  
20 than November 1, 2018.

21 (8) As part of the development and update of the  
22 long-term renewable resources procurement plan authorized  
23 by subsection (c) of Section 1-75 of this Act, the Agency  
24 shall plan for: (A) actions to refer customers from the  
25 Illinois Solar for All Program to electric and natural gas  
26 income-qualified energy efficiency programs, and vice

1           versa, with the goal of increasing participation in both  
2           of these programs; (B) effective procedures for data  
3           sharing, as needed, to effectuate referrals between the  
4           Illinois Solar for All Program and both electric and  
5           natural gas income-qualified energy efficiency programs,  
6           including sharing customer information directly with the  
7           utilities, as needed and appropriate; and (C) efforts to  
8           identify any existing deferred maintenance programs for  
9           which prospective Solar for All Program customers may be  
10          eligible and connect prospective customers for whom  
11          deferred maintenance is or may be a barrier to solar  
12          installation to those programs.

13          As used in this subsection (b), "low-income households"  
14          means persons and families whose income does not exceed 80% of  
15          area median income, adjusted for family size and revised every  
16          year ~~5 years~~.

17          For the purposes of this subsection (b), the Agency shall  
18          define "environmental justice community" based on the  
19          methodologies and findings established by the Agency and the  
20          Administrator for the Illinois Solar for All Program in its  
21          initial long-term renewable resources procurement plan and as  
22          updated by the Agency and the Administrator for the Illinois  
23          Solar for All Program as part of the long-term renewable  
24          resources procurement plan update.

25          (b-5) After the receipt of all payments required by  
26          Section 16-115D of the Public Utilities Act, no additional

1 funds shall be deposited into the Illinois Power Agency  
2 Renewable Energy Resources Fund unless directed by order of  
3 the Commission.

4 (b-10) After the receipt of all payments required by  
5 Section 16-115D of the Public Utilities Act and payment in  
6 full of all contracts executed by the Agency under subsections  
7 (b) and (i) of this Section, if the balance of the Illinois  
8 Power Agency Renewable Energy Resources Fund is under \$5,000,  
9 then the Fund shall be inoperative and any remaining funds and  
10 any funds submitted to the Fund after that date, shall be  
11 transferred to the Supplemental Low-Income Energy Assistance  
12 Fund for use in the Low-Income Home Energy Assistance Program,  
13 as authorized by the Energy Assistance Act.

14 (b-15) The prevailing wage requirements set forth in the  
15 Prevailing Wage Act apply to each project that is undertaken  
16 pursuant to one or more of the programs of incentives and  
17 initiatives described in subsection (b) of this Section and  
18 for which a project application is submitted to the program  
19 after the effective date of this amendatory Act of the 103rd  
20 General Assembly, except (i) projects that serve single-family  
21 or multi-family residential buildings and (ii) projects with  
22 an aggregate capacity of less than 100 kilowatts that serve  
23 houses of worship. The Agency shall require verification that  
24 all construction performed on a project by the renewable  
25 energy credit delivery contract holder, its contractors, or  
26 its subcontractors relating to the construction of the

1 facility is performed by workers receiving an amount for that  
2 work that is greater than or equal to the general prevailing  
3 rate of wages as that term is defined in the Prevailing Wage  
4 Act, and the Agency may adjust renewable energy credit prices  
5 to account for increased labor costs.

6 In this subsection (b-15), "house of worship" has the  
7 meaning given in subparagraph (Q) of paragraph (1) of  
8 subsection (c) of Section 1-75.

9 (c) (Blank).

10 (d) (Blank).

11 (e) All renewable energy credits procured using monies  
12 from the Illinois Power Agency Renewable Energy Resources Fund  
13 shall be permanently retired.

14 (f) The selection of one or more third-party program  
15 managers or administrators, the selection of the independent  
16 evaluator, and the procurement processes described in this  
17 Section are exempt from the requirements of the Illinois  
18 Procurement Code, under Section 20-10 of that Code.

19 (g) All disbursements from the Illinois Power Agency  
20 Renewable Energy Resources Fund shall be made only upon  
21 warrants of the Comptroller drawn upon the Treasurer as  
22 custodian of the Fund upon vouchers signed by the Director or  
23 by the person or persons designated by the Director for that  
24 purpose. The Comptroller is authorized to draw the warrant  
25 upon vouchers so signed. The Treasurer shall accept all  
26 warrants so signed and shall be released from liability for

1 all payments made on those warrants.

2 (h) The Illinois Power Agency Renewable Energy Resources  
3 Fund shall not be subject to sweeps, administrative charges,  
4 or chargebacks, including, but not limited to, those  
5 authorized under Section 8h of the State Finance Act, that  
6 would in any way result in the transfer of any funds from this  
7 Fund to any other fund of this State or in having any such  
8 funds utilized for any purpose other than the express purposes  
9 set forth in this Section.

10 (h-5) The Agency may assess fees to each bidder to recover  
11 the costs incurred in connection with a procurement process  
12 held under this Section. Fees collected from bidders shall be  
13 deposited into the Renewable Energy Resources Fund.

14 (i) Supplemental procurement process.

15 (1) Within 90 days after June 30, 2014 (the effective  
16 date of Public Act 98-672), the Agency shall develop a  
17 one-time supplemental procurement plan limited to the  
18 procurement of renewable energy credits, if available,  
19 from new or existing photovoltaics, including, but not  
20 limited to, distributed photovoltaic generation. Nothing  
21 in this subsection (i) requires procurement of wind  
22 generation through the supplemental procurement.

23 Renewable energy credits procured from new  
24 photovoltaics, including, but not limited to, distributed  
25 photovoltaic generation, under this subsection (i) must be  
26 procured from devices installed by a qualified person. In

1 its supplemental procurement plan, the Agency shall  
2 establish contractually enforceable mechanisms for  
3 ensuring that the installation of new photovoltaics is  
4 performed by a qualified person.

5 For the purposes of this paragraph (1), "qualified  
6 person" means a person who performs installations of  
7 photovoltaics, including, but not limited to, distributed  
8 photovoltaic generation, and who: (A) has completed an  
9 apprenticeship as a journeyman electrician from a United  
10 States Department of Labor registered electrical  
11 apprenticeship and training program and received a  
12 certification of satisfactory completion; or (B) does not  
13 currently meet the criteria under clause (A) of this  
14 paragraph (1), but is enrolled in a United States  
15 Department of Labor registered electrical apprenticeship  
16 program, provided that the person is directly supervised  
17 by a person who meets the criteria under clause (A) of this  
18 paragraph (1); or (C) has obtained one of the following  
19 credentials in addition to attesting to satisfactory  
20 completion of at least 5 years or 8,000 hours of  
21 documented hands-on electrical experience: (i) a North  
22 American Board of Certified Energy Practitioners (NABCEP)  
23 Installer Certificate for Solar PV; (ii) an Underwriters  
24 Laboratories (UL) PV Systems Installer Certificate; (iii)  
25 an Electronics Technicians Association, International  
26 (ETAI) Level 3 PV Installer Certificate; or (iv) an

1 Associate in Applied Science degree from an Illinois  
2 Community College Board approved community college program  
3 in renewable energy or a distributed generation  
4 technology.

5 For the purposes of this paragraph (1), "directly  
6 supervised" means that there is a qualified person who  
7 meets the qualifications under clause (A) of this  
8 paragraph (1) and who is available for supervision and  
9 consultation regarding the work performed by persons under  
10 clause (B) of this paragraph (1), including a final  
11 inspection of the installation work that has been directly  
12 supervised to ensure safety and conformity with applicable  
13 codes.

14 For the purposes of this paragraph (1), "install"  
15 means the major activities and actions required to  
16 connect, in accordance with applicable building and  
17 electrical codes, the conductors, connectors, and all  
18 associated fittings, devices, power outlets, or  
19 apparatuses mounted at the premises that are directly  
20 involved in delivering energy to the premises' electrical  
21 wiring from the photovoltaics, including, but not limited  
22 to, to distributed photovoltaic generation.

23 The renewable energy credits procured pursuant to the  
24 supplemental procurement plan shall be procured using up  
25 to \$30,000,000 from the Illinois Power Agency Renewable  
26 Energy Resources Fund. The Agency shall not plan to use

1 funds from the Illinois Power Agency Renewable Energy  
2 Resources Fund in excess of the monies on deposit in such  
3 fund or projected to be deposited into such fund. The  
4 supplemental procurement plan shall ensure adequate,  
5 reliable, affordable, efficient, and environmentally  
6 sustainable renewable energy resources (including credits)  
7 at the lowest total cost over time, taking into account  
8 any benefits of price stability.

9 To the extent available, 50% of the renewable energy  
10 credits procured from distributed renewable energy  
11 generation shall come from devices of less than 25  
12 kilowatts in nameplate capacity. Procurement of renewable  
13 energy credits from distributed renewable energy  
14 generation devices shall be done through multi-year  
15 contracts of no less than 5 years. The Agency shall create  
16 credit requirements for counterparties. In order to  
17 minimize the administrative burden on contracting  
18 entities, the Agency shall solicit the use of third  
19 parties to aggregate distributed renewable energy. These  
20 third parties shall enter into and administer contracts  
21 with individual distributed renewable energy generation  
22 device owners. An individual distributed renewable energy  
23 generation device owner shall have the ability to measure  
24 the output of his or her distributed renewable energy  
25 generation device.

26 In developing the supplemental procurement plan, the

1 Agency shall hold at least one workshop open to the public  
2 within 90 days after June 30, 2014 (the effective date of  
3 Public Act 98-672) and shall consider any comments made by  
4 stakeholders or the public. Upon development of the  
5 supplemental procurement plan within this 90-day period,  
6 copies of the supplemental procurement plan shall be  
7 posted and made publicly available on the Agency's and  
8 Commission's websites. All interested parties shall have  
9 14 days following the date of posting to provide comment  
10 to the Agency on the supplemental procurement plan. All  
11 comments submitted to the Agency shall be specific,  
12 supported by data or other detailed analyses, and, if  
13 objecting to all or a portion of the supplemental  
14 procurement plan, accompanied by specific alternative  
15 wording or proposals. All comments shall be posted on the  
16 Agency's and Commission's websites. Within 14 days  
17 following the end of the 14-day review period, the Agency  
18 shall revise the supplemental procurement plan as  
19 necessary based on the comments received and file its  
20 revised supplemental procurement plan with the Commission  
21 for approval.

22 (2) Within 5 days after the filing of the supplemental  
23 procurement plan at the Commission, any person objecting  
24 to the supplemental procurement plan shall file an  
25 objection with the Commission. Within 10 days after the  
26 filing, the Commission shall determine whether a hearing

1 is necessary. The Commission shall enter its order  
2 confirming or modifying the supplemental procurement plan  
3 within 90 days after the filing of the supplemental  
4 procurement plan by the Agency.

5 (3) The Commission shall approve the supplemental  
6 procurement plan of renewable energy credits to be  
7 procured from new or existing photovoltaics, including,  
8 but not limited to, distributed photovoltaic generation,  
9 if the Commission determines that it will ensure adequate,  
10 reliable, affordable, efficient, and environmentally  
11 sustainable electric service in the form of renewable  
12 energy credits at the lowest total cost over time, taking  
13 into account any benefits of price stability.

14 (4) The supplemental procurement process under this  
15 subsection (i) shall include each of the following  
16 components:

17 (A) Procurement administrator. The Agency may  
18 retain a procurement administrator in the manner set  
19 forth in item (2) of subsection (a) of Section 1-75 of  
20 this Act to conduct the supplemental procurement or  
21 may elect to use the same procurement administrator  
22 administering the Agency's annual procurement under  
23 Section 1-75.

24 (B) Procurement monitor. The procurement monitor  
25 retained by the Commission pursuant to Section  
26 16-111.5 of the Public Utilities Act shall:

1 (i) monitor interactions among the procurement  
2 administrator and bidders and suppliers;

3 (ii) monitor and report to the Commission on  
4 the progress of the supplemental procurement  
5 process;

6 (iii) provide an independent confidential  
7 report to the Commission regarding the results of  
8 the procurement events;

9 (iv) assess compliance with the procurement  
10 plan approved by the Commission for the  
11 supplemental procurement process;

12 (v) preserve the confidentiality of supplier  
13 and bidding information in a manner consistent  
14 with all applicable laws, rules, regulations, and  
15 tariffs;

16 (vi) provide expert advice to the Commission  
17 and consult with the procurement administrator  
18 regarding issues related to procurement process  
19 design, rules, protocols, and policy-related  
20 matters;

21 (vii) consult with the procurement  
22 administrator regarding the development and use of  
23 benchmark criteria, standard form contracts,  
24 credit policies, and bid documents; and

25 (viii) perform, with respect to the  
26 supplemental procurement process, any other

1 procurement monitor duties specifically delineated  
2 within subsection (i) of this Section.

3 (C) Solicitation, prequalification, and  
4 registration of bidders. The procurement administrator  
5 shall disseminate information to potential bidders to  
6 promote a procurement event, notify potential bidders  
7 that the procurement administrator may enter into a  
8 post-bid price negotiation with bidders that meet the  
9 applicable benchmarks, provide supply requirements,  
10 and otherwise explain the competitive procurement  
11 process. In addition to such other publication as the  
12 procurement administrator determines is appropriate,  
13 this information shall be posted on the Agency's and  
14 the Commission's websites. The procurement  
15 administrator shall also administer the  
16 prequalification process, including evaluation of  
17 credit worthiness, compliance with procurement rules,  
18 and agreement to the standard form contract developed  
19 pursuant to item (D) of this paragraph (4). The  
20 procurement administrator shall then identify and  
21 register bidders to participate in the procurement  
22 event.

23 (D) Standard contract forms and credit terms and  
24 instruments. The procurement administrator, in  
25 consultation with the Agency, the Commission, and  
26 other interested parties and subject to Commission

1 oversight, shall develop and provide standard contract  
2 forms for the supplier contracts that meet generally  
3 accepted industry practices as well as include any  
4 applicable State of Illinois terms and conditions that  
5 are required for contracts entered into by an agency  
6 of the State of Illinois. Standard credit terms and  
7 instruments that meet generally accepted industry  
8 practices shall be similarly developed. Contracts for  
9 new photovoltaics shall include a provision attesting  
10 that the supplier will use a qualified person for the  
11 installation of the device pursuant to paragraph (1)  
12 of subsection (i) of this Section. The procurement  
13 administrator shall make available to the Commission  
14 all written comments it receives on the contract  
15 forms, credit terms, or instruments. If the  
16 procurement administrator cannot reach agreement with  
17 the parties as to the contract terms and conditions,  
18 the procurement administrator must notify the  
19 Commission of any disputed terms and the Commission  
20 shall resolve the dispute. The terms of the contracts  
21 shall not be subject to negotiation by winning  
22 bidders, and the bidders must agree to the terms of the  
23 contract in advance so that winning bids are selected  
24 solely on the basis of price.

25 (E) Requests for proposals; competitive  
26 procurement process. The procurement administrator

1 shall design and issue requests for proposals to  
2 supply renewable energy credits in accordance with the  
3 supplemental procurement plan, as approved by the  
4 Commission. The requests for proposals shall set forth  
5 a procedure for sealed, binding commitment bidding  
6 with pay-as-bid settlement, and provision for  
7 selection of bids on the basis of price, provided,  
8 however, that no bid shall be accepted if it exceeds  
9 the benchmark developed pursuant to item (F) of this  
10 paragraph (4).

11 (F) Benchmarks. Benchmarks for each product to be  
12 procured shall be developed by the procurement  
13 administrator in consultation with Commission staff,  
14 the Agency, and the procurement monitor for use in  
15 this supplemental procurement.

16 (G) A plan for implementing contingencies in the  
17 event of supplier default, Commission rejection of  
18 results, or any other cause.

19 (5) Within 2 business days after opening the sealed  
20 bids, the procurement administrator shall submit a  
21 confidential report to the Commission. The report shall  
22 contain the results of the bidding for each of the  
23 products along with the procurement administrator's  
24 recommendation for the acceptance and rejection of bids  
25 based on the price benchmark criteria and other factors  
26 observed in the process. The procurement monitor also

1 shall submit a confidential report to the Commission  
2 within 2 business days after opening the sealed bids. The  
3 report shall contain the procurement monitor's assessment  
4 of bidder behavior in the process as well as an assessment  
5 of the procurement administrator's compliance with the  
6 procurement process and rules. The Commission shall review  
7 the confidential reports submitted by the procurement  
8 administrator and procurement monitor and shall accept or  
9 reject the recommendations of the procurement  
10 administrator within 2 business days after receipt of the  
11 reports.

12 (6) Within 3 business days after the Commission  
13 decision approving the results of a procurement event, the  
14 Agency shall enter into binding contractual arrangements  
15 with the winning suppliers using the standard form  
16 contracts.

17 (7) The names of the successful bidders and the  
18 average of the winning bid prices for each contract type  
19 and for each contract term shall be made available to the  
20 public within 2 days after the supplemental procurement  
21 event. The Commission, the procurement monitor, the  
22 procurement administrator, the Agency, and all  
23 participants in the procurement process shall maintain the  
24 confidentiality of all other supplier and bidding  
25 information in a manner consistent with all applicable  
26 laws, rules, regulations, and tariffs. Confidential

1 information, including the confidential reports submitted  
2 by the procurement administrator and procurement monitor  
3 pursuant to this Section, shall not be made publicly  
4 available and shall not be discoverable by any party in  
5 any proceeding, absent a compelling demonstration of need,  
6 nor shall those reports be admissible in any proceeding  
7 other than one for law enforcement purposes.

8 (8) The supplemental procurement provided in this  
9 subsection (i) shall not be subject to the requirements  
10 and limitations of subsections (c) and (d) of this  
11 Section.

12 (9) Expenses incurred in connection with the  
13 procurement process held pursuant to this Section,  
14 including, but not limited to, the cost of developing the  
15 supplemental procurement plan, the procurement  
16 administrator, procurement monitor, and the cost of the  
17 retirement of renewable energy credits purchased pursuant  
18 to the supplemental procurement shall be paid for from the  
19 Illinois Power Agency Renewable Energy Resources Fund. The  
20 Agency shall enter into an interagency agreement with the  
21 Commission to reimburse the Commission for its costs  
22 associated with the procurement monitor for the  
23 supplemental procurement process.

24 (Source: P.A. 102-662, eff. 9-15-21; 103-188, eff. 6-30-23;  
25 103-605, eff. 7-1-24.)

1 (20 ILCS 3855/1-75)

2 Sec. 1-75. Planning and Procurement Bureau. The Planning  
3 and Procurement Bureau has the following duties and  
4 responsibilities:

5 (a) The Planning and Procurement Bureau shall each year,  
6 beginning in 2008, develop procurement plans and conduct  
7 competitive procurement processes in accordance with the  
8 requirements of Section 16-111.5 of the Public Utilities Act  
9 for the eligible retail customers of electric utilities that  
10 on December 31, 2005 provided electric service to at least  
11 100,000 customers in Illinois. Beginning with the delivery  
12 year commencing on June 1, 2017, the Planning and Procurement  
13 Bureau shall develop plans and processes for the procurement  
14 of zero emission credits from zero emission facilities in  
15 accordance with the requirements of subsection (d-5) of this  
16 Section. Beginning on the effective date of this amendatory  
17 Act of the 102nd General Assembly, the Planning and  
18 Procurement Bureau shall develop plans and processes for the  
19 procurement of carbon mitigation credits from carbon-free  
20 energy resources in accordance with the requirements of  
21 subsection (d-10) of this Section. The Planning and  
22 Procurement Bureau shall also develop procurement plans and  
23 conduct competitive procurement processes in accordance with  
24 the requirements of Section 16-111.5 of the Public Utilities  
25 Act for the eligible retail customers of small  
26 multi-jurisdictional electric utilities that (i) on December

1 31, 2005 served less than 100,000 customers in Illinois and  
2 (ii) request a procurement plan for their Illinois  
3 jurisdictional load. This Section shall not apply to a small  
4 multi-jurisdictional utility until such time as a small  
5 multi-jurisdictional utility requests the Agency to prepare a  
6 procurement plan for their Illinois jurisdictional load. For  
7 the purposes of this Section, the term "eligible retail  
8 customers" has the same definition as found in Section  
9 16-111.5(a) of the Public Utilities Act.

10 Beginning with the plan or plans to be implemented in the  
11 2017 delivery year, the Agency shall no longer include the  
12 procurement of renewable energy resources in the annual  
13 procurement plans required by this subsection (a), except as  
14 provided in subsection (q) of Section 16-111.5 of the Public  
15 Utilities Act, and shall instead develop a long-term renewable  
16 resources procurement plan in accordance with subsection (c)  
17 of this Section and Section 16-111.5 of the Public Utilities  
18 Act.

19 In accordance with subsection (c-5) of this Section, the  
20 Planning and Procurement Bureau shall oversee the procurement  
21 by electric utilities that served more than 300,000 retail  
22 customers in this State as of January 1, 2019 of renewable  
23 energy credits from new utility-scale solar projects to be  
24 installed, along with energy storage facilities, at or  
25 adjacent to the sites of electric generating facilities that,  
26 as of January 1, 2016, burned coal as their primary fuel

1 source.

2 (1) The Agency shall each year, beginning in 2008, as  
3 needed, issue a request for qualifications for experts or  
4 expert consulting firms to develop the procurement plans  
5 in accordance with Section 16-111.5 of the Public  
6 Utilities Act. In order to qualify an expert or expert  
7 consulting firm must have:

8 (A) direct previous experience assembling  
9 large-scale power supply plans or portfolios for  
10 end-use customers;

11 (B) an advanced degree in economics, mathematics,  
12 engineering, risk management, or a related area of  
13 study;

14 (C) 10 years of experience in the electricity  
15 sector, including managing supply risk;

16 (D) expertise in wholesale electricity market  
17 rules, including those established by the Federal  
18 Energy Regulatory Commission and regional transmission  
19 organizations;

20 (E) expertise in credit protocols and familiarity  
21 with contract protocols;

22 (F) adequate resources to perform and fulfill the  
23 required functions and responsibilities; and

24 (G) the absence of a conflict of interest and  
25 inappropriate bias for or against potential bidders or  
26 the affected electric utilities.

1           (2) The Agency shall each year, as needed, issue a  
2 request for qualifications for a procurement administrator  
3 to conduct the competitive procurement processes in  
4 accordance with Section 16-111.5 of the Public Utilities  
5 Act. In order to qualify an expert or expert consulting  
6 firm must have:

7           (A) direct previous experience administering a  
8 large-scale competitive procurement process;

9           (B) an advanced degree in economics, mathematics,  
10 engineering, or a related area of study;

11           (C) 10 years of experience in the electricity  
12 sector, including risk management experience;

13           (D) expertise in wholesale electricity market  
14 rules, including those established by the Federal  
15 Energy Regulatory Commission and regional transmission  
16 organizations;

17           (E) expertise in credit and contract protocols;

18           (F) adequate resources to perform and fulfill the  
19 required functions and responsibilities; and

20           (G) the absence of a conflict of interest and  
21 inappropriate bias for or against potential bidders or  
22 the affected electric utilities.

23           (3) The Agency shall provide affected utilities and  
24 other interested parties with the lists of qualified  
25 experts or expert consulting firms identified through the  
26 request for qualifications processes that are under

1 consideration to develop the procurement plans and to  
2 serve as the procurement administrator. The Agency shall  
3 also provide each qualified expert's or expert consulting  
4 firm's response to the request for qualifications. All  
5 information provided under this subparagraph shall also be  
6 provided to the Commission. The Agency may provide by rule  
7 for fees associated with supplying the information to  
8 utilities and other interested parties. These parties  
9 shall, within 5 business days, notify the Agency in  
10 writing if they object to any experts or expert consulting  
11 firms on the lists. Objections shall be based on:

12 (A) failure to satisfy qualification criteria;

13 (B) identification of a conflict of interest; or

14 (C) evidence of inappropriate bias for or against  
15 potential bidders or the affected utilities.

16 The Agency shall remove experts or expert consulting  
17 firms from the lists within 10 days if there is a  
18 reasonable basis for an objection and provide the updated  
19 lists to the affected utilities and other interested  
20 parties. If the Agency fails to remove an expert or expert  
21 consulting firm from a list, an objecting party may seek  
22 review by the Commission within 5 days thereafter by  
23 filing a petition, and the Commission shall render a  
24 ruling on the petition within 10 days. There is no right of  
25 appeal of the Commission's ruling.

26 (4) The Agency shall issue requests for proposals to

1 the qualified experts or expert consulting firms to  
2 develop a procurement plan for the affected utilities and  
3 to serve as procurement administrator.

4 (5) The Agency shall select an expert or expert  
5 consulting firm to develop procurement plans based on the  
6 proposals submitted and shall award contracts of up to 5  
7 years to those selected.

8 (6) The Agency shall select an expert or expert  
9 consulting firm, with approval of the Commission, to serve  
10 as procurement administrator based on the proposals  
11 submitted. If the Commission rejects, within 5 days, the  
12 Agency's selection, the Agency shall submit another  
13 recommendation within 3 days based on the proposals  
14 submitted. The Agency shall award a 5-year contract to the  
15 expert or expert consulting firm so selected with  
16 Commission approval.

17 (b) The experts or expert consulting firms retained by the  
18 Agency shall, as appropriate, prepare procurement plans, and  
19 conduct a competitive procurement process as prescribed in  
20 Section 16-111.5 of the Public Utilities Act, to ensure  
21 adequate, reliable, affordable, efficient, and environmentally  
22 sustainable electric service at the lowest total cost over  
23 time, taking into account any benefits of price stability, for  
24 eligible retail customers of electric utilities that on  
25 December 31, 2005 provided electric service to at least  
26 100,000 customers in the State of Illinois, and for eligible

1 Illinois retail customers of small multi-jurisdictional  
2 electric utilities that (i) on December 31, 2005 served less  
3 than 100,000 customers in Illinois and (ii) request a  
4 procurement plan for their Illinois jurisdictional load.

5 (c) Renewable portfolio standard.

6 (1) (A) The Agency shall develop a long-term renewable  
7 resources procurement plan that shall include procurement  
8 programs and competitive procurement events necessary to  
9 meet the goals set forth in this subsection (c). The  
10 initial long-term renewable resources procurement plan  
11 shall be released for comment no later than 160 days after  
12 June 1, 2017 (the effective date of Public Act 99-906).  
13 The Agency shall review, and may revise on an expedited  
14 basis, the long-term renewable resources procurement plan  
15 at least every 2 years, which shall be conducted in  
16 conjunction with the procurement plan under Section  
17 16-111.5 of the Public Utilities Act to the extent  
18 practicable to minimize administrative expense. No later  
19 than 120 days after the effective date of this amendatory  
20 Act of the 103rd General Assembly, the Agency shall  
21 release for comment a revision to the long-term renewable  
22 resources procurement plan, updating elements of the most  
23 recently approved plan as needed to comply with this  
24 amendatory Act of the 103rd General Assembly, and any  
25 long-term renewable resources procurement plan update  
26 published by the Agency but not yet approved by the

1 Illinois Commerce Commission shall be withdrawn. The  
2 long-term renewable resources procurement plans shall be  
3 subject to review and approval by the Commission under  
4 Section 16-111.5 of the Public Utilities Act.

5 (B) Subject to subparagraph (F) of this paragraph (1),  
6 the long-term renewable resources procurement plan shall  
7 attempt to meet the goals for procurement of renewable  
8 energy credits at levels of at least the following overall  
9 percentages: 13% by the 2017 delivery year; increasing by  
10 at least 1.5% each delivery year thereafter to at least  
11 25% by the 2025 delivery year; increasing by at least 3%  
12 each delivery year thereafter to at least 40% by the 2030  
13 delivery year, and continuing at no less than 40% for each  
14 delivery year thereafter. The Agency shall attempt to  
15 procure 50% by delivery year 2040. The Agency shall  
16 determine the annual increase between delivery year 2030  
17 and delivery year 2040, if any, taking into account energy  
18 demand, other energy resources, and other public policy  
19 goals. In the event of a conflict between these goals and  
20 the new wind, new photovoltaic, and hydropower procurement  
21 requirements described in items (i) through (iii) of  
22 subparagraph (C) of this paragraph (1), the long-term plan  
23 shall prioritize compliance with the new wind, new  
24 photovoltaic, and hydropower procurement requirements  
25 described in items (i) through (iii) of subparagraph (C)  
26 of this paragraph (1) over the annual percentage targets

1 described in this subparagraph (B). The Agency shall not  
2 comply with the annual percentage targets described in  
3 this subparagraph (B) by procuring renewable energy  
4 credits that are unlikely to lead to the development of  
5 new renewable resources or new, modernized, or retooled  
6 hydropower facilities.

7 For the delivery year beginning June 1, 2017, the  
8 procurement plan shall attempt to include, subject to the  
9 prioritization outlined in this subparagraph (B),  
10 cost-effective renewable energy resources equal to at  
11 least 13% of each utility's load for eligible retail  
12 customers and 13% of the applicable portion of each  
13 utility's load for retail customers who are not eligible  
14 retail customers, which applicable portion shall equal 50%  
15 of the utility's load for retail customers who are not  
16 eligible retail customers on February 28, 2017.

17 For the delivery year beginning June 1, 2018, the  
18 procurement plan shall attempt to include, subject to the  
19 prioritization outlined in this subparagraph (B),  
20 cost-effective renewable energy resources equal to at  
21 least 14.5% of each utility's load for eligible retail  
22 customers and 14.5% of the applicable portion of each  
23 utility's load for retail customers who are not eligible  
24 retail customers, which applicable portion shall equal 75%  
25 of the utility's load for retail customers who are not  
26 eligible retail customers on February 28, 2017.

1           For the delivery year beginning June 1, 2019, and for  
2 each year thereafter, the procurement plans shall attempt  
3 to include, subject to the prioritization outlined in this  
4 subparagraph (B), cost-effective renewable energy  
5 resources equal to a minimum percentage of each utility's  
6 load for all retail customers as follows: 16% by June 1,  
7 2019; increasing by 1.5% each year thereafter to 25% by  
8 June 1, 2025; and 25% by June 1, 2026; increasing by at  
9 least 3% each delivery year thereafter to at least 40% by  
10 the 2030 delivery year, and continuing at no less than 40%  
11 for each delivery year thereafter. The Agency shall  
12 attempt to procure 50% by delivery year 2040. The Agency  
13 shall determine the annual increase between delivery year  
14 2030 and delivery year 2040, if any, taking into account  
15 energy demand, other energy resources, and other public  
16 policy goals.

17           For each delivery year, the Agency shall first  
18 recognize each utility's obligations for that delivery  
19 year under existing contracts. Any renewable energy  
20 credits under existing contracts, including renewable  
21 energy credits as part of renewable energy resources,  
22 shall be used to meet the goals set forth in this  
23 subsection (c) for the delivery year.

24           (C) The long-term renewable resources procurement plan  
25 described in subparagraph (A) of this paragraph (1) shall  
26 include the procurement of renewable energy credits from

1 new projects pursuant to the following terms:

2 (i) At least 10,000,000 renewable energy credits  
3 delivered annually by the end of the 2021 delivery  
4 year, and increasing ratably to reach 45,000,000  
5 renewable energy credits delivered annually from new  
6 wind and solar projects, from repowered wind projects,  
7 or from retooled hydropower facilities by the end of  
8 delivery year 2030 such that the goals in subparagraph  
9 (B) of this paragraph (1) are met entirely by  
10 procurements of renewable energy credits from new wind  
11 and photovoltaic projects. Of that amount, to the  
12 extent possible, the Agency shall endeavor to procure  
13 45% from new and repowered wind and hydropower  
14 projects and shall procure at least 55% from  
15 photovoltaic projects. Of the amount to be procured  
16 from photovoltaic projects, the Agency shall procure:  
17 at least 50% from solar photovoltaic projects using  
18 the program outlined in subparagraph (K) of this  
19 paragraph (1) from distributed renewable energy  
20 generation devices or community renewable generation  
21 projects; at least 47% from utility-scale solar  
22 projects; at least 3% from brownfield site  
23 photovoltaic projects that are not community renewable  
24 generation projects. The Agency may propose  
25 adjustments to these percentages, including  
26 establishing percentage-based goals for the

1           procurement of renewable energy credits from  
2           modernized or retooled hydropower facilities and  
3           repowered wind projects, through its long-term  
4           renewable resources plan described in subparagraph (A)  
5           of this paragraph (1) as necessary based on developer  
6           interest, market conditions, budget considerations,  
7           resource adequacy needs, or other factors.

8           In developing the long-term renewable resources  
9           procurement plan, the Agency shall consider other  
10          approaches, in addition to competitive procurements,  
11          that can be used to procure renewable energy credits  
12          from brownfield site photovoltaic projects and thereby  
13          help return blighted or contaminated land to  
14          productive use while enhancing public health and the  
15          well-being of Illinois residents, including those in  
16          environmental justice communities, as defined using  
17          existing methodologies and findings used by the Agency  
18          and its Administrator in its Illinois Solar for All  
19          Program. The Agency shall also consider other  
20          approaches, in addition to competitive procurements,  
21          to procure renewable energy credits from new and  
22          existing hydropower facilities to support the  
23          development and maintenance of these facilities. The  
24          Agency shall explore options to convert existing dams  
25          but shall not consider approaches to develop new dams  
26          where they do not already exist. To encourage the

1       continued operation of utility-scale wind projects,  
2       the Agency shall consider and may propose other  
3       approaches in addition to competitive procurements to  
4       procure renewable energy credits from repowered wind  
5       projects.

6           (ii) In any given delivery year, if forecasted  
7       expenses are less than the maximum budget available  
8       under subparagraph (E) of this paragraph (1), the  
9       Agency shall continue to procure new renewable energy  
10      credits until that budget is exhausted in the manner  
11      outlined in item (i) of this subparagraph (C).

12           (iii) For purposes of this Section:

13           "New wind projects" means wind renewable energy  
14      facilities that are energized after June 1, 2017 for  
15      the delivery year commencing June 1, 2017.

16           "New photovoltaic projects" means photovoltaic  
17      renewable energy facilities that are energized after  
18      June 1, 2017. Photovoltaic projects developed under  
19      Section 1-56 of this Act shall not apply towards the  
20      new photovoltaic project requirements in this  
21      subparagraph (C).

22           "Repowered wind projects" means utility-scale wind  
23      projects featuring the removal, replacement, or  
24      expansion of turbines at an existing project site, as  
25      defined in the long-term renewable resources  
26      procurement plan, after the effective date of this

1           amendatory Act of the 103rd General Assembly.  
2           Renewable energy credit contract awards used to  
3           support repowered wind projects shall only cover the  
4           incremental increase in facility electricity  
5           production resultant from repowering.

6           For purposes of calculating whether the Agency has  
7           procured enough new wind and solar renewable energy  
8           credits required by this subparagraph (C), renewable  
9           energy facilities that have a multi-year renewable  
10          energy credit delivery contract with the utility  
11          through at least delivery year 2030 shall be  
12          considered new, however no renewable energy credits  
13          from contracts entered into before June 1, 2021 shall  
14          be used to calculate whether the Agency has procured  
15          the correct proportion of new wind and new solar  
16          contracts described in this subparagraph (C) for  
17          delivery year 2021 and thereafter.

18          (D) Renewable energy credits shall be cost effective.  
19          For purposes of this subsection (c), "cost effective"  
20          means that the costs of procuring renewable energy  
21          resources do not cause the limit stated in subparagraph  
22          (E) of this paragraph (1) to be exceeded and, for  
23          renewable energy credits procured through a competitive  
24          procurement event, do not exceed benchmarks based on  
25          market prices for like products in the region. For  
26          purposes of this subsection (c), "like products" means

1 contracts for renewable energy credits from the same or  
2 substantially similar technology, same or substantially  
3 similar vintage (new or existing), the same or  
4 substantially similar quantity, and the same or  
5 substantially similar contract length and structure.  
6 Benchmarks shall reflect development, financing, or  
7 related costs resulting from requirements imposed through  
8 other provisions of State law, including, but not limited  
9 to, requirements in subparagraphs (P) and (Q) of this  
10 paragraph (1) and the Renewable Energy Facilities  
11 Agricultural Impact Mitigation Act. Confidential  
12 benchmarks shall be developed by the procurement  
13 administrator, in consultation with the Commission staff,  
14 Agency staff, and the procurement monitor and shall be  
15 subject to Commission review and approval. If price  
16 benchmarks for like products in the region are not  
17 available, the procurement administrator shall establish  
18 price benchmarks based on publicly available data on  
19 regional technology costs and expected current and future  
20 regional energy prices. The benchmarks in this Section  
21 shall not be used to curtail or otherwise reduce  
22 contractual obligations entered into by or through the  
23 Agency prior to June 1, 2017 (the effective date of Public  
24 Act 99-906).

25 (E) For purposes of this subsection (c), the required  
26 procurement of cost-effective renewable energy resources

1 for a particular year commencing prior to June 1, 2017  
2 shall be measured as a percentage of the actual amount of  
3 electricity (megawatt-hours) supplied by the electric  
4 utility to eligible retail customers in the delivery year  
5 ending immediately prior to the procurement, and, for  
6 delivery years commencing on and after June 1, 2017, the  
7 required procurement of cost-effective renewable energy  
8 resources for a particular year shall be measured as a  
9 percentage of the actual amount of electricity  
10 (megawatt-hours) delivered by the electric utility in the  
11 delivery year ending immediately prior to the procurement,  
12 to all retail customers in its service territory. For  
13 purposes of this subsection (c), the amount paid per  
14 kilowatthour means the total amount paid for electric  
15 service expressed on a per kilowatthour basis. For  
16 purposes of this subsection (c), the total amount paid for  
17 electric service includes without limitation amounts paid  
18 for supply, transmission, capacity, distribution,  
19 surcharges, and add-on taxes.

20 Notwithstanding the requirements of this subsection  
21 (c), and except as provided in subparagraph (E-5) of  
22 paragraph (1) of this subsection (c), the total of  
23 renewable energy resources procured under the procurement  
24 plan for any single year shall be subject to the  
25 limitations of this subparagraph (E). Such procurement  
26 shall be reduced for all retail customers based on the

1 amount necessary to limit the annual estimated average net  
2 increase due to the costs of these resources included in  
3 the amounts paid by eligible retail customers in  
4 connection with electric service to no more than 4.25% of  
5 the amount paid per kilowatthour by those customers during  
6 the year ending May 31, 2009. To arrive at a maximum dollar  
7 amount of renewable energy resources to be procured for  
8 the particular delivery year, the resulting per  
9 kilowatthour amount shall be applied to the actual amount  
10 of kilowatthours of electricity delivered, or applicable  
11 portion of such amount as specified in paragraph (1) of  
12 this subsection (c), as applicable, by the electric  
13 utility in the delivery year immediately prior to the  
14 procurement to all retail customers in its service  
15 territory. The calculations required by this subparagraph  
16 (E) shall be made only once for each delivery year at the  
17 time that the renewable energy resources are procured.  
18 Once the determination as to the amount of renewable  
19 energy resources to procure is made based on the  
20 calculations set forth in this subparagraph (E) and the  
21 contracts procuring those amounts are executed between the  
22 seller and applicable electric utility, no subsequent rate  
23 impact determinations shall be made and no adjustments to  
24 those contract amounts shall be allowed. As provided in  
25 subparagraph (E-5) of paragraph (1) of this subsection  
26 (c), the seller shall be entitled to full, prompt, and

1 uninterrupted payment under the applicable contract  
2 notwithstanding the application of this subparagraph (E),  
3 and all ~~All~~ costs incurred under such contracts shall be  
4 fully recoverable by the electric utility as provided in  
5 this Section.

6 (E-5) If, for a particular delivery year, the  
7 limitation on the amount of renewable energy resources to  
8 be procured, as calculated pursuant to subparagraph (E) of  
9 paragraph (1) of this subsection (c), would result in an  
10 insufficient collection of funds to fully pay amounts due  
11 to a seller under existing contracts executed under this  
12 Section or executed under Section 1-56 of this Act, then  
13 the following provisions shall apply to ensure full and  
14 uninterrupted payment is made to such seller or sellers:

15 (i) If the electric utility has retained unspent  
16 funds in an interest-bearing account as prescribed in  
17 subsection (k) of Section 16-108 of the Public  
18 Utilities Act, then the utility shall use those funds  
19 to remit full payment to the sellers to ensure prompt  
20 and uninterrupted payment of existing contractual  
21 obligation.

22 (ii) If the funds described in item (i) of this  
23 subparagraph (E-5) are insufficient to satisfy all  
24 existing contractual obligations, then the electric  
25 utility shall, nonetheless, remit full payment to the  
26 sellers to ensure prompt and uninterrupted payment of

1 existing contractual obligations, provided that the  
2 full costs shall be recoverable by the utility in  
3 accordance with part (ee) of item (iv) of this  
4 subsection (E-5).

5 (iii) The Agency shall promptly notify the  
6 Commission that existing contractual obligations are  
7 reasonably expected to exceed the maximum collection  
8 authorized under subparagraph (E) of paragraph (1) of  
9 this subsection (c) for the applicable delivery year.  
10 The Agency shall also explain and confirm how the  
11 operation of items (i) and (ii) of this subparagraph  
12 (E-5) ensures that the electric utility will continue  
13 to make prompt and uninterrupted payment under  
14 existing contractual obligations. The Agency shall  
15 provide this information to the Commission through a  
16 notice filed in the Commission docket approving the  
17 Agency's operative Long-Term Renewable Resources  
18 Procurement Plan that includes the applicable delivery  
19 year.

20 (iv) The Agency shall suspend or reduce new  
21 contract awards for the procurement of renewable  
22 energy credits until an Agency determination is made  
23 under subparagraph (E) that additional procurements  
24 would not cause the rate impact limitation of  
25 subparagraph (E) to be exceeded. At least once  
26 annually after the notice provided for in item (iii)

1           of this subparagraph (E-5) is made, the Agency shall  
2           analyze existing contract obligations, projected  
3           prices for indexed renewable energy credit contracts  
4           executed under item (v) of subparagraph (G) of  
5           paragraph (1) of subsection (c) of Section 1-75 of  
6           this Act, and expected collections authorized under  
7           subparagraph (E) to determine whether and to what  
8           extent the limitations of subparagraph (E) would be  
9           exceeded by additional renewable energy credit  
10           procurement contract awards.

11                   (aa) If the Agency determines that additional  
12                   renewable energy credit procurement contract  
13                   awards could be made without exceeding the  
14                   limitations of subparagraph (E), then the  
15                   procurements shall be authorized at a scale  
16                   determined not to exceed the limitations of  
17                   subparagraph (E) in a manner consistent with the  
18                   priorities of this Section.

19                   (bb) If the Agency determines that additional  
20                   renewable energy credit procurement contract  
21                   awards cannot be made without exceeding the  
22                   limitations of subparagraph (E), then the Agency  
23                   shall suspend any new contract awards for the  
24                   procurement of renewable energy credits until a  
25                   new rate impact determination is made under  
26                   subparagraph (E).

1           (cc) Agency determinations made under this  
2           item (iv) shall be detailed and comprehensive and,  
3           if not made through the Agency's Long-Term  
4           Renewable Resources Procurement Plan, shall be  
5           filed as a compliance filing in the most recent  
6           docketed proceeding approving the Agency's  
7           Long-Term Renewable Resources Procurement Plan.

8           (dd) With respect to the procurement of  
9           renewable energy credits authorized through  
10           programs administered under subsection (b) of  
11           Section 1-56 and subparagraphs (K) through (M) of  
12           paragraph (1) of subsection (k) of Section 1-75 of  
13           this Act, the award of contracts for the  
14           procurement of renewable energy credits shall be  
15           suspended or reduced only at the conclusion of the  
16           program year in which the notice provided for  
17           under item (iii) of this subparagraph (E-5) is  
18           made.

19           (ee) The contract shall provide that, so long  
20           as at least one of: (i) the cost recovery  
21           mechanisms referenced in subsection (k) of Section  
22           16-108 and subsection (l) of Section 16-111.5 of  
23           the Public Utilities Act remains in full force  
24           without limitation or (ii) the utility is  
25           otherwise authorized and or entitled to full,  
26           prompt, and uninterrupted recovery of its costs

1           through any other mechanism, then such seller  
2           shall be entitled to full, prompt, and  
3           uninterrupted payment under the applicable  
4           contract notwithstanding the application of this  
5           subparagraph (E).

6           (F) If the limitation on the amount of renewable  
7           energy resources procured in subparagraph (E) of this  
8           paragraph (1) prevents the Agency from meeting all of the  
9           goals in this subsection (c), the Agency's long-term plan  
10          shall prioritize compliance with the requirements of this  
11          subsection (c) regarding renewable energy credits in the  
12          following order:

13               (i) renewable energy credits under existing  
14               contractual obligations as of June 1, 2021;

15               (i-5) funding for the Illinois Solar for All  
16               Program, as described in subparagraph (O) of this  
17               paragraph (1);

18               (ii) renewable energy credits necessary to comply  
19               with the new wind and new photovoltaic procurement  
20               requirements described in items (i) through (iii) of  
21               subparagraph (C) of this paragraph (1); and

22               (iii) renewable energy credits necessary to meet  
23               the remaining requirements of this subsection (c).

24          (G) The following provisions shall apply to the  
25          Agency's procurement of renewable energy credits under  
26          this subsection (c):

1 (i) Notwithstanding whether a long-term renewable  
2 resources procurement plan has been approved, the  
3 Agency shall conduct an initial forward procurement  
4 for renewable energy credits from new utility-scale  
5 wind projects within 160 days after June 1, 2017 (the  
6 effective date of Public Act 99-906). For the purposes  
7 of this initial forward procurement, the Agency shall  
8 solicit 15-year contracts for delivery of 1,000,000  
9 renewable energy credits delivered annually from new  
10 utility-scale wind projects to begin delivery on June  
11 1, 2019, if available, but not later than June 1, 2021,  
12 unless the project has delays in the establishment of  
13 an operating interconnection with the applicable  
14 transmission or distribution system as a result of the  
15 actions or inactions of the transmission or  
16 distribution provider, or other causes for force  
17 majeure as outlined in the procurement contract, in  
18 which case, not later than June 1, 2022. Payments to  
19 suppliers of renewable energy credits shall commence  
20 upon delivery. Renewable energy credits procured under  
21 this initial procurement shall be included in the  
22 Agency's long-term plan and shall apply to all  
23 renewable energy goals in this subsection (c).

24 (ii) Notwithstanding whether a long-term renewable  
25 resources procurement plan has been approved, the  
26 Agency shall conduct an initial forward procurement

1 for renewable energy credits from new utility-scale  
2 solar projects and brownfield site photovoltaic  
3 projects within one year after June 1, 2017 (the  
4 effective date of Public Act 99-906). For the purposes  
5 of this initial forward procurement, the Agency shall  
6 solicit 15-year contracts for delivery of 1,000,000  
7 renewable energy credits delivered annually from new  
8 utility-scale solar projects and brownfield site  
9 photovoltaic projects to begin delivery on June 1,  
10 2019, if available, but not later than June 1, 2021,  
11 unless the project has delays in the establishment of  
12 an operating interconnection with the applicable  
13 transmission or distribution system as a result of the  
14 actions or inactions of the transmission or  
15 distribution provider, or other causes for force  
16 majeure as outlined in the procurement contract, in  
17 which case, not later than June 1, 2022. The Agency may  
18 structure this initial procurement in one or more  
19 discrete procurement events. Payments to suppliers of  
20 renewable energy credits shall commence upon delivery.  
21 Renewable energy credits procured under this initial  
22 procurement shall be included in the Agency's  
23 long-term plan and shall apply to all renewable energy  
24 goals in this subsection (c).

25 (iii) Notwithstanding whether the Commission has  
26 approved the periodic long-term renewable resources

1 procurement plan revision described in Section  
2 16-111.5 of the Public Utilities Act, the Agency shall  
3 conduct at least one subsequent forward procurement  
4 for renewable energy credits from new utility-scale  
5 wind projects, new utility-scale solar projects, and  
6 new brownfield site photovoltaic projects within 240  
7 days after the effective date of this amendatory Act  
8 of the 102nd General Assembly in quantities necessary  
9 to meet the requirements of subparagraph (C) of this  
10 paragraph (1) through the delivery year beginning June  
11 1, 2021.

12 (iv) Notwithstanding whether the Commission has  
13 approved the periodic long-term renewable resources  
14 procurement plan revision described in Section  
15 16-111.5 of the Public Utilities Act, the Agency shall  
16 open capacity for each category in the Adjustable  
17 Block program within 90 days after the effective date  
18 of this amendatory Act of the 102nd General Assembly  
19 manner:

20 (1) The Agency shall open the first block of  
21 annual capacity for the category described in item  
22 (i) of subparagraph (K) of this paragraph (1). The  
23 first block of annual capacity for item (i) shall  
24 be for at least 75 megawatts of total nameplate  
25 capacity. The price of the renewable energy credit  
26 for this block of capacity shall be 4% less than

1           the price of the last open block in this category.  
2           Projects on a waitlist shall be awarded contracts  
3           first in the order in which they appear on the  
4           waitlist. Notwithstanding anything to the  
5           contrary, for those renewable energy credits that  
6           qualify and are procured under this subitem (1) of  
7           this item (iv), the renewable energy credit  
8           delivery contract value shall be paid in full,  
9           based on the estimated generation during the first  
10          15 years of operation, by the contracting  
11          utilities at the time that the facility producing  
12          the renewable energy credits is interconnected at  
13          the distribution system level of the utility and  
14          verified as energized and in compliance by the  
15          Program Administrator. The electric utility shall  
16          receive and retire all renewable energy credits  
17          generated by the project for the first 15 years of  
18          operation. Renewable energy credits generated by  
19          the project thereafter shall not be transferred  
20          under the renewable energy credit delivery  
21          contract with the counterparty electric utility.

22                 (2) The Agency shall open the first block of  
23          annual capacity for the category described in item  
24          (ii) of subparagraph (K) of this paragraph (1).  
25          The first block of annual capacity for item (ii)  
26          shall be for at least 75 megawatts of total

1 nameplate capacity.

2 (A) The price of the renewable energy  
3 credit for any project on a waitlist for this  
4 category before the opening of this block  
5 shall be 4% less than the price of the last  
6 open block in this category. Projects on the  
7 waitlist shall be awarded contracts first in  
8 the order in which they appear on the  
9 waitlist. Any projects that are less than or  
10 equal to 25 kilowatts in size on the waitlist  
11 for this capacity shall be moved to the  
12 waitlist for paragraph (1) of this item (iv).  
13 Notwithstanding anything to the contrary,  
14 projects that were on the waitlist prior to  
15 opening of this block shall not be required to  
16 be in compliance with the requirements of  
17 subparagraph (Q) of this paragraph (1) of this  
18 subsection (c). Notwithstanding anything to  
19 the contrary, for those renewable energy  
20 credits procured from projects that were on  
21 the waitlist for this category before the  
22 opening of this block 20% of the renewable  
23 energy credit delivery contract value, based  
24 on the estimated generation during the first  
25 15 years of operation, shall be paid by the  
26 contracting utilities at the time that the

1 facility producing the renewable energy  
2 credits is interconnected at the distribution  
3 system level of the utility and verified as  
4 energized by the Program Administrator. The  
5 remaining portion shall be paid ratably over  
6 the subsequent 4-year period. The electric  
7 utility shall receive and retire all renewable  
8 energy credits generated by the project during  
9 the first 15 years of operation. Renewable  
10 energy credits generated by the project  
11 thereafter shall not be transferred under the  
12 renewable energy credit delivery contract with  
13 the counterparty electric utility.

14 (B) The price of renewable energy credits  
15 for any project not on the waitlist for this  
16 category before the opening of the block shall  
17 be determined and published by the Agency.  
18 Projects not on a waitlist as of the opening  
19 of this block shall be subject to the  
20 requirements of subparagraph (Q) of this  
21 paragraph (1), as applicable. Projects not on  
22 a waitlist as of the opening of this block  
23 shall be subject to the contract provisions  
24 outlined in item (iii) of subparagraph (L) of  
25 this paragraph (1). The Agency shall strive to  
26 publish updated prices and an updated

1 renewable energy credit delivery contract as  
2 quickly as possible.

3 (3) For opening the first 2 blocks of annual  
4 capacity for projects participating in item (iii)  
5 of subparagraph (K) of paragraph (1) of subsection  
6 (c), projects shall be selected exclusively from  
7 those projects on the ordinal waitlists of  
8 community renewable generation projects  
9 established by the Agency based on the status of  
10 those ordinal waitlists as of December 31, 2020,  
11 and only those projects previously determined to  
12 be eligible for the Agency's April 2019 community  
13 solar project selection process.

14 The first 2 blocks of annual capacity for item  
15 (iii) shall be for 250 megawatts of total  
16 nameplate capacity, with both blocks opening  
17 simultaneously under the schedule outlined in the  
18 paragraphs below. Projects shall be selected as  
19 follows:

20 (A) The geographic balance of selected  
21 projects shall follow the Group classification  
22 found in the Agency's Revised Long-Term  
23 Renewable Resources Procurement Plan, with 70%  
24 of capacity allocated to projects on the Group  
25 B waitlist and 30% of capacity allocated to  
26 projects on the Group A waitlist.

1           (B) Contract awards for waitlisted  
2 projects shall be allocated proportionate to  
3 the total nameplate capacity amount across  
4 both ordinal waitlists associated with that  
5 applicant firm or its affiliates, subject to  
6 the following conditions.

7           (i) Each applicant firm having a  
8 waitlisted project eligible for selection  
9 shall receive no less than 500 kilowatts  
10 in awarded capacity across all groups, and  
11 no approved vendor may receive more than  
12 20% of each Group's waitlist allocation.

13           (ii) Each applicant firm, upon  
14 receiving an award of program capacity  
15 proportionate to its waitlisted capacity,  
16 may then determine which waitlisted  
17 projects it chooses to be selected for a  
18 contract award up to that capacity amount.

19           (iii) Assuming all other program  
20 requirements are met, applicant firms may  
21 adjust the nameplate capacity of applicant  
22 projects without losing waitlist  
23 eligibility, so long as no project is  
24 greater than 2,000 kilowatts in size.

25           (iv) Assuming all other program  
26 requirements are met, applicant firms may

1           adjust the expected production associated  
2           with applicant projects, subject to  
3           verification by the Program Administrator.

4           (C) After a review of affiliate  
5           information and the current ordinal waitlists,  
6           the Agency shall announce the nameplate  
7           capacity award amounts associated with  
8           applicant firms no later than 90 days after  
9           the effective date of this amendatory Act of  
10          the 102nd General Assembly.

11          (D) Applicant firms shall submit their  
12          portfolio of projects used to satisfy those  
13          contract awards no less than 90 days after the  
14          Agency's announcement. The total nameplate  
15          capacity of all projects used to satisfy that  
16          portfolio shall be no greater than the  
17          Agency's nameplate capacity award amount  
18          associated with that applicant firm. An  
19          applicant firm may decline, in whole or in  
20          part, its nameplate capacity award without  
21          penalty, with such unmet capacity rolled over  
22          to the next block opening for project  
23          selection under item (iii) of subparagraph (K)  
24          of this subsection (c). Any projects not  
25          included in an applicant firm's portfolio may  
26          reapply without prejudice upon the next block

1 reopening for project selection under item  
2 (iii) of subparagraph (K) of this subsection  
3 (c).

4 (E) The renewable energy credit delivery  
5 contract shall be subject to the contract and  
6 payment terms outlined in item (iv) of  
7 subparagraph (L) of this subsection (c).  
8 Contract instruments used for this  
9 subparagraph shall contain the following  
10 terms:

11 (i) Renewable energy credit prices  
12 shall be fixed, without further adjustment  
13 under any other provision of this Act or  
14 for any other reason, at 10% lower than  
15 prices applicable to the last open block  
16 for this category, inclusive of any adders  
17 available for achieving a minimum of 50%  
18 of subscribers to the project's nameplate  
19 capacity being residential or small  
20 commercial customers with subscriptions of  
21 below 25 kilowatts in size;

22 (ii) A requirement that a minimum of  
23 50% of subscribers to the project's  
24 nameplate capacity be residential or small  
25 commercial customers with subscriptions of  
26 below 25 kilowatts in size;

1 (iii) Permission for the ability of a  
2 contract holder to substitute projects  
3 with other waitlisted projects without  
4 penalty should a project receive a  
5 non-binding estimate of costs to construct  
6 the interconnection facilities and any  
7 required distribution upgrades associated  
8 with that project of greater than 30 cents  
9 per watt AC of that project's nameplate  
10 capacity. In developing the applicable  
11 contract instrument, the Agency may  
12 consider whether other circumstances  
13 outside of the control of the applicant  
14 firm should also warrant project  
15 substitution rights.

16 The Agency shall publish a finalized  
17 updated renewable energy credit delivery  
18 contract developed consistent with these terms  
19 and conditions no less than 30 days before  
20 applicant firms must submit their portfolio of  
21 projects pursuant to item (D).

22 (F) To be eligible for an award, the  
23 applicant firm shall certify that not less  
24 than prevailing wage, as determined pursuant  
25 to the Illinois Prevailing Wage Act, was or  
26 will be paid to employees who are engaged in

1 construction activities associated with a  
2 selected project.

3 (4) The Agency shall open the first block of  
4 annual capacity for the category described in item  
5 (iv) of subparagraph (K) of this paragraph (1).  
6 The first block of annual capacity for item (iv)  
7 shall be for at least 50 megawatts of total  
8 nameplate capacity. Renewable energy credit prices  
9 shall be fixed, without further adjustment under  
10 any other provision of this Act or for any other  
11 reason, at the price in the last open block in the  
12 category described in item (ii) of subparagraph  
13 (K) of this paragraph (1). Pricing for future  
14 blocks of annual capacity for this category may be  
15 adjusted in the Agency's second revision to its  
16 Long-Term Renewable Resources Procurement Plan.  
17 Projects in this category shall be subject to the  
18 contract terms outlined in item (iv) of  
19 subparagraph (L) of this paragraph (1).

20 (5) The Agency shall open the equivalent of 2  
21 years of annual capacity for the category  
22 described in item (v) of subparagraph (K) of this  
23 paragraph (1). The first block of annual capacity  
24 for item (v) shall be for at least 10 megawatts of  
25 total nameplate capacity. Notwithstanding the  
26 provisions of item (v) of subparagraph (K) of this

1 paragraph (1), for the purpose of this initial  
2 block, the agency shall accept new project  
3 applications intended to increase the diversity of  
4 areas hosting community solar projects, the  
5 business models of projects, and the size of  
6 projects, as described by the Agency in its  
7 long-term renewable resources procurement plan  
8 that is approved as of the effective date of this  
9 amendatory Act of the 102nd General Assembly.  
10 Projects in this category shall be subject to the  
11 contract terms outlined in item (iii) of  
12 subsection (L) of this paragraph (1).

13 (6) The Agency shall open the first blocks of  
14 annual capacity for the category described in item  
15 (vi) of subparagraph (K) of this paragraph (1),  
16 with allocations of capacity within the block  
17 generally matching the historical share of block  
18 capacity allocated between the category described  
19 in items (i) and (ii) of subparagraph (K) of this  
20 paragraph (1). The first two blocks of annual  
21 capacity for item (vi) shall be for at least 75  
22 megawatts of total nameplate capacity. The price  
23 of renewable energy credits for the blocks of  
24 capacity shall be 4% less than the price of the  
25 last open blocks in the categories described in  
26 items (i) and (ii) of subparagraph (K) of this

1 paragraph (1). Pricing for future blocks of annual  
2 capacity for this category may be adjusted in the  
3 Agency's second revision to its Long-Term  
4 Renewable Resources Procurement Plan. Projects in  
5 this category shall be subject to the applicable  
6 contract terms outlined in items (ii) and (iii) of  
7 subparagraph (L) of this paragraph (1).

8 (v) Upon the effective date of this amendatory Act  
9 of the 102nd General Assembly, for all competitive  
10 procurements and any procurements of renewable energy  
11 credit from new utility-scale wind and new  
12 utility-scale photovoltaic projects, the Agency shall  
13 procure indexed renewable energy credits and direct  
14 respondents to offer a strike price.

15 (1) The purchase price of the indexed  
16 renewable energy credit payment shall be  
17 calculated for each settlement period. That  
18 payment, for any settlement period, shall be equal  
19 to the difference resulting from subtracting the  
20 strike price from the index price for that  
21 settlement period. If this difference results in a  
22 negative number, the indexed REC counterparty  
23 shall owe the seller the absolute value multiplied  
24 by the quantity of energy produced in the relevant  
25 settlement period. If this difference results in a  
26 positive number, the seller shall owe the indexed

1           REC counterparty this amount multiplied by the  
2           quantity of energy produced in the relevant  
3           settlement period.

4           (2) Parties shall cash settle every month,  
5           summing up all settlements (both positive and  
6           negative, if applicable) for the prior month.

7           (3) To ensure funding in the annual budget  
8           established under subparagraph (E) for indexed  
9           renewable energy credit procurements for each year  
10          of the term of such contracts, which must have a  
11          minimum tenure of 20 calendar years, the  
12          procurement administrator, Agency, Commission  
13          staff, and procurement monitor shall quantify the  
14          annual cost of the contract by utilizing an  
15          industry-standard, third-party forward price curve  
16          for energy at the appropriate hub or load zone,  
17          including the estimated magnitude and timing of  
18          the price effects related to federal carbon  
19          controls. Each forward price curve shall contain a  
20          specific value of the forecasted market price of  
21          electricity for each annual delivery year of the  
22          contract. For procurement planning purposes, the  
23          impact on the annual budget for the cost of  
24          indexed renewable energy credits for each delivery  
25          year shall be determined as the expected annual  
26          contract expenditure for that year, equaling the

1 difference between (i) the sum across all relevant  
2 contracts of the applicable strike price  
3 multiplied by contract quantity and (ii) the sum  
4 across all relevant contracts of the forward price  
5 curve for the applicable load zone for that year  
6 multiplied by contract quantity. The contracting  
7 utility shall not assume an obligation in excess  
8 of the estimated annual cost of the contracts for  
9 indexed renewable energy credits. Forward curves  
10 shall be revised on an annual basis as updated  
11 forward price curves are released and filed with  
12 the Commission in the proceeding approving the  
13 Agency's most recent long-term renewable resources  
14 procurement plan. If the expected contract spend  
15 is higher or lower than the total quantity of  
16 contracts multiplied by the forward price curve  
17 value for that year, the forward price curve shall  
18 be updated by the procurement administrator, in  
19 consultation with the Agency, Commission staff,  
20 and procurement monitors, using then-currently  
21 available price forecast data and additional  
22 budget dollars shall be obligated or reobligated  
23 as appropriate.

24 (4) To ensure that indexed renewable energy  
25 credit prices remain predictable and affordable,  
26 the Agency may consider the institution of a price

1 collar on REC prices paid under indexed renewable  
2 energy credit procurements establishing floor and  
3 ceiling REC prices applicable to indexed REC  
4 contract prices. Any price collars applicable to  
5 indexed REC procurements shall be proposed by the  
6 Agency through its long-term renewable resources  
7 procurement plan.

8 (vi) All procurements under this subparagraph (G),  
9 including the procurement of renewable energy credits  
10 from hydropower facilities, shall comply with the  
11 geographic requirements in subparagraph (I) of this  
12 paragraph (1) and shall follow the procurement  
13 processes and procedures described in this Section and  
14 Section 16-111.5 of the Public Utilities Act to the  
15 extent practicable, and these processes and procedures  
16 may be expedited to accommodate the schedule  
17 established by this subparagraph (G).

18 (vii) On and after the effective date of this  
19 amendatory Act of the 103rd General Assembly, for all  
20 procurements of renewable energy credits from  
21 hydropower facilities, the Agency shall establish  
22 contract terms designed to optimize existing  
23 hydropower facilities through modernization or  
24 retooling and establish new hydropower facilities at  
25 existing dams. Procurements made under this item (vii)  
26 shall prioritize projects located in designated

1 environmental justice communities, as defined in  
2 subsection (b) of Section 1-56 of this Act, or in  
3 projects located in units of local government with  
4 median incomes that do not exceed 82% of the median  
5 income of the State.

6 (H) The procurement of renewable energy resources for  
7 a given delivery year shall be reduced as described in  
8 this subparagraph (H) if an alternative retail electric  
9 supplier meets the requirements described in this  
10 subparagraph (H).

11 (i) Within 45 days after June 1, 2017 (the  
12 effective date of Public Act 99-906), an alternative  
13 retail electric supplier or its successor shall submit  
14 an informational filing to the Illinois Commerce  
15 Commission certifying that, as of December 31, 2015,  
16 the alternative retail electric supplier owned one or  
17 more electric generating facilities that generates  
18 renewable energy resources as defined in Section 1-10  
19 of this Act, provided that such facilities are not  
20 powered by wind or photovoltaics, and the facilities  
21 generate one renewable energy credit for each  
22 megawatthour of energy produced from the facility.

23 The informational filing shall identify each  
24 facility that was eligible to satisfy the alternative  
25 retail electric supplier's obligations under Section  
26 16-115D of the Public Utilities Act as described in

1           this item (i).

2           (ii) For a given delivery year, the alternative  
3           retail electric supplier may elect to supply its  
4           retail customers with renewable energy credits from  
5           the facility or facilities described in item (i) of  
6           this subparagraph (H) that continue to be owned by the  
7           alternative retail electric supplier.

8           (iii) The alternative retail electric supplier  
9           shall notify the Agency and the applicable utility, no  
10          later than February 28 of the year preceding the  
11          applicable delivery year or 15 days after June 1, 2017  
12          (the effective date of Public Act 99-906), whichever  
13          is later, of its election under item (ii) of this  
14          subparagraph (H) to supply renewable energy credits to  
15          retail customers of the utility. Such election shall  
16          identify the amount of renewable energy credits to be  
17          supplied by the alternative retail electric supplier  
18          to the utility's retail customers and the source of  
19          the renewable energy credits identified in the  
20          informational filing as described in item (i) of this  
21          subparagraph (H), subject to the following  
22          limitations:

23                       For the delivery year beginning June 1, 2018,  
24                       the maximum amount of renewable energy credits to  
25                       be supplied by an alternative retail electric  
26                       supplier under this subparagraph (H) shall be 68%

1 multiplied by 25% multiplied by 14.5% multiplied  
2 by the amount of metered electricity  
3 (megawatt-hours) delivered by the alternative  
4 retail electric supplier to Illinois retail  
5 customers during the delivery year ending May 31,  
6 2016.

7 For delivery years beginning June 1, 2019 and  
8 each year thereafter, the maximum amount of  
9 renewable energy credits to be supplied by an  
10 alternative retail electric supplier under this  
11 subparagraph (H) shall be 68% multiplied by 50%  
12 multiplied by 16% multiplied by the amount of  
13 metered electricity (megawatt-hours) delivered by  
14 the alternative retail electric supplier to  
15 Illinois retail customers during the delivery year  
16 ending May 31, 2016, provided that the 16% value  
17 shall increase by 1.5% each delivery year  
18 thereafter to 25% by the delivery year beginning  
19 June 1, 2025, and thereafter the 25% value shall  
20 apply to each delivery year.

21 For each delivery year, the total amount of  
22 renewable energy credits supplied by all alternative  
23 retail electric suppliers under this subparagraph (H)  
24 shall not exceed 9% of the Illinois target renewable  
25 energy credit quantity. The Illinois target renewable  
26 energy credit quantity for the delivery year beginning

1           June 1, 2018 is 14.5% multiplied by the total amount of  
2           metered electricity (megawatt-hours) delivered in the  
3           delivery year immediately preceding that delivery  
4           year, provided that the 14.5% shall increase by 1.5%  
5           each delivery year thereafter to 25% by the delivery  
6           year beginning June 1, 2025, and thereafter the 25%  
7           value shall apply to each delivery year.

8           If the requirements set forth in items (i) through  
9           (iii) of this subparagraph (H) are met, the charges  
10          that would otherwise be applicable to the retail  
11          customers of the alternative retail electric supplier  
12          under paragraph (6) of this subsection (c) for the  
13          applicable delivery year shall be reduced by the ratio  
14          of the quantity of renewable energy credits supplied  
15          by the alternative retail electric supplier compared  
16          to that supplier's target renewable energy credit  
17          quantity. The supplier's target renewable energy  
18          credit quantity for the delivery year beginning June  
19          1, 2018 is 14.5% multiplied by the total amount of  
20          metered electricity (megawatt-hours) delivered by the  
21          alternative retail supplier in that delivery year,  
22          provided that the 14.5% shall increase by 1.5% each  
23          delivery year thereafter to 25% by the delivery year  
24          beginning June 1, 2025, and thereafter the 25% value  
25          shall apply to each delivery year.

26          On or before April 1 of each year, the Agency shall

1           annually publish a report on its website that  
2           identifies the aggregate amount of renewable energy  
3           credits supplied by alternative retail electric  
4           suppliers under this subparagraph (H).

5           (I) The Agency shall design its long-term renewable  
6           energy procurement plan to maximize the State's interest  
7           in the health, safety, and welfare of its residents,  
8           including but not limited to minimizing sulfur dioxide,  
9           nitrogen oxide, particulate matter and other pollution  
10          that adversely affects public health in this State,  
11          increasing fuel and resource diversity in this State,  
12          enhancing the reliability and resiliency of the  
13          electricity distribution system in this State, meeting  
14          goals to limit carbon dioxide emissions under federal or  
15          State law, and contributing to a cleaner and healthier  
16          environment for the citizens of this State. In order to  
17          further these legislative purposes, renewable energy  
18          credits shall be eligible to be counted toward the  
19          renewable energy requirements of this subsection (c) if  
20          they are generated from facilities located in this State.  
21          The Agency may qualify renewable energy credits from  
22          facilities located in states adjacent to Illinois or  
23          renewable energy credits associated with the electricity  
24          generated by a utility-scale wind energy facility or  
25          utility-scale photovoltaic facility and transmitted by a  
26          qualifying direct current project described in subsection

1 (b-5) of Section 8-406 of the Public Utilities Act to a  
2 delivery point on the electric transmission grid located  
3 in this State or a state adjacent to Illinois, if the  
4 generator demonstrates and the Agency determines that the  
5 operation of such facility or facilities will help promote  
6 the State's interest in the health, safety, and welfare of  
7 its residents based on the public interest criteria  
8 described above. For the purposes of this Section,  
9 renewable resources that are delivered via a high voltage  
10 direct current converter station located in Illinois shall  
11 be deemed generated in Illinois at the time and location  
12 the energy is converted to alternating current by the high  
13 voltage direct current converter station if the high  
14 voltage direct current transmission line: (i) after the  
15 effective date of this amendatory Act of the 102nd General  
16 Assembly, was constructed with a project labor agreement;  
17 (ii) is capable of transmitting electricity at 525kv;  
18 (iii) has an Illinois converter station located and  
19 interconnected in the region of the PJM Interconnection,  
20 LLC; (iv) does not operate as a public utility; and (v) if  
21 the high voltage direct current transmission line was  
22 energized after June 1, 2023. To ensure that the public  
23 interest criteria are applied to the procurement and given  
24 full effect, the Agency's long-term procurement plan shall  
25 describe in detail how each public interest factor shall  
26 be considered and weighted for facilities located in

1 states adjacent to Illinois.

2 (J) In order to promote the competitive development of  
3 renewable energy resources in furtherance of the State's  
4 interest in the health, safety, and welfare of its  
5 residents, renewable energy credits shall not be eligible  
6 to be counted toward the renewable energy requirements of  
7 this subsection (c) if they are sourced from a generating  
8 unit whose costs were being recovered through rates  
9 regulated by this State or any other state or states on or  
10 after January 1, 2017. Each contract executed to purchase  
11 renewable energy credits under this subsection (c) shall  
12 provide for the contract's termination if the costs of the  
13 generating unit supplying the renewable energy credits  
14 subsequently begin to be recovered through rates regulated  
15 by this State or any other state or states; and each  
16 contract shall further provide that, in that event, the  
17 supplier of the credits must return 110% of all payments  
18 received under the contract. Amounts returned under the  
19 requirements of this subparagraph (J) shall be retained by  
20 the utility and all of these amounts shall be used for the  
21 procurement of additional renewable energy credits from  
22 new wind or new photovoltaic resources as defined in this  
23 subsection (c). The long-term plan shall provide that  
24 these renewable energy credits shall be procured in the  
25 next procurement event.

26 Notwithstanding the limitations of this subparagraph

1 (J), renewable energy credits sourced from generating  
2 units that are constructed, purchased, owned, or leased by  
3 an electric utility as part of an approved project,  
4 program, or pilot under Section 1-56 of this Act shall be  
5 eligible to be counted toward the renewable energy  
6 requirements of this subsection (c), regardless of how the  
7 costs of these units are recovered. As long as a  
8 generating unit or an identifiable portion of a generating  
9 unit has not had and does not have its costs recovered  
10 through rates regulated by this State or any other state,  
11 HVDC renewable energy credits associated with that  
12 generating unit or identifiable portion thereof shall be  
13 eligible to be counted toward the renewable energy  
14 requirements of this subsection (c).

15 (K) The long-term renewable resources procurement plan  
16 developed by the Agency in accordance with subparagraph  
17 (A) of this paragraph (1) shall include an Adjustable  
18 Block program for the procurement of renewable energy  
19 credits from new photovoltaic projects that are  
20 distributed renewable energy generation devices or new  
21 photovoltaic community renewable generation projects. The  
22 Adjustable Block program shall be generally designed to  
23 provide for the steady, predictable, and sustainable  
24 growth of new solar photovoltaic development in Illinois.  
25 To this end, the Adjustable Block program shall provide a  
26 transparent annual schedule of prices and quantities to

1 enable the photovoltaic market to scale up and for  
2 renewable energy credit prices to adjust at a predictable  
3 rate over time. The prices set by the Adjustable Block  
4 program can be reflected as a set value or as the product  
5 of a formula.

6 The Adjustable Block program shall include for each  
7 category of eligible projects for each delivery year: a  
8 single block of nameplate capacity, a price for renewable  
9 energy credits within that block, and the terms and  
10 conditions for securing a spot on a waitlist once the  
11 block is fully committed or reserved. Except as outlined  
12 below, the waitlist of projects in a given year will carry  
13 over to apply to the subsequent year when another block is  
14 opened. Only projects energized on or after June 1, 2017  
15 shall be eligible for the Adjustable Block program. For  
16 each category for each delivery year the Agency shall  
17 determine the amount of generation capacity in each block,  
18 and the purchase price for each block, provided that the  
19 purchase price provided and the total amount of generation  
20 in all blocks for all categories shall be sufficient to  
21 meet the goals in this subsection (c). The Agency shall  
22 strive to issue a single block sized to provide for  
23 stability and market growth. The Agency shall establish  
24 program eligibility requirements that ensure that projects  
25 that enter the program are sufficiently mature to indicate  
26 a demonstrable path to completion. The Agency may

1           periodically review its prior decisions establishing the  
2           amount of generation capacity in each block, and the  
3           purchase price for each block, and may propose, on an  
4           expedited basis, changes to these previously set values,  
5           including but not limited to redistributing these amounts  
6           and the available funds as necessary and appropriate,  
7           subject to Commission approval as part of the periodic  
8           plan revision process described in Section 16-111.5 of the  
9           Public Utilities Act. The Agency may define different  
10          block sizes, purchase prices, or other distinct terms and  
11          conditions for projects located in different utility  
12          service territories if the Agency deems it necessary to  
13          meet the goals in this subsection (c).

14           The Adjustable Block program shall include the  
15          following categories in at least the following amounts:

16                   (i) At least 20% from distributed renewable energy  
17                   generation devices with a nameplate capacity of no  
18                   more than 25 kilowatts.

19                   (ii) At least 20% from distributed renewable  
20                   energy generation devices with a nameplate capacity of  
21                   more than 25 kilowatts and no more than 5,000  
22                   kilowatts. The Agency may create sub-categories within  
23                   this category to account for the differences between  
24                   projects for small commercial customers, large  
25                   commercial customers, and public or non-profit  
26                   customers.

1 (iii) At least 30% from photovoltaic community  
2 renewable generation projects. Capacity for this  
3 category for the first 2 delivery years after the  
4 effective date of this amendatory Act of the 102nd  
5 General Assembly shall be allocated to waitlist  
6 projects as provided in paragraph (3) of item (iv) of  
7 subparagraph (G). Starting in the third delivery year  
8 after the effective date of this amendatory Act of the  
9 102nd General Assembly or earlier if the Agency  
10 determines there is additional capacity needed for to  
11 meet previous delivery year requirements, the  
12 following shall apply:

13 (1) the Agency shall select projects on a  
14 first-come, first-serve basis, however the Agency  
15 may suggest additional methods to prioritize  
16 projects that are submitted at the same time;

17 (2) projects shall have subscriptions of 25 kW  
18 or less for at least 50% of the facility's  
19 nameplate capacity and the Agency shall price the  
20 renewable energy credits with that as a factor;

21 (3) projects shall not be colocated with one  
22 or more other community renewable generation  
23 projects, as defined in the Agency's first revised  
24 long-term renewable resources procurement plan  
25 approved by the Commission on February 18, 2020,  
26 such that the aggregate nameplate capacity exceeds

1           5,000 kilowatts; and

2           (4) projects greater than 2 MW may not apply  
3           until after the approval of the Agency's revised  
4           Long-Term Renewable Resources Procurement Plan  
5           after the effective date of this amendatory Act of  
6           the 102nd General Assembly.

7           (iv) At least 15% from distributed renewable  
8           generation devices or photovoltaic community renewable  
9           generation projects installed on public school land.  
10          The Agency may create subcategories within this  
11          category to account for the differences between  
12          project size or location. Projects located within  
13          environmental justice communities or within  
14          Organizational Units that fall within Tier 1 or Tier 2  
15          shall be given priority. Each of the Agency's periodic  
16          updates to its long-term renewable resources  
17          procurement plan to incorporate the procurement  
18          described in this subparagraph (iv) shall also include  
19          the proposed quantities or blocks, pricing, and  
20          contract terms applicable to the procurement as  
21          indicated herein. In each such update and procurement,  
22          the Agency shall set the renewable energy credit price  
23          and establish payment terms for the renewable energy  
24          credits procured pursuant to this subparagraph (iv)  
25          that make it feasible and affordable for public  
26          schools to install photovoltaic distributed renewable

1 energy devices on their premises, including, but not  
2 limited to, those public schools subject to the  
3 prioritization provisions of this subparagraph. For  
4 the purposes of this item (iv):

5 "Environmental Justice Community" shall have the  
6 same meaning set forth in the Agency's long-term  
7 renewable resources procurement plan;

8 "Organization Unit", "Tier 1" and "Tier 2" shall  
9 have the meanings set for in Section 18-8.15 of the  
10 School Code;

11 "Public schools" shall have the meaning set forth  
12 in Section 1-3 of the School Code and includes public  
13 institutions of higher education, as defined in the  
14 Board of Higher Education Act.

15 (v) At least 5% from community-driven community  
16 solar projects intended to provide more direct and  
17 tangible connection and benefits to the communities  
18 which they serve or in which they operate and,  
19 additionally, to increase the variety of community  
20 solar locations, models, and options in Illinois. As  
21 part of its long-term renewable resources procurement  
22 plan, the Agency shall develop selection criteria for  
23 projects participating in this category. Nothing in  
24 this Section shall preclude the Agency from creating a  
25 selection process that maximizes community ownership  
26 and community benefits in selecting projects to

1 receive renewable energy credits. Selection criteria  
2 shall include:

3 (1) community ownership or community  
4 wealth-building;

5 (2) additional direct and indirect community  
6 benefit, beyond project participation as a  
7 subscriber, including, but not limited to,  
8 economic, environmental, social, cultural, and  
9 physical benefits;

10 (3) meaningful involvement in project  
11 organization and development by community members  
12 or nonprofit organizations or public entities  
13 located in or serving the community;

14 (4) engagement in project operations and  
15 management by nonprofit organizations, public  
16 entities, or community members; and

17 (5) whether a project is developed in response  
18 to a site-specific RFP developed by community  
19 members or a nonprofit organization or public  
20 entity located in or serving the community.

21 Selection criteria may also prioritize projects  
22 that:

23 (1) are developed in collaboration with or to  
24 provide complementary opportunities for the Clean  
25 Jobs Workforce Network Program, the Illinois  
26 Climate Works Preapprenticeship Program, the

1           Returning Residents Clean Jobs Training Program,  
2           the Clean Energy Contractor Incubator Program, or  
3           the Clean Energy Primes Contractor Accelerator  
4           Program;

5           (2) increase the diversity of locations of  
6           community solar projects in Illinois, including by  
7           locating in urban areas and population centers;

8           (3) are located in Equity Investment Eligible  
9           Communities;

10          (4) are not greenfield projects;

11          (5) serve only local subscribers;

12          (6) have a nameplate capacity that does not  
13          exceed 500 kW;

14          (7) are developed by an equity eligible  
15          contractor; or

16          (8) otherwise meaningfully advance the goals  
17          of providing more direct and tangible connection  
18          and benefits to the communities which they serve  
19          or in which they operate and increasing the  
20          variety of community solar locations, models, and  
21          options in Illinois.

22          For the purposes of this item (v):

23          "Community" means a social unit in which people  
24          come together regularly to effect change; a social  
25          unit in which participants are marked by a cooperative  
26          spirit, a common purpose, or shared interests or

1 characteristics; or a space understood by its  
2 residents to be delineated through geographic  
3 boundaries or landmarks.

4 "Community benefit" means a range of services and  
5 activities that provide affirmative, economic,  
6 environmental, social, cultural, or physical value to  
7 a community; or a mechanism that enables economic  
8 development, high-quality employment, and education  
9 opportunities for local workers and residents, or  
10 formal monitoring and oversight structures such that  
11 community members may ensure that those services and  
12 activities respond to local knowledge and needs.

13 "Community ownership" means an arrangement in  
14 which an electric generating facility is, or over time  
15 will be, in significant part, owned collectively by  
16 members of the community to which an electric  
17 generating facility provides benefits; members of that  
18 community participate in decisions regarding the  
19 governance, operation, maintenance, and upgrades of  
20 and to that facility; and members of that community  
21 benefit from regular use of that facility.

22 Terms and guidance within these criteria that are  
23 not defined in this item (v) shall be defined by the  
24 Agency, with stakeholder input, during the development  
25 of the Agency's long-term renewable resources  
26 procurement plan. The Agency shall develop regular

1 opportunities for projects to submit applications for  
2 projects under this category, and develop selection  
3 criteria that gives preference to projects that better  
4 meet individual criteria as well as projects that  
5 address a higher number of criteria.

6 (vi) At least 10% from distributed renewable  
7 energy generation devices, which includes distributed  
8 renewable energy devices with a nameplate capacity  
9 under 5,000 kilowatts or photovoltaic community  
10 renewable generation projects, from applicants that  
11 are equity eligible contractors. The Agency may create  
12 subcategories within this category to account for the  
13 differences between project size and type. The Agency  
14 shall propose to increase the percentage in this item  
15 (vi) over time to 40% based on factors, including, but  
16 not limited to, the number of equity eligible  
17 contractors and capacity used in this item (vi) in  
18 previous delivery years.

19 The Agency shall propose a payment structure for  
20 contracts executed pursuant to this paragraph under  
21 which, upon a demonstration of qualification or need,  
22 applicant firms are advanced capital disbursed after  
23 contract execution but before the contracted project's  
24 energization. The amount or percentage of capital  
25 advanced prior to project energization shall be  
26 sufficient to both cover any increase in development

1 costs resulting from prevailing wage requirements or  
2 project-labor agreements, and designed to overcome  
3 barriers in access to capital faced by equity eligible  
4 contractors. The amount or percentage of advanced  
5 capital may vary by subcategory within this category  
6 and by an applicant's demonstration of need, with such  
7 levels to be established through the Long-Term  
8 Renewable Resources Procurement Plan authorized under  
9 subparagraph (A) of paragraph (1) of subsection (c) of  
10 this Section.

11 Contracts developed featuring capital advanced  
12 prior to a project's energization shall feature  
13 provisions to ensure both the successful development  
14 of applicant projects and the delivery of the  
15 renewable energy credits for the full term of the  
16 contract, including ongoing collateral requirements  
17 and other provisions deemed necessary by the Agency,  
18 and may include energization timelines longer than for  
19 comparable project types. The percentage or amount of  
20 capital advanced prior to project energization shall  
21 not operate to increase the overall contract value,  
22 however contracts executed under this subparagraph may  
23 feature renewable energy credit prices higher than  
24 those offered to similar projects participating in  
25 other categories. Capital advanced prior to  
26 energization shall serve to reduce the ratable

1 payments made after energization under items (ii) and  
2 (iii) of subparagraph (L) or payments made for each  
3 renewable energy credit delivery under item (iv) of  
4 subparagraph (L).

5 (vii) The remaining capacity shall be allocated by  
6 the Agency in order to respond to market demand. The  
7 Agency shall allocate any discretionary capacity prior  
8 to the beginning of each delivery year.

9 To the extent there is uncontracted capacity from any  
10 block in any of categories (i) through (vi) at the end of a  
11 delivery year, the Agency shall redistribute that capacity  
12 to one or more other categories giving priority to  
13 categories with projects on a waitlist. The redistributed  
14 capacity shall be added to the annual capacity in the  
15 subsequent delivery year, and the price for renewable  
16 energy credits shall be the price for the new delivery  
17 year. Redistributed capacity shall not be considered  
18 redistributed when determining whether the goals in this  
19 subsection (K) have been met.

20 Notwithstanding anything to the contrary, as the  
21 Agency increases the capacity in item (vi) to 40% over  
22 time, the Agency may reduce the capacity of items (i)  
23 through (v) proportionate to the capacity of the  
24 categories of projects in item (vi), to achieve a balance  
25 of project types.

26 The Adjustable Block program shall be designed to

1 ensure that renewable energy credits are procured from  
2 projects in diverse locations and are not concentrated in  
3 a few regional areas.

4 (L) Notwithstanding provisions for advancing capital  
5 prior to project energization found in item (vi) of  
6 subparagraph (K), the procurement of photovoltaic  
7 renewable energy credits under items (i) through (vi) of  
8 subparagraph (K) of this paragraph (1) shall otherwise be  
9 subject to the following contract and payment terms:

10 (i) (Blank).

11 (ii) For those renewable energy credits that  
12 qualify and are procured under item (i) of  
13 subparagraph (K) of this paragraph (1), and any  
14 similar category projects that are procured under item  
15 (vi) of subparagraph (K) of this paragraph (1) that  
16 qualify and are procured under item (vi), the contract  
17 length shall be 15 years. The renewable energy credit  
18 delivery contract value shall be paid in full, based  
19 on the estimated generation during the first 15 years  
20 of operation, by the contracting utilities at the time  
21 that the facility producing the renewable energy  
22 credits is interconnected at the distribution system  
23 level of the utility and verified as energized and  
24 compliant by the Program Administrator. The electric  
25 utility shall receive and retire all renewable energy  
26 credits generated by the project for the first 15

1 years of operation. Renewable energy credits generated  
2 by the project thereafter shall not be transferred  
3 under the renewable energy credit delivery contract  
4 with the counterparty electric utility.

5 (iii) For those renewable energy credits that  
6 qualify and are procured under item (ii) and (v) of  
7 subparagraph (K) of this paragraph (1) and any like  
8 projects similar category that qualify and are  
9 procured under item (vi), the contract length shall be  
10 15 years. 15% of the renewable energy credit delivery  
11 contract value, based on the estimated generation  
12 during the first 15 years of operation, shall be paid  
13 by the contracting utilities at the time that the  
14 facility producing the renewable energy credits is  
15 interconnected at the distribution system level of the  
16 utility and verified as energized and compliant by the  
17 Program Administrator. The remaining portion shall be  
18 paid ratably over the subsequent 6-year period. The  
19 electric utility shall receive and retire all  
20 renewable energy credits generated by the project for  
21 the first 15 years of operation. Renewable energy  
22 credits generated by the project thereafter shall not  
23 be transferred under the renewable energy credit  
24 delivery contract with the counterparty electric  
25 utility.

26 (iv) For those renewable energy credits that

1           qualify and are procured under items (iii) and (iv) of  
2           subparagraph (K) of this paragraph (1), and any like  
3           projects that qualify and are procured under item  
4           (vi), the renewable energy credit delivery contract  
5           length shall be 20 years and shall be paid over the  
6           delivery term, not to exceed during each delivery year  
7           the contract price multiplied by the estimated annual  
8           renewable energy credit generation amount. If  
9           generation of renewable energy credits during a  
10          delivery year exceeds the estimated annual generation  
11          amount, the excess renewable energy credits shall be  
12          carried forward to future delivery years and shall not  
13          expire during the delivery term. If generation of  
14          renewable energy credits during a delivery year,  
15          including carried forward excess renewable energy  
16          credits, if any, is less than the estimated annual  
17          generation amount, payments during such delivery year  
18          will not exceed the quantity generated plus the  
19          quantity carried forward multiplied by the contract  
20          price. The electric utility shall receive all  
21          renewable energy credits generated by the project  
22          during the first 20 years of operation and retire all  
23          renewable energy credits paid for under this item (iv)  
24          and return at the end of the delivery term all  
25          renewable energy credits that were not paid for.  
26          Renewable energy credits generated by the project

1           thereafter shall not be transferred under the  
2           renewable energy credit delivery contract with the  
3           counterparty electric utility. Notwithstanding the  
4           preceding, for those projects participating under item  
5           (iii) of subparagraph (K), the contract price for a  
6           delivery year shall be based on subscription levels as  
7           measured on the higher of the first business day of the  
8           delivery year or the first business day 6 months after  
9           the first business day of the delivery year.  
10          Subscription of 90% of nameplate capacity or greater  
11          shall be deemed to be fully subscribed for the  
12          purposes of this item (iv). For projects receiving a  
13          20-year delivery contract, REC prices shall be  
14          adjusted downward for consistency with the incentive  
15          levels previously determined to be necessary to  
16          support projects under 15-year delivery contracts,  
17          taking into consideration any additional new  
18          requirements placed on the projects, including, but  
19          not limited to, labor standards.

20                 (v) Each contract shall include provisions to  
21                 ensure the delivery of the estimated quantity of  
22                 renewable energy credits and ongoing collateral  
23                 requirements and other provisions deemed appropriate  
24                 by the Agency.

25                 (vi) The utility shall be the counterparty to the  
26                 contracts executed under this subparagraph (L) that

1 are approved by the Commission under the process  
2 described in Section 16-111.5 of the Public Utilities  
3 Act. No contract shall be executed for an amount that  
4 is less than one renewable energy credit per year.

5 (vii) If, at any time, approved applications for  
6 the Adjustable Block program exceed funds collected by  
7 the electric utility or would cause the Agency to  
8 exceed the limitation described in subparagraph (E) of  
9 this paragraph (1) on the amount of renewable energy  
10 resources that may be procured, then the Agency may  
11 consider future uncommitted funds to be reserved for  
12 these contracts on a first-come, first-served basis.

13 (viii) Nothing in this Section shall require the  
14 utility to advance any payment or pay any amounts that  
15 exceed the actual amount of revenues anticipated to be  
16 collected by the utility under paragraph (6) of this  
17 subsection (c) and subsection (k) of Section 16-108 of  
18 the Public Utilities Act inclusive of eligible funds  
19 collected in prior years and alternative compliance  
20 payments for use by the utility, ~~and contracts~~  
21 ~~executed under this Section shall expressly~~  
22 ~~incorporate this limitation.~~

23 (ix) Notwithstanding other requirements of this  
24 subparagraph (L), no modification shall be required to  
25 Adjustable Block program contracts if they were  
26 already executed prior to the establishment, approval,

1 and implementation of new contract forms as a result  
2 of this amendatory Act of the 102nd General Assembly.

3 (x) Contracts may be assignable, but only to  
4 entities first deemed by the Agency to have met  
5 program terms and requirements applicable to direct  
6 program participation. In developing contracts for the  
7 delivery of renewable energy credits, the Agency shall  
8 be permitted to establish fees applicable to each  
9 contract assignment.

10 (M) The Agency shall be authorized to retain one or  
11 more experts or expert consulting firms to develop,  
12 administer, implement, operate, and evaluate the  
13 Adjustable Block program described in subparagraph (K) of  
14 this paragraph (1), and the Agency shall retain the  
15 consultant or consultants in the same manner, to the  
16 extent practicable, as the Agency retains others to  
17 administer provisions of this Act, including, but not  
18 limited to, the procurement administrator. The selection  
19 of experts and expert consulting firms and the procurement  
20 process described in this subparagraph (M) are exempt from  
21 the requirements of Section 20-10 of the Illinois  
22 Procurement Code, under Section 20-10 of that Code. The  
23 Agency shall strive to minimize administrative expenses in  
24 the implementation of the Adjustable Block program.

25 The Program Administrator may charge application fees  
26 to participating firms to cover the cost of program

1 administration. Any application fee amounts shall  
2 initially be determined through the long-term renewable  
3 resources procurement plan, and modifications to any  
4 application fee that deviate more than 25% from the  
5 Commission's approved value must be approved by the  
6 Commission as a long-term plan revision under Section  
7 16-111.5 of the Public Utilities Act. The Agency shall  
8 consider stakeholder feedback when making adjustments to  
9 application fees and shall notify stakeholders in advance  
10 of any planned changes.

11 In addition to covering the costs of program  
12 administration, the Agency, in conjunction with its  
13 Program Administrator, may also use the proceeds of such  
14 fees charged to participating firms to support public  
15 education and ongoing regional and national coordination  
16 with nonprofit organizations, public bodies, and others  
17 engaged in the implementation of renewable energy  
18 incentive programs or similar initiatives. This work may  
19 include developing papers and reports, hosting regional  
20 and national conferences, and other work deemed necessary  
21 by the Agency to position the State of Illinois as a  
22 national leader in renewable energy incentive program  
23 development and administration.

24 The Agency and its consultant or consultants shall  
25 monitor block activity, share program activity with  
26 stakeholders and conduct quarterly meetings to discuss

1 program activity and market conditions. If necessary, the  
2 Agency may make prospective administrative adjustments to  
3 the Adjustable Block program design, such as making  
4 adjustments to purchase prices as necessary to achieve the  
5 goals of this subsection (c). Program modifications to any  
6 block price that do not deviate from the Commission's  
7 approved value by more than 10% shall take effect  
8 immediately and are not subject to Commission review and  
9 approval. Program modifications to any block price that  
10 deviate more than 10% from the Commission's approved value  
11 must be approved by the Commission as a long-term plan  
12 amendment under Section 16-111.5 of the Public Utilities  
13 Act. The Agency shall consider stakeholder feedback when  
14 making adjustments to the Adjustable Block design and  
15 shall notify stakeholders in advance of any planned  
16 changes.

17 The Agency and its program administrators for both the  
18 Adjustable Block program and the Illinois Solar for All  
19 Program, consistent with the requirements of this  
20 subsection (c) and subsection (b) of Section 1-56 of this  
21 Act, shall propose the Adjustable Block program terms,  
22 conditions, and requirements, including the prices to be  
23 paid for renewable energy credits, where applicable, and  
24 requirements applicable to participating entities and  
25 project applications, through the development, review, and  
26 approval of the Agency's long-term renewable resources

1 procurement plan described in this subsection (c) and  
2 paragraph (5) of subsection (b) of Section 16-111.5 of the  
3 Public Utilities Act. Terms, conditions, and requirements  
4 for program participation shall include the following:

5 (i) The Agency shall establish a registration  
6 process for entities seeking to qualify for  
7 program-administered incentive funding and establish  
8 baseline qualifications for vendor approval. The  
9 Agency must maintain a list of approved entities on  
10 each program's website, and may revoke a vendor's  
11 ability to receive program-administered incentive  
12 funding status upon a determination that the vendor  
13 failed to comply with contract terms, the law, or  
14 other program requirements.

15 (ii) The Agency shall establish program  
16 requirements and minimum contract terms to ensure  
17 projects are properly installed and produce their  
18 expected amounts of energy. Program requirements may  
19 include on-site inspections and photo documentation of  
20 projects under construction. The Agency may require  
21 repairs, alterations, or additions to remedy any  
22 material deficiencies discovered. Vendors who have a  
23 disproportionately high number of deficient systems  
24 may lose their eligibility to continue to receive  
25 State-administered incentive funding through Agency  
26 programs and procurements.

1           (iii) To discourage deceptive marketing or other  
2 bad faith business practices, the Agency may require  
3 direct program participants, including agents  
4 operating on their behalf, to provide standardized  
5 disclosures to a customer prior to that customer's  
6 execution of a contract for the development of a  
7 distributed generation system or a subscription to a  
8 community solar project.

9           (iv) The Agency shall establish one or multiple  
10 Consumer Complaints Centers to accept complaints  
11 regarding businesses that participate in, or otherwise  
12 benefit from, State-administered incentive funding  
13 through Agency-administered programs. The Agency shall  
14 maintain a public database of complaints with any  
15 confidential or particularly sensitive information  
16 redacted from public entries.

17           (v) Through a filing in the proceeding for the  
18 approval of its long-term renewable energy resources  
19 procurement plan, the Agency shall provide an annual  
20 written report to the Illinois Commerce Commission  
21 documenting the frequency and nature of complaints and  
22 any enforcement actions taken in response to those  
23 complaints.

24           (vi) The Agency shall schedule regular meetings  
25 with representatives of the Office of the Attorney  
26 General, the Illinois Commerce Commission, consumer

1 protection groups, and other interested stakeholders  
2 to share relevant information about consumer  
3 protection, project compliance, and complaints  
4 received.

5 (vii) To the extent that complaints received  
6 implicate the jurisdiction of the Office of the  
7 Attorney General, the Illinois Commerce Commission, or  
8 local, State, or federal law enforcement, the Agency  
9 shall also refer complaints to those entities as  
10 appropriate.

11 (N) The Agency shall establish the terms, conditions,  
12 and program requirements for photovoltaic community  
13 renewable generation projects with a goal to expand access  
14 to a broader group of energy consumers, to ensure robust  
15 participation opportunities for residential and small  
16 commercial customers and those who cannot install  
17 renewable energy on their own properties. Subject to  
18 reasonable limitations, any plan approved by the  
19 Commission shall allow subscriptions to community  
20 renewable generation projects to be portable and  
21 transferable. For purposes of this subparagraph (N),  
22 "portable" means that subscriptions may be retained by the  
23 subscriber even if the subscriber relocates or changes its  
24 address within the same utility service territory; and  
25 "transferable" means that a subscriber may assign or sell  
26 subscriptions to another person within the same utility

1 service territory.

2 Through the development of its long-term renewable  
3 resources procurement plan, the Agency may consider  
4 whether community renewable generation projects utilizing  
5 technologies other than photovoltaics should be supported  
6 through State-administered incentive funding, and may  
7 issue requests for information to gauge market demand.

8 Electric utilities shall provide a monetary credit to  
9 a subscriber's subsequent bill for service for the  
10 proportional output of a community renewable generation  
11 project attributable to that subscriber as specified in  
12 Section 16-107.5 of the Public Utilities Act.

13 The Agency shall purchase renewable energy credits  
14 from subscribed shares of photovoltaic community renewable  
15 generation projects through the Adjustable Block program  
16 described in subparagraph (K) of this paragraph (1) or  
17 through the Illinois Solar for All Program described in  
18 Section 1-56 of this Act. The electric utility shall  
19 purchase any unsubscribed energy from community renewable  
20 generation projects that are Qualifying Facilities ("QF")  
21 under the electric utility's tariff for purchasing the  
22 output from QFs under Public Utilities Regulatory Policies  
23 Act of 1978.

24 The owners of and any subscribers to a community  
25 renewable generation project shall not be considered  
26 public utilities or alternative retail electricity

1 suppliers under the Public Utilities Act solely as a  
2 result of their interest in or subscription to a community  
3 renewable generation project and shall not be required to  
4 become an alternative retail electric supplier by  
5 participating in a community renewable generation project  
6 with a public utility.

7 (O) For the delivery year beginning June 1, 2018, the  
8 long-term renewable resources procurement plan required by  
9 this subsection (c) shall provide for the Agency to  
10 procure contracts to continue offering the Illinois Solar  
11 for All Program described in subsection (b) of Section  
12 1-56 of this Act, and the contracts approved by the  
13 Commission shall be executed by the utilities that are  
14 subject to this subsection (c). The long-term renewable  
15 resources procurement plan shall allocate up to  
16 \$50,000,000 per delivery year to fund the programs, and  
17 the plan shall determine the amount of funding to be  
18 apportioned to the programs identified in subsection (b)  
19 of Section 1-56 of this Act; provided that for the  
20 delivery years beginning June 1, 2021, June 1, 2022, and  
21 June 1, 2023, the long-term renewable resources  
22 procurement plan may average the annual budgets over a  
23 3-year period to account for program ramp-up. For the  
24 delivery years beginning June 1, 2021, June 1, 2024, June  
25 1, 2027, and June 1, 2030 and additional \$10,000,000 shall  
26 be provided to the Department of Commerce and Economic

1 Opportunity to implement the workforce development  
2 programs and reporting as outlined in Section 16-108.12 of  
3 the Public Utilities Act. In making the determinations  
4 required under this subparagraph (O), the Commission shall  
5 consider the experience and performance under the programs  
6 and any evaluation reports. The Commission shall also  
7 provide for an independent evaluation of those programs on  
8 a periodic basis that are funded under this subparagraph  
9 (O).

10 (P) All programs and procurements under this  
11 subsection (c) shall be designed to encourage  
12 participating projects to use a diverse and equitable  
13 workforce and a diverse set of contractors, including  
14 minority-owned businesses, disadvantaged businesses,  
15 trade unions, graduates of any workforce training programs  
16 administered under this Act, and small businesses.

17 The Agency shall develop a method to optimize  
18 procurement of renewable energy credits from proposed  
19 utility-scale projects that are located in communities  
20 eligible to receive Energy Transition Community Grants  
21 pursuant to Section 10-20 of the Energy Community  
22 Reinvestment Act. If this requirement conflicts with other  
23 provisions of law or the Agency determines that full  
24 compliance with the requirements of this subparagraph (P)  
25 would be unreasonably costly or administratively  
26 impractical, the Agency is to propose alternative

1 approaches to achieve development of renewable energy  
2 resources in communities eligible to receive Energy  
3 Transition Community Grants pursuant to Section 10-20 of  
4 the Energy Community Reinvestment Act or seek an exemption  
5 from this requirement from the Commission.

6 (Q) Each facility listed in subitems (i) through (ix)  
7 of item (1) of this subparagraph (Q) for which a renewable  
8 energy credit delivery contract is signed after the  
9 effective date of this amendatory Act of the 102nd General  
10 Assembly is subject to the following requirements through  
11 the Agency's long-term renewable resources procurement  
12 plan:

13 (1) Each facility shall be subject to the  
14 prevailing wage requirements included in the  
15 Prevailing Wage Act. The Agency shall require  
16 verification that all construction performed on the  
17 facility by the renewable energy credit delivery  
18 contract holder, its contractors, or its  
19 subcontractors relating to construction of the  
20 facility is performed by construction employees  
21 receiving an amount for that work equal to or greater  
22 than the general prevailing rate, as that term is  
23 defined in Section 3 of the Prevailing Wage Act. For  
24 purposes of this item (1), "house of worship" means  
25 property that is both (1) used exclusively by a  
26 religious society or body of persons as a place for

1 religious exercise or religious worship and (2)  
2 recognized as exempt from taxation pursuant to Section  
3 15-40 of the Property Tax Code. This item (1) shall  
4 apply to any the following:

5 (i) all new utility-scale wind projects;

6 (ii) all new utility-scale photovoltaic  
7 projects and repowered wind projects;

8 (iii) all new brownfield photovoltaic  
9 projects;

10 (iv) all new photovoltaic community renewable  
11 energy facilities that qualify for item (iii) of  
12 subparagraph (K) of this paragraph (1);

13 (v) all new community driven community  
14 photovoltaic projects that qualify for item (v) of  
15 subparagraph (K) of this paragraph (1);

16 (vi) all new photovoltaic projects on public  
17 school land that qualify for item (iv) of  
18 subparagraph (K) of this paragraph (1);

19 (vii) all new photovoltaic distributed  
20 renewable energy generation devices that (1)  
21 qualify for item (i) of subparagraph (K) of this  
22 paragraph (1); (2) are not projects that serve  
23 single-family or multi-family residential  
24 buildings; and (3) are not houses of worship where  
25 the aggregate capacity including collocated  
26 projects would not exceed 100 kilowatts;

1 (viii) all new photovoltaic distributed  
2 renewable energy generation devices that (1)  
3 qualify for item (ii) of subparagraph (K) of this  
4 paragraph (1); (2) are not projects that serve  
5 single-family or multi-family residential  
6 buildings; and (3) are not houses of worship where  
7 the aggregate capacity including collocated  
8 projects would not exceed 100 kilowatts;

9 (ix) all new, modernized, or retooled  
10 hydropower facilities.

11 (2) Renewable energy credits procured from new  
12 utility-scale wind projects, new utility-scale solar  
13 projects, ~~and~~ new brownfield solar projects, repowered  
14 wind projects, and retooled hydropower facilities  
15 pursuant to Agency procurement events occurring after  
16 the effective date of this amendatory Act of the 102nd  
17 General Assembly must be from facilities built by  
18 general contractors that must enter into a project  
19 labor agreement, as defined by this Act, prior to  
20 construction. The project labor agreement shall be  
21 filed with the Director in accordance with procedures  
22 established by the Agency through its long-term  
23 renewable resources procurement plan. Any information  
24 submitted to the Agency in this item (2) shall be  
25 considered commercially sensitive information. At a  
26 minimum, the project labor agreement must provide the

1 names, addresses, and occupations of the owner of the  
2 plant and the individuals representing the labor  
3 organization employees participating in the project  
4 labor agreement consistent with the Project Labor  
5 Agreements Act. The agreement must also specify the  
6 terms and conditions as defined by this Act.

7 (3) It is the intent of this Section to ensure that  
8 economic development occurs across Illinois  
9 communities, that emerging businesses may grow, and  
10 that there is improved access to the clean energy  
11 economy by persons who have greater economic burdens  
12 to success. The Agency shall take into consideration  
13 the unique cost of compliance of this subparagraph (Q)  
14 that might be borne by equity eligible contractors,  
15 shall include such costs when determining the price of  
16 renewable energy credits in the Adjustable Block  
17 program, and shall take such costs into consideration  
18 in a nondiscriminatory manner when comparing bids for  
19 competitive procurements. The Agency shall consider  
20 costs associated with compliance whether in the  
21 development, financing, or construction of projects.  
22 The Agency shall periodically review the assumptions  
23 in these costs and may adjust prices, in compliance  
24 with subparagraph (M) of this paragraph (1).

25 (R) In its long-term renewable resources procurement  
26 plan, the Agency shall establish a self-direct renewable

1 portfolio standard compliance program for eligible  
2 self-direct customers that purchase renewable energy  
3 credits from utility-scale wind and solar projects through  
4 long-term agreements for purchase of renewable energy  
5 credits as described in this Section. Such long-term  
6 agreements may include the purchase of energy or other  
7 products on a physical or financial basis and may involve  
8 an alternative retail electric supplier as defined in  
9 Section 16-102 of the Public Utilities Act. This program  
10 shall take effect in the delivery year commencing June 1,  
11 2023.

12 (1) For the purposes of this subparagraph:

13 "Eligible self-direct customer" means any retail  
14 customers of an electric utility that serves 3,000,000  
15 or more retail customers in the State and whose total  
16 highest 30-minute demand was more than 10,000  
17 kilowatts, or any retail customers of an electric  
18 utility that serves less than 3,000,000 retail  
19 customers but more than 500,000 retail customers in  
20 the State and whose total highest 15-minute demand was  
21 more than 10,000 kilowatts.

22 "Retail customer" has the meaning set forth in  
23 Section 16-102 of the Public Utilities Act and  
24 multiple retail customer accounts under the same  
25 corporate parent may aggregate their account demands  
26 to meet the 10,000 kilowatt threshold. The criteria

1           for determining whether this subparagraph is  
2           applicable to a retail customer shall be based on the  
3           12 consecutive billing periods prior to the start of  
4           the year in which the application is filed.

5           (2) For renewable energy credits to count toward  
6           the self-direct renewable portfolio standard  
7           compliance program, they must:

8                   (i) qualify as renewable energy credits as  
9                   defined in Section 1-10 of this Act;

10                   (ii) be sourced from one or more renewable  
11                   energy generating facilities that comply with the  
12                   geographic requirements as set forth in  
13                   subparagraph (I) of paragraph (1) of subsection  
14                   (c) as interpreted through the Agency's long-term  
15                   renewable resources procurement plan, or, where  
16                   applicable, the geographic requirements that  
17                   governed utility-scale renewable energy credits at  
18                   the time the eligible self-direct customer entered  
19                   into the applicable renewable energy credit  
20                   purchase agreement;

21                   (iii) be procured through long-term contracts  
22                   with term lengths of at least 10 years either  
23                   directly with the renewable energy generating  
24                   facility or through a bundled power purchase  
25                   agreement, a virtual power purchase agreement, an  
26                   agreement between the renewable generating

1 facility, an alternative retail electric supplier,  
2 and the customer, or such other structure as is  
3 permissible under this subparagraph (R);

4 (iv) be equivalent in volume to at least 40%  
5 of the eligible self-direct customer's usage,  
6 determined annually by the eligible self-direct  
7 customer's usage during the previous delivery  
8 year, measured to the nearest megawatt-hour;

9 (v) be retired by or on behalf of the large  
10 energy customer;

11 (vi) be sourced from new utility-scale wind  
12 projects or new utility-scale solar projects; and

13 (vii) if the contracts for renewable energy  
14 credits are entered into after the effective date  
15 of this amendatory Act of the 102nd General  
16 Assembly, the new utility-scale wind projects or  
17 new utility-scale solar projects must comply with  
18 the requirements established in subparagraphs (P)  
19 and (Q) of paragraph (1) of this subsection (c)  
20 and subsection (c-10).

21 (3) The self-direct renewable portfolio standard  
22 compliance program shall be designed to allow eligible  
23 self-direct customers to procure new renewable energy  
24 credits from new utility-scale wind projects or new  
25 utility-scale photovoltaic projects. The Agency shall  
26 annually determine the amount of utility-scale

1 renewable energy credits it will include each year  
2 from the self-direct renewable portfolio standard  
3 compliance program, subject to receiving qualifying  
4 applications. In making this determination, the Agency  
5 shall evaluate publicly available analyses and studies  
6 of the potential market size for utility-scale  
7 renewable energy long-term purchase agreements by  
8 commercial and industrial energy customers and make  
9 that report publicly available. If demand for  
10 participation in the self-direct renewable portfolio  
11 standard compliance program exceeds availability, the  
12 Agency shall ensure participation is evenly split  
13 between commercial and industrial users to the extent  
14 there is sufficient demand from both customer classes.  
15 Each renewable energy credit procured pursuant to this  
16 subparagraph (R) by a self-direct customer shall  
17 reduce the total volume of renewable energy credits  
18 the Agency is otherwise required to procure from new  
19 utility-scale projects pursuant to subparagraph (C) of  
20 paragraph (1) of this subsection (c) on behalf of  
21 contracting utilities where the eligible self-direct  
22 customer is located. The self-direct customer shall  
23 file an annual compliance report with the Agency  
24 pursuant to terms established by the Agency through  
25 its long-term renewable resources procurement plan to  
26 be eligible for participation in this program.

1 Customers must provide the Agency with their most  
2 recent electricity billing statements or other  
3 information deemed necessary by the Agency to  
4 demonstrate they are an eligible self-direct customer.

5 (4) The Commission shall approve a reduction in  
6 the volumetric charges collected pursuant to Section  
7 16-108 of the Public Utilities Act for approved  
8 eligible self-direct customers equivalent to the  
9 anticipated cost of renewable energy credit deliveries  
10 under contracts for new utility-scale wind and new  
11 utility-scale solar entered for each delivery year  
12 after the large energy customer begins retiring  
13 eligible new utility scale renewable energy credits  
14 for self-compliance. The self-direct credit amount  
15 shall be determined annually and is equal to the  
16 estimated portion of the cost authorized by  
17 subparagraph (E) of paragraph (1) of this subsection  
18 (c) that supported the annual procurement of  
19 utility-scale renewable energy credits in the prior  
20 delivery year using a methodology described in the  
21 long-term renewable resources procurement plan,  
22 expressed on a per kilowatthour basis, and does not  
23 include (i) costs associated with any contracts  
24 entered into before the delivery year in which the  
25 customer files the initial compliance report to be  
26 eligible for participation in the self-direct program,

1           and (ii) costs associated with procuring renewable  
2           energy credits through existing and future contracts  
3           through the Adjustable Block Program, subsection (c-5)  
4           of this Section 1-75, and the Solar for All Program.  
5           The Agency shall assist the Commission in determining  
6           the current and future costs. The Agency must  
7           determine the self-direct credit amount for new and  
8           existing eligible self-direct customers and submit  
9           this to the Commission in an annual compliance filing.  
10          The Commission must approve the self-direct credit  
11          amount by June 1, 2023 and June 1 of each delivery year  
12          thereafter.

13                 (5) Customers described in this subparagraph (R)  
14                 shall apply, on a form developed by the Agency, to the  
15                 Agency to be designated as a self-direct eligible  
16                 customer. Once the Agency determines that a  
17                 self-direct customer is eligible for participation in  
18                 the program, the self-direct customer will remain  
19                 eligible until the end of the term of the contract.  
20                 Thereafter, application may be made not less than 12  
21                 months before the filing date of the long-term  
22                 renewable resources procurement plan described in this  
23                 Act. At a minimum, such application shall contain the  
24                 following:

25                         (i) the customer's certification that, at the  
26                         time of the customer's application, the customer

1           qualifies to be a self-direct eligible customer,  
2           including documents demonstrating that  
3           qualification;

4           (ii) the customer's certification that the  
5           customer has entered into or will enter into by  
6           the beginning of the applicable procurement year,  
7           one or more bilateral contracts for new wind  
8           projects or new photovoltaic projects, including  
9           supporting documentation;

10          (iii) certification that the contract or  
11          contracts for new renewable energy resources are  
12          long-term contracts with term lengths of at least  
13          10 years, including supporting documentation;

14          (iv) certification of the quantities of  
15          renewable energy credits that the customer will  
16          purchase each year under such contract or  
17          contracts, including supporting documentation;

18          (v) proof that the contract is sufficient to  
19          produce renewable energy credits to be equivalent  
20          in volume to at least 40% of the large energy  
21          customer's usage from the previous delivery year,  
22          measured to the nearest megawatt-hour; and

23          (vi) certification that the customer intends  
24          to maintain the contract for the duration of the  
25          length of the contract.

26          (6) If a customer receives the self-direct credit

1 but fails to properly procure and retire renewable  
2 energy credits as required under this subparagraph  
3 (R), the Commission, on petition from the Agency and  
4 after notice and hearing, may direct such customer's  
5 utility to recover the cost of the wrongfully received  
6 self-direct credits plus interest through an adder to  
7 charges assessed pursuant to Section 16-108 of the  
8 Public Utilities Act. Self-direct customers who  
9 knowingly fail to properly procure and retire  
10 renewable energy credits and do not notify the Agency  
11 are ineligible for continued participation in the  
12 self-direct renewable portfolio standard compliance  
13 program.

14 (2) (Blank).

15 (3) (Blank).

16 (4) The electric utility shall retire all renewable  
17 energy credits used to comply with the standard.

18 (5) Beginning with the 2010 delivery year and ending  
19 June 1, 2017, an electric utility subject to this  
20 subsection (c) shall apply the lesser of the maximum  
21 alternative compliance payment rate or the most recent  
22 estimated alternative compliance payment rate for its  
23 service territory for the corresponding compliance period,  
24 established pursuant to subsection (d) of Section 16-115D  
25 of the Public Utilities Act to its retail customers that  
26 take service pursuant to the electric utility's hourly

1 pricing tariff or tariffs. The electric utility shall  
2 retain all amounts collected as a result of the  
3 application of the alternative compliance payment rate or  
4 rates to such customers, and, beginning in 2011, the  
5 utility shall include in the information provided under  
6 item (1) of subsection (d) of Section 16-111.5 of the  
7 Public Utilities Act the amounts collected under the  
8 alternative compliance payment rate or rates for the prior  
9 year ending May 31. Notwithstanding any limitation on the  
10 procurement of renewable energy resources imposed by item  
11 (2) of this subsection (c), the Agency shall increase its  
12 spending on the purchase of renewable energy resources to  
13 be procured by the electric utility for the next plan year  
14 by an amount equal to the amounts collected by the utility  
15 under the alternative compliance payment rate or rates in  
16 the prior year ending May 31.

17 (6) The electric utility shall be entitled to recover  
18 all of its costs associated with the procurement of  
19 renewable energy credits under plans approved under this  
20 Section and Section 16-111.5 of the Public Utilities Act.  
21 These costs shall include associated reasonable expenses  
22 for implementing the procurement programs, including, but  
23 not limited to, the costs of administering and evaluating  
24 the Adjustable Block program, through an automatic  
25 adjustment clause tariff in accordance with subsection (k)  
26 of Section 16-108 of the Public Utilities Act.

1           (7) Renewable energy credits procured from new  
2 photovoltaic projects or new distributed renewable energy  
3 generation devices under this Section after June 1, 2017  
4 (the effective date of Public Act 99-906) must be procured  
5 from devices installed by a qualified person in compliance  
6 with the requirements of Section 16-128A of the Public  
7 Utilities Act and any rules or regulations adopted  
8 thereunder.

9           In meeting the renewable energy requirements of this  
10 subsection (c), to the extent feasible and consistent with  
11 State and federal law, the renewable energy credit  
12 procurements, Adjustable Block solar program, and  
13 community renewable generation program shall provide  
14 employment opportunities for all segments of the  
15 population and workforce, including minority-owned and  
16 female-owned business enterprises, and shall not,  
17 consistent with State and federal law, discriminate based  
18 on race or socioeconomic status.

19           (c-5) Procurement of renewable energy credits from new  
20 renewable energy facilities installed at or adjacent to the  
21 sites of electric generating facilities that burn or burned  
22 coal as their primary fuel source.

23           (1) In addition to the procurement of renewable energy  
24 credits pursuant to long-term renewable resources  
25 procurement plans in accordance with subsection (c) of  
26 this Section and Section 16-111.5 of the Public Utilities

1 Act, the Agency shall conduct procurement events in  
2 accordance with this subsection (c-5) for the procurement  
3 by electric utilities that served more than 300,000 retail  
4 customers in this State as of January 1, 2019 of renewable  
5 energy credits from new renewable energy facilities to be  
6 installed at or adjacent to the sites of electric  
7 generating facilities that, as of January 1, 2016, burned  
8 coal as their primary fuel source and meet the other  
9 criteria specified in this subsection (c-5). For purposes  
10 of this subsection (c-5), "new renewable energy facility"  
11 means a new utility-scale solar project as defined in this  
12 Section 1-75. The renewable energy credits procured  
13 pursuant to this subsection (c-5) may be included or  
14 counted for purposes of compliance with the amounts of  
15 renewable energy credits required to be procured pursuant  
16 to subsection (c) of this Section to the extent that there  
17 are otherwise shortfalls in compliance with such  
18 requirements. The procurement of renewable energy credits  
19 by electric utilities pursuant to this subsection (c-5)  
20 shall be funded solely by revenues collected from the Coal  
21 to Solar and Energy Storage Initiative Charge provided for  
22 in this subsection (c-5) and subsection (i-5) of Section  
23 16-108 of the Public Utilities Act, shall not be funded by  
24 revenues collected through any of the other funding  
25 mechanisms provided for in subsection (c) of this Section,  
26 and shall not be subject to the limitation imposed by

1 subsection (c) on charges to retail customers for costs to  
2 procure renewable energy resources pursuant to subsection  
3 (c), and shall not be subject to any other requirements or  
4 limitations of subsection (c).

5 (2) The Agency shall conduct 2 procurement events to  
6 select owners of electric generating facilities meeting  
7 the eligibility criteria specified in this subsection  
8 (c-5) to enter into long-term contracts to sell renewable  
9 energy credits to electric utilities serving more than  
10 300,000 retail customers in this State as of January 1,  
11 2019. The first procurement event shall be conducted no  
12 later than March 31, 2022, unless the Agency elects to  
13 delay it, until no later than May 1, 2022, due to its  
14 overall volume of work, and shall be to select owners of  
15 electric generating facilities located in this State and  
16 south of federal Interstate Highway 80 that meet the  
17 eligibility criteria specified in this subsection (c-5).  
18 The second procurement event shall be conducted no sooner  
19 than September 30, 2022 and no later than October 31, 2022  
20 and shall be to select owners of electric generating  
21 facilities located anywhere in this State that meet the  
22 eligibility criteria specified in this subsection (c-5).  
23 The Agency shall establish and announce a time period,  
24 which shall begin no later than 30 days prior to the  
25 scheduled date for the procurement event, during which  
26 applicants may submit applications to be selected as

1 suppliers of renewable energy credits pursuant to this  
2 subsection (c-5). The eligibility criteria for selection  
3 as a supplier of renewable energy credits pursuant to this  
4 subsection (c-5) shall be as follows:

5 (A) The applicant owns an electric generating  
6 facility located in this State that: (i) as of January  
7 1, 2016, burned coal as its primary fuel to generate  
8 electricity; and (ii) has, or had prior to retirement,  
9 an electric generating capacity of at least 150  
10 megawatts. The electric generating facility can be  
11 either: (i) retired as of the date of the procurement  
12 event; or (ii) still operating as of the date of the  
13 procurement event.

14 (B) The applicant is not (i) an electric  
15 cooperative as defined in Section 3-119 of the Public  
16 Utilities Act, or (ii) an entity described in  
17 subsection (b)(1) of Section 3-105 of the Public  
18 Utilities Act, or an association or consortium of or  
19 an entity owned by entities described in (i) or (ii);  
20 and the coal-fueled electric generating facility was  
21 at one time owned, in whole or in part, by a public  
22 utility as defined in Section 3-105 of the Public  
23 Utilities Act.

24 (C) If participating in the first procurement  
25 event, the applicant proposes and commits to construct  
26 and operate, at the site, and if necessary for

1 sufficient space on property adjacent to the existing  
2 property, at which the electric generating facility  
3 identified in paragraph (A) is located: (i) a new  
4 renewable energy facility of at least 20 megawatts but  
5 no more than 100 megawatts of electric generating  
6 capacity, and (ii) an energy storage facility having a  
7 storage capacity equal to at least 2 megawatts and at  
8 most 10 megawatts. If participating in the second  
9 procurement event, the applicant proposes and commits  
10 to construct and operate, at the site, and if  
11 necessary for sufficient space on property adjacent to  
12 the existing property, at which the electric  
13 generating facility identified in paragraph (A) is  
14 located: (i) a new renewable energy facility of at  
15 least 5 megawatts but no more than 20 megawatts of  
16 electric generating capacity, and (ii) an energy  
17 storage facility having a storage capacity equal to at  
18 least 0.5 megawatts and at most one megawatt.

19 (D) The applicant agrees that the new renewable  
20 energy facility and the energy storage facility will  
21 be constructed or installed by a qualified entity or  
22 entities in compliance with the requirements of  
23 subsection (g) of Section 16-128A of the Public  
24 Utilities Act and any rules adopted thereunder.

25 (E) The applicant agrees that personnel operating  
26 the new renewable energy facility and the energy

1 storage facility will have the requisite skills,  
2 knowledge, training, experience, and competence, which  
3 may be demonstrated by completion or current  
4 participation and ultimate completion by employees of  
5 an accredited or otherwise recognized apprenticeship  
6 program for the employee's particular craft, trade, or  
7 skill, including through training and education  
8 courses and opportunities offered by the owner to  
9 employees of the coal-fueled electric generating  
10 facility or by previous employment experience  
11 performing the employee's particular work skill or  
12 function.

13 (F) The applicant commits that not less than the  
14 prevailing wage, as determined pursuant to the  
15 Prevailing Wage Act, will be paid to the applicant's  
16 employees engaged in construction activities  
17 associated with the new renewable energy facility and  
18 the new energy storage facility and to the employees  
19 of applicant's contractors engaged in construction  
20 activities associated with the new renewable energy  
21 facility and the new energy storage facility, and  
22 that, on or before the commercial operation date of  
23 the new renewable energy facility, the applicant shall  
24 file a report with the Agency certifying that the  
25 requirements of this subparagraph (F) have been met.

26 (G) The applicant commits that if selected, it

1 will negotiate a project labor agreement for the  
2 construction of the new renewable energy facility and  
3 associated energy storage facility that includes  
4 provisions requiring the parties to the agreement to  
5 work together to establish diversity threshold  
6 requirements and to ensure best efforts to meet  
7 diversity targets, improve diversity at the applicable  
8 job site, create diverse apprenticeship opportunities,  
9 and create opportunities to employ former coal-fired  
10 power plant workers.

11 (H) The applicant commits to enter into a contract  
12 or contracts for the applicable duration to provide  
13 specified numbers of renewable energy credits each  
14 year from the new renewable energy facility to  
15 electric utilities that served more than 300,000  
16 retail customers in this State as of January 1, 2019,  
17 at a price of \$30 per renewable energy credit. The  
18 price per renewable energy credit shall be fixed at  
19 \$30 for the applicable duration and the renewable  
20 energy credits shall not be indexed renewable energy  
21 credits as provided for in item (v) of subparagraph  
22 (G) of paragraph (1) of subsection (c) of Section 1-75  
23 of this Act. The applicable duration of each contract  
24 shall be 20 years, unless the applicant is physically  
25 interconnected to the PJM Interconnection, LLC  
26 transmission grid and had a generating capacity of at

1           least 1,200 megawatts as of January 1, 2021, in which  
2           case the applicable duration of the contract shall be  
3           15 years.

4           (I) The applicant's application is certified by an  
5           officer of the applicant and by an officer of the  
6           applicant's ultimate parent company, if any.

7           (3) An applicant may submit applications to contract  
8           to supply renewable energy credits from more than one new  
9           renewable energy facility to be constructed at or adjacent  
10          to one or more qualifying electric generating facilities  
11          owned by the applicant. The Agency may select new  
12          renewable energy facilities to be located at or adjacent  
13          to the sites of more than one qualifying electric  
14          generation facility owned by an applicant to contract with  
15          electric utilities to supply renewable energy credits from  
16          such facilities.

17          (4) The Agency shall assess fees to each applicant to  
18          recover the Agency's costs incurred in receiving and  
19          evaluating applications, conducting the procurement event,  
20          developing contracts for sale, delivery and purchase of  
21          renewable energy credits, and monitoring the  
22          administration of such contracts, as provided for in this  
23          subsection (c-5), including fees paid to a procurement  
24          administrator retained by the Agency for one or more of  
25          these purposes.

26          (5) The Agency shall select the applicants and the new

1 renewable energy facilities to contract with electric  
2 utilities to supply renewable energy credits in accordance  
3 with this subsection (c-5). In the first procurement  
4 event, the Agency shall select applicants and new  
5 renewable energy facilities to supply renewable energy  
6 credits, at a price of \$30 per renewable energy credit,  
7 aggregating to no less than 400,000 renewable energy  
8 credits per year for the applicable duration, assuming  
9 sufficient qualifying applications to supply, in the  
10 aggregate, at least that amount of renewable energy  
11 credits per year; and not more than 580,000 renewable  
12 energy credits per year for the applicable duration. In  
13 the second procurement event, the Agency shall select  
14 applicants and new renewable energy facilities to supply  
15 renewable energy credits, at a price of \$30 per renewable  
16 energy credit, aggregating to no more than 625,000  
17 renewable energy credits per year less the amount of  
18 renewable energy credits each year contracted for as a  
19 result of the first procurement event, for the applicable  
20 durations. The number of renewable energy credits to be  
21 procured as specified in this paragraph (5) shall not be  
22 reduced based on renewable energy credits procured in the  
23 self-direct renewable energy credit compliance program  
24 established pursuant to subparagraph (R) of paragraph (1)  
25 of subsection (c) of Section 1-75.

26 (6) The obligation to purchase renewable energy

1 credits from the applicants and their new renewable energy  
2 facilities selected by the Agency shall be allocated to  
3 the electric utilities based on their respective  
4 percentages of kilowatthours delivered to delivery  
5 services customers to the aggregate kilowatthour  
6 deliveries by the electric utilities to delivery services  
7 customers for the year ended December 31, 2021. In order  
8 to achieve these allocation percentages between or among  
9 the electric utilities, the Agency shall require each  
10 applicant that is selected in the procurement event to  
11 enter into a contract with each electric utility for the  
12 sale and purchase of renewable energy credits from each  
13 new renewable energy facility to be constructed and  
14 operated by the applicant, with the sale and purchase  
15 obligations under the contracts to aggregate to the total  
16 number of renewable energy credits per year to be supplied  
17 by the applicant from the new renewable energy facility.

18 (7) The Agency shall submit its proposed selection of  
19 applicants, new renewable energy facilities to be  
20 constructed, and renewable energy credit amounts for each  
21 procurement event to the Commission for approval. The  
22 Commission shall, within 2 business days after receipt of  
23 the Agency's proposed selections, approve the proposed  
24 selections if it determines that the applicants and the  
25 new renewable energy facilities to be constructed meet the  
26 selection criteria set forth in this subsection (c-5) and

1 that the Agency seeks approval for contracts of applicable  
2 durations aggregating to no more than the maximum amount  
3 of renewable energy credits per year authorized by this  
4 subsection (c-5) for the procurement event, at a price of  
5 \$30 per renewable energy credit.

6 (8) The Agency, in conjunction with its procurement  
7 administrator if one is retained, the electric utilities,  
8 and potential applicants for contracts to produce and  
9 supply renewable energy credits pursuant to this  
10 subsection (c-5), shall develop a standard form contract  
11 for the sale, delivery and purchase of renewable energy  
12 credits pursuant to this subsection (c-5). Each contract  
13 resulting from the first procurement event shall allow for  
14 a commercial operation date for the new renewable energy  
15 facility of either June 1, 2023 or June 1, 2024, with such  
16 dates subject to adjustment as provided in this paragraph.  
17 Each contract resulting from the second procurement event  
18 shall provide for a commercial operation date on June 1  
19 next occurring up to 48 months after execution of the  
20 contract. Each contract shall provide that the owner shall  
21 receive payments for renewable energy credits for the  
22 applicable durations beginning with the commercial  
23 operation date of the new renewable energy facility. The  
24 form contract shall provide for adjustments to the  
25 commercial operation and payment start dates as needed due  
26 to any delays in completing the procurement and

1 contracting processes, in finalizing interconnection  
2 agreements and installing interconnection facilities, and  
3 in obtaining other necessary governmental permits and  
4 approvals. The form contract shall be, to the maximum  
5 extent possible, consistent with standard electric  
6 industry contracts for sale, delivery, and purchase of  
7 renewable energy credits while taking into account the  
8 specific requirements of this subsection (c-5). The form  
9 contract shall provide for over-delivery and  
10 under-delivery of renewable energy credits within  
11 reasonable ranges during each 12-month period and penalty,  
12 default, and enforcement provisions for failure of the  
13 selling party to deliver renewable energy credits as  
14 specified in the contract and to comply with the  
15 requirements of this subsection (c-5). The standard form  
16 contract shall specify that all renewable energy credits  
17 delivered to the electric utility pursuant to the contract  
18 shall be retired. The Agency shall make the proposed  
19 contracts available for a reasonable period for comment by  
20 potential applicants, and shall publish the final form  
21 contract at least 30 days before the date of the first  
22 procurement event.

23 (9) Coal to Solar and Energy Storage Initiative  
24 Charge.

25 (A) By no later than July 1, 2022, each electric  
26 utility that served more than 300,000 retail customers

1 in this State as of January 1, 2019 shall file a tariff  
2 with the Commission for the billing and collection of  
3 a Coal to Solar and Energy Storage Initiative Charge  
4 in accordance with subsection (i-5) of Section 16-108  
5 of the Public Utilities Act, with such tariff to be  
6 effective, following review and approval or  
7 modification by the Commission, beginning January 1,  
8 2023. The tariff shall provide for the calculation and  
9 setting of the electric utility's Coal to Solar and  
10 Energy Storage Initiative Charge to collect revenues  
11 estimated to be sufficient, in the aggregate, (i) to  
12 enable the electric utility to pay for the renewable  
13 energy credits it has contracted to purchase in the  
14 delivery year beginning June 1, 2023 and each delivery  
15 year thereafter from new renewable energy facilities  
16 located at the sites of qualifying electric generating  
17 facilities, and (ii) to fund the grant payments to be  
18 made in each delivery year by the Department of  
19 Commerce and Economic Opportunity, or any successor  
20 department or agency, which shall be referred to in  
21 this subsection (c-5) as the Department, pursuant to  
22 paragraph (10) of this subsection (c-5). The electric  
23 utility's tariff shall provide for the billing and  
24 collection of the Coal to Solar and Energy Storage  
25 Initiative Charge on each kilowatthour of electricity  
26 delivered to its delivery services customers within

1           its service territory and shall provide for an annual  
2           reconciliation of revenues collected with actual  
3           costs, in accordance with subsection (i-5) of Section  
4           16-108 of the Public Utilities Act.

5           (B) Each electric utility shall remit on a monthly  
6           basis to the State Treasurer, for deposit in the Coal  
7           to Solar and Energy Storage Initiative Fund provided  
8           for in this subsection (c-5), the electric utility's  
9           collections of the Coal to Solar and Energy Storage  
10          Initiative Charge in the amount estimated to be needed  
11          by the Department for grant payments pursuant to grant  
12          contracts entered into by the Department pursuant to  
13          paragraph (10) of this subsection (c-5).

14          (10) Coal to Solar and Energy Storage Initiative Fund.

15          (A) The Coal to Solar and Energy Storage  
16          Initiative Fund is established as a special fund in  
17          the State treasury. The Coal to Solar and Energy  
18          Storage Initiative Fund is authorized to receive, by  
19          statutory deposit, that portion specified in item (B)  
20          of paragraph (9) of this subsection (c-5) of moneys  
21          collected by electric utilities through imposition of  
22          the Coal to Solar and Energy Storage Initiative Charge  
23          required by this subsection (c-5). The Coal to Solar  
24          and Energy Storage Initiative Fund shall be  
25          administered by the Department to provide grants to  
26          support the installation and operation of energy

1 storage facilities at the sites of qualifying electric  
2 generating facilities meeting the criteria specified  
3 in this paragraph (10).

4 (B) The Coal to Solar and Energy Storage  
5 Initiative Fund shall not be subject to sweeps,  
6 administrative charges, or chargebacks, including, but  
7 not limited to, those authorized under Section 8h of  
8 the State Finance Act, that would in any way result in  
9 the transfer of those funds from the Coal to Solar and  
10 Energy Storage Initiative Fund to any other fund of  
11 this State or in having any such funds utilized for any  
12 purpose other than the express purposes set forth in  
13 this paragraph (10).

14 (C) The Department shall utilize up to  
15 \$280,500,000 in the Coal to Solar and Energy Storage  
16 Initiative Fund for grants, assuming sufficient  
17 qualifying applicants, to support installation of  
18 energy storage facilities at the sites of up to 3  
19 qualifying electric generating facilities located in  
20 the Midcontinent Independent System Operator, Inc.,  
21 region in Illinois and the sites of up to 2 qualifying  
22 electric generating facilities located in the PJM  
23 Interconnection, LLC region in Illinois that meet the  
24 criteria set forth in this subparagraph (C). The  
25 criteria for receipt of a grant pursuant to this  
26 subparagraph (C) are as follows:

1           (1) the electric generating facility at the  
2 site has, or had prior to retirement, an electric  
3 generating capacity of at least 150 megawatts;

4           (2) the electric generating facility burns (or  
5 burned prior to retirement) coal as its primary  
6 source of fuel;

7           (3) if the electric generating facility is  
8 retired, it was retired subsequent to January 1,  
9 2016;

10          (4) the owner of the electric generating  
11 facility has not been selected by the Agency  
12 pursuant to this subsection (c-5) of this Section  
13 to enter into a contract to sell renewable energy  
14 credits to one or more electric utilities from a  
15 new renewable energy facility located or to be  
16 located at or adjacent to the site at which the  
17 electric generating facility is located;

18          (5) the electric generating facility located  
19 at the site was at one time owned, in whole or in  
20 part, by a public utility as defined in Section  
21 3-105 of the Public Utilities Act;

22          (6) the electric generating facility at the  
23 site is not owned by (i) an electric cooperative  
24 as defined in Section 3-119 of the Public  
25 Utilities Act, or (ii) an entity described in  
26 subsection (b)(1) of Section 3-105 of the Public

1 Utilities Act, or an association or consortium of  
2 or an entity owned by entities described in items  
3 (i) or (ii);

4 (7) the proposed energy storage facility at  
5 the site will have energy storage capacity of at  
6 least 37 megawatts;

7 (8) the owner commits to place the energy  
8 storage facility into commercial operation on  
9 either June 1, 2023, June 1, 2024, or June 1, 2025,  
10 with such date subject to adjustment as needed due  
11 to any delays in completing the grant contracting  
12 process, in finalizing interconnection agreements  
13 and in installing interconnection facilities, and  
14 in obtaining necessary governmental permits and  
15 approvals;

16 (9) the owner agrees that the new energy  
17 storage facility will be constructed or installed  
18 by a qualified entity or entities consistent with  
19 the requirements of subsection (g) of Section  
20 16-128A of the Public Utilities Act and any rules  
21 adopted under that Section;

22 (10) the owner agrees that personnel operating  
23 the energy storage facility will have the  
24 requisite skills, knowledge, training, experience,  
25 and competence, which may be demonstrated by  
26 completion or current participation and ultimate

1 completion by employees of an accredited or  
2 otherwise recognized apprenticeship program for  
3 the employee's particular craft, trade, or skill,  
4 including through training and education courses  
5 and opportunities offered by the owner to  
6 employees of the coal-fueled electric generating  
7 facility or by previous employment experience  
8 performing the employee's particular work skill or  
9 function;

10 (11) the owner commits that not less than the  
11 prevailing wage, as determined pursuant to the  
12 Prevailing Wage Act, will be paid to the owner's  
13 employees engaged in construction activities  
14 associated with the new energy storage facility  
15 and to the employees of the owner's contractors  
16 engaged in construction activities associated with  
17 the new energy storage facility, and that, on or  
18 before the commercial operation date of the new  
19 energy storage facility, the owner shall file a  
20 report with the Department certifying that the  
21 requirements of this subparagraph (11) have been  
22 met; and

23 (12) the owner commits that if selected to  
24 receive a grant, it will negotiate a project labor  
25 agreement for the construction of the new energy  
26 storage facility that includes provisions

1           requiring the parties to the agreement to work  
2           together to establish diversity threshold  
3           requirements and to ensure best efforts to meet  
4           diversity targets, improve diversity at the  
5           applicable job site, create diverse apprenticeship  
6           opportunities, and create opportunities to employ  
7           former coal-fired power plant workers.

8           The Department shall accept applications for this  
9           grant program until March 31, 2022 and shall announce  
10          the award of grants no later than June 1, 2022. The  
11          Department shall make the grant payments to a  
12          recipient in equal annual amounts for 10 years  
13          following the date the energy storage facility is  
14          placed into commercial operation. The annual grant  
15          payments to a qualifying energy storage facility shall  
16          be \$110,000 per megawatt of energy storage capacity,  
17          with total annual grant payments pursuant to this  
18          subparagraph (C) for qualifying energy storage  
19          facilities not to exceed \$28,050,000 in any year.

20          (D) Grants of funding for energy storage  
21          facilities pursuant to subparagraph (C) of this  
22          paragraph (10), from the Coal to Solar and Energy  
23          Storage Initiative Fund, shall be memorialized in  
24          grant contracts between the Department and the  
25          recipient. The grant contracts shall specify the date  
26          or dates in each year on which the annual grant

1 payments shall be paid.

2 (E) All disbursements from the Coal to Solar and  
3 Energy Storage Initiative Fund shall be made only upon  
4 warrants of the Comptroller drawn upon the Treasurer  
5 as custodian of the Fund upon vouchers signed by the  
6 Director of the Department or by the person or persons  
7 designated by the Director of the Department for that  
8 purpose. The Comptroller is authorized to draw the  
9 warrants upon vouchers so signed. The Treasurer shall  
10 accept all written warrants so signed and shall be  
11 released from liability for all payments made on those  
12 warrants.

13 (11) Diversity, equity, and inclusion plans.

14 (A) Each applicant selected in a procurement event  
15 to contract to supply renewable energy credits in  
16 accordance with this subsection (c-5) and each owner  
17 selected by the Department to receive a grant or  
18 grants to support the construction and operation of a  
19 new energy storage facility or facilities in  
20 accordance with this subsection (c-5) shall, within 60  
21 days following the Commission's approval of the  
22 applicant to contract to supply renewable energy  
23 credits or within 60 days following execution of a  
24 grant contract with the Department, as applicable,  
25 submit to the Commission a diversity, equity, and  
26 inclusion plan setting forth the applicant's or

1 owner's numeric goals for the diversity composition of  
2 its supplier entities for the new renewable energy  
3 facility or new energy storage facility, as  
4 applicable, which shall be referred to for purposes of  
5 this paragraph (11) as the project, and the  
6 applicant's or owner's action plan and schedule for  
7 achieving those goals.

8 (B) For purposes of this paragraph (11), diversity  
9 composition shall be based on the percentage, which  
10 shall be a minimum of 25%, of eligible expenditures  
11 for contract awards for materials and services (which  
12 shall be defined in the plan) to business enterprises  
13 owned by minority persons, women, or persons with  
14 disabilities as defined in Section 2 of the Business  
15 Enterprise for Minorities, Women, and Persons with  
16 Disabilities Act, to LGBTQ business enterprises, to  
17 veteran-owned business enterprises, and to business  
18 enterprises located in environmental justice  
19 communities. The diversity composition goals of the  
20 plan may include eligible expenditures in areas for  
21 vendor or supplier opportunities in addition to  
22 development and construction of the project, and may  
23 exclude from eligible expenditures materials and  
24 services with limited market availability, limited  
25 production and availability from suppliers in the  
26 United States, such as solar panels and storage

1 batteries, and material and services that are subject  
2 to critical energy infrastructure or cybersecurity  
3 requirements or restrictions. The plan may provide  
4 that the diversity composition goals may be met  
5 through Tier 1 Direct or Tier 2 subcontracting  
6 expenditures or a combination thereof for the project.

7 (C) The plan shall provide for, but not be limited  
8 to: (i) internal initiatives, including multi-tier  
9 initiatives, by the applicant or owner, or by its  
10 engineering, procurement and construction contractor  
11 if one is used for the project, which for purposes of  
12 this paragraph (11) shall be referred to as the EPC  
13 contractor, to enable diverse businesses to be  
14 considered fairly for selection to provide materials  
15 and services; (ii) requirements for the applicant or  
16 owner or its EPC contractor to proactively solicit and  
17 utilize diverse businesses to provide materials and  
18 services; and (iii) requirements for the applicant or  
19 owner or its EPC contractor to hire a diverse  
20 workforce for the project. The plan shall include a  
21 description of the applicant's or owner's diversity  
22 recruiting efforts both for the project and for other  
23 areas of the applicant's or owner's business  
24 operations. The plan shall provide for the imposition  
25 of financial penalties on the applicant's or owner's  
26 EPC contractor for failure to exercise best efforts to

1           comply with and execute the EPC contractor's diversity  
2           obligations under the plan. The plan may provide for  
3           the applicant or owner to set aside a portion of the  
4           work on the project to serve as an incubation program  
5           for qualified businesses, as specified in the plan,  
6           owned by minority persons, women, persons with  
7           disabilities, LGBTQ persons, and veterans, and  
8           businesses located in environmental justice  
9           communities, seeking to enter the renewable energy  
10          industry.

11           (D) The applicant or owner may submit a revised or  
12          updated plan to the Commission from time to time as  
13          circumstances warrant. The applicant or owner shall  
14          file annual reports with the Commission detailing the  
15          applicant's or owner's progress in implementing its  
16          plan and achieving its goals and any modifications the  
17          applicant or owner has made to its plan to better  
18          achieve its diversity, equity and inclusion goals. The  
19          applicant or owner shall file a final report on the  
20          fifth June 1 following the commercial operation date  
21          of the new renewable energy resource or new energy  
22          storage facility, but the applicant or owner shall  
23          thereafter continue to be subject to applicable  
24          reporting requirements of Section 5-117 of the Public  
25          Utilities Act.

26          (c-10) Equity accountability system. It is the purpose of

1 this subsection (c-10) to create an equity accountability  
2 system, which includes the minimum equity standards for all  
3 renewable energy procurements, the equity category of the  
4 Adjustable Block Program, and the equity prioritization for  
5 noncompetitive procurements, that is successful in advancing  
6 priority access to the clean energy economy for businesses and  
7 workers from communities that have been excluded from economic  
8 opportunities in the energy sector, have been subject to  
9 disproportionate levels of pollution, and have  
10 disproportionately experienced negative public health  
11 outcomes. Further, it is the purpose of this subsection to  
12 ensure that this equity accountability system is successful in  
13 advancing equity across Illinois by providing access to the  
14 clean energy economy for businesses and workers from  
15 communities that have been historically excluded from economic  
16 opportunities in the energy sector, have been subject to  
17 disproportionate levels of pollution, and have  
18 disproportionately experienced negative public health  
19 outcomes.

20 (1) Minimum equity standards. The Agency shall create  
21 programs with the purpose of increasing access to and  
22 development of equity eligible contractors, who are prime  
23 contractors and subcontractors, across all of the programs  
24 it manages. All applications for renewable energy credit  
25 procurements shall comply with specific minimum equity  
26 commitments. Starting in the delivery year immediately

1 following the next long-term renewable resources  
2 procurement plan, at least 10% of the project workforce  
3 for each entity participating in a procurement program  
4 outlined in this subsection (c-10) must be done by equity  
5 eligible persons or equity eligible contractors. The  
6 Agency shall increase the minimum percentage each delivery  
7 year thereafter by increments that ensure a statewide  
8 average of 30% of the project workforce for each entity  
9 participating in a procurement program is done by equity  
10 eligible persons or equity eligible contractors by 2030.  
11 The Agency shall propose a schedule of percentage  
12 increases to the minimum equity standards in its draft  
13 revised renewable energy resources procurement plan  
14 submitted to the Commission for approval pursuant to  
15 paragraph (5) of subsection (b) of Section 16-111.5 of the  
16 Public Utilities Act. In determining these annual  
17 increases, the Agency shall have the discretion to  
18 establish different minimum equity standards for different  
19 types of procurements and different regions of the State  
20 if the Agency finds that doing so will further the  
21 purposes of this subsection (c-10). The proposed schedule  
22 of annual increases shall be revisited and updated on an  
23 annual basis. Revisions shall be developed with  
24 stakeholder input, including from equity eligible persons,  
25 equity eligible contractors, clean energy industry  
26 representatives, and community-based organizations that

1 work with such persons and contractors.

2 (A) At the start of each delivery year, the Agency  
3 shall require a compliance plan from each entity  
4 participating in a procurement program of subsection  
5 (c) of this Section that demonstrates how they will  
6 achieve compliance with the minimum equity standard  
7 percentage for work completed in that delivery year.  
8 If an entity applies for its approved vendor or  
9 designee status between delivery years, the Agency  
10 shall require a compliance plan at the time of  
11 application.

12 (B) Halfway through each delivery year, the Agency  
13 shall require each entity participating in a  
14 procurement program to confirm that it will achieve  
15 compliance in that delivery year, when applicable. The  
16 Agency may offer corrective action plans to entities  
17 that are not on track to achieve compliance.

18 (C) At the end of each delivery year, each entity  
19 participating and completing work in that delivery  
20 year in a procurement program of subsection (c) shall  
21 submit a report to the Agency that demonstrates how it  
22 achieved compliance with the minimum equity standards  
23 percentage for that delivery year.

24 (D) The Agency shall prohibit participation in  
25 procurement programs by an approved vendor or  
26 designee, as applicable, or entities with which an

1 approved vendor or designee, as applicable, shares a  
2 common parent company if an approved vendor or  
3 designee, as applicable, failed to meet the minimum  
4 equity standards for the prior delivery year. Waivers  
5 approved for lack of equity eligible persons or equity  
6 eligible contractors in a geographic area of a project  
7 shall not count against the approved vendor or  
8 designee. The Agency shall offer a corrective action  
9 plan for any such entities to assist them in obtaining  
10 compliance and shall allow continued access to  
11 procurement programs upon an approved vendor or  
12 designee demonstrating compliance.

13 (E) The Agency shall pursue efficiencies achieved  
14 by combining with other approved vendor or designee  
15 reporting.

16 (2) Equity accountability system within the Adjustable  
17 Block program. The equity category described in item (vi)  
18 of subparagraph (K) of subsection (c) is only available to  
19 applicants that are equity eligible contractors.

20 (3) Equity accountability system within competitive  
21 procurements. Through its long-term renewable resources  
22 procurement plan, the Agency shall develop requirements  
23 for ensuring that competitive procurement processes,  
24 including utility-scale solar, utility-scale wind, and  
25 brownfield site photovoltaic projects, advance the equity  
26 goals of this subsection (c-10). Subject to Commission

1 approval, the Agency shall develop bid application  
2 requirements and a bid evaluation methodology for ensuring  
3 that utilization of equity eligible contractors, whether  
4 as bidders or as participants on project development, is  
5 optimized, including requiring that winning or successful  
6 applicants for utility-scale projects are or will partner  
7 with equity eligible contractors and giving preference to  
8 bids through which a higher portion of contract value  
9 flows to equity eligible contractors. To the extent  
10 practicable, entities participating in competitive  
11 procurements shall also be required to meet all the equity  
12 accountability requirements for approved vendors and their  
13 designees under this subsection (c-10). In developing  
14 these requirements, the Agency shall also consider whether  
15 equity goals can be further advanced through additional  
16 measures.

17 (4) In the first revision to the long-term renewable  
18 energy resources procurement plan and each revision  
19 thereafter, the Agency shall include the following:

20 (A) The current status and number of equity  
21 eligible contractors listed in the Energy Workforce  
22 Equity Database designed in subsection (c-25),  
23 including the number of equity eligible contractors  
24 with current certifications as issued by the Agency.

25 (B) A mechanism for measuring, tracking, and  
26 reporting project workforce at the approved vendor or

1           designee level, as applicable, which shall include a  
2           measurement methodology and records to be made  
3           available for audit by the Agency or the Program  
4           Administrator.

5           (C) A program for approved vendors, designees,  
6           eligible persons, and equity eligible contractors to  
7           receive trainings, guidance, and other support from  
8           the Agency or its designee regarding the equity  
9           category outlined in item (vi) of subparagraph (K) of  
10          paragraph (1) of subsection (c) and in meeting the  
11          minimum equity standards of this subsection (c-10).

12          (D) A process for certifying equity eligible  
13          contractors and equity eligible persons. The  
14          certification process shall coordinate with the Energy  
15          Workforce Equity Database set forth in subsection  
16          (c-25).

17          (E) An application for waiver of the minimum  
18          equity standards of this subsection, which the Agency  
19          shall have the discretion to grant in rare  
20          circumstances. The Agency may grant such a waiver  
21          where the applicant provides evidence of significant  
22          efforts toward meeting the minimum equity commitment,  
23          including: use of the Energy Workforce Equity  
24          Database; efforts to hire or contract with entities  
25          that hire eligible persons; and efforts to establish  
26          contracting relationships with eligible contractors.

1           The Agency shall support applicants in understanding  
2           the Energy Workforce Equity Database and other  
3           resources for pursuing compliance of the minimum  
4           equity standards. Waivers shall be project-specific,  
5           unless the Agency deems it necessary to grant a waiver  
6           across a portfolio of projects, and in effect for no  
7           longer than one year. Any waiver extension or  
8           subsequent waiver request from an applicant shall be  
9           subject to the requirements of this Section and shall  
10          specify efforts made to reach compliance. When  
11          considering whether to grant a waiver, and to what  
12          extent, the Agency shall consider the degree to which  
13          similarly situated applicants have been able to meet  
14          these minimum equity commitments. For repeated waiver  
15          requests for specific lack of eligible persons or  
16          eligible contractors available, the Agency shall make  
17          recommendations to target recruitment to add such  
18          eligible persons or eligible contractors to the  
19          database.

20          (5) The Agency shall collect information about work on  
21          projects or portfolios of projects subject to these  
22          minimum equity standards to ensure compliance with this  
23          subsection (c-10). Reporting in furtherance of this  
24          requirement may be combined with other annual reporting  
25          requirements. Such reporting shall include proof of  
26          certification of each equity eligible contractor or equity

1 eligible person during the applicable time period.

2 (6) The Agency shall keep confidential all information  
3 and communication that provides private or personal  
4 information.

5 (7) Modifications to the equity accountability system.  
6 As part of the update of the long-term renewable resources  
7 procurement plan to be initiated in 2023, or sooner if the  
8 Agency deems necessary, the Agency shall determine the  
9 extent to which the equity accountability system described  
10 in this subsection (c-10) has advanced the goals of this  
11 amendatory Act of the 102nd General Assembly, including  
12 through the inclusion of equity eligible persons and  
13 equity eligible contractors in renewable energy credit  
14 projects. If the Agency finds that the equity  
15 accountability system has failed to meet those goals to  
16 its fullest potential, the Agency may revise the following  
17 criteria for future Agency procurements: (A) the  
18 percentage of project workforce, or other appropriate  
19 workforce measure, certified as equity eligible persons or  
20 equity eligible contractors; (B) definitions for equity  
21 investment eligible persons and equity investment eligible  
22 community; and (C) such other modifications necessary to  
23 advance the goals of this amendatory Act of the 102nd  
24 General Assembly effectively. Such revised criteria may  
25 also establish distinct equity accountability systems for  
26 different types of procurements or different regions of

1 the State if the Agency finds that doing so will further  
2 the purposes of such programs. Revisions shall be  
3 developed with stakeholder input, including from equity  
4 eligible persons, equity eligible contractors, and  
5 community-based organizations that work with such persons  
6 and contractors.

7 (c-15) Racial discrimination elimination powers and  
8 process.

9 (1) Purpose. It is the purpose of this subsection to  
10 empower the Agency and other State actors to remedy racial  
11 discrimination in Illinois' clean energy economy as  
12 effectively and expediently as possible, including through  
13 the use of race-conscious remedies, such as race-conscious  
14 contracting and hiring goals, as consistent with State and  
15 federal law.

16 (2) Racial disparity and discrimination review  
17 process.

18 (A) Within one year after awarding contracts using  
19 the equity actions processes established in this  
20 Section, the Agency shall publish a report evaluating  
21 the effectiveness of the equity actions point criteria  
22 of this Section in increasing participation of equity  
23 eligible persons and equity eligible contractors. The  
24 report shall disaggregate participating workers and  
25 contractors by race and ethnicity. The report shall be  
26 forwarded to the Governor, the General Assembly, and

1 the Illinois Commerce Commission and be made available  
2 to the public.

3 (B) As soon as is practicable thereafter, the  
4 Agency, in consultation with the Department of  
5 Commerce and Economic Opportunity, Department of  
6 Labor, and other agencies that may be relevant, shall  
7 commission and publish a disparity and availability  
8 study that measures the presence and impact of  
9 discrimination on minority businesses and workers in  
10 Illinois' clean energy economy. The Agency may hire  
11 consultants and experts to conduct the disparity and  
12 availability study, with the retention of those  
13 consultants and experts exempt from the requirements  
14 of Section 20-10 of the Illinois Procurement Code. The  
15 Illinois Power Agency shall forward a copy of its  
16 findings and recommendations to the Governor, the  
17 General Assembly, and the Illinois Commerce  
18 Commission. If the disparity and availability study  
19 establishes a strong basis in evidence that there is  
20 discrimination in Illinois' clean energy economy, the  
21 Agency, Department of Commerce and Economic  
22 Opportunity, Department of Labor, Department of  
23 Corrections, and other appropriate agencies shall take  
24 appropriate remedial actions, including race-conscious  
25 remedial actions as consistent with State and federal  
26 law, to effectively remedy this discrimination. Such

1 remedies may include modification of the equity  
2 accountability system as described in subsection  
3 (c-10).

4 (c-20) Program data collection.

5 (1) Purpose. Data collection, data analysis, and  
6 reporting are critical to ensure that the benefits of the  
7 clean energy economy provided to Illinois residents and  
8 businesses are equitably distributed across the State. The  
9 Agency shall collect data from program applicants in order  
10 to track and improve equitable distribution of benefits  
11 across Illinois communities for all procurements the  
12 Agency conducts. The Agency shall use this data to, among  
13 other things, measure any potential impact of racial  
14 discrimination on the distribution of benefits and provide  
15 information necessary to correct any discrimination  
16 through methods consistent with State and federal law.

17 (2) Agency collection of program data. The Agency  
18 shall collect demographic and geographic data for each  
19 entity awarded contracts under any Agency-administered  
20 program.

21 (3) Required information to be collected. The Agency  
22 shall collect the following information from applicants  
23 and program participants where applicable:

24 (A) demographic information, including racial or  
25 ethnic identity for real persons employed, contracted,  
26 or subcontracted through the program and owners of

1 businesses or entities that apply to receive renewable  
2 energy credits from the Agency;

3 (B) geographic location of the residency of real  
4 persons employed, contracted, or subcontracted through  
5 the program and geographic location of the  
6 headquarters of the business or entity that applies to  
7 receive renewable energy credits from the Agency; and

8 (C) any other information the Agency determines is  
9 necessary for the purpose of achieving the purpose of  
10 this subsection.

11 (4) Publication of collected information. The Agency  
12 shall publish, at least annually, information on the  
13 demographics of program participants on an aggregate  
14 basis.

15 (5) Nothing in this subsection shall be interpreted to  
16 limit the authority of the Agency, or other agency or  
17 department of the State, to require or collect demographic  
18 information from applicants of other State programs.

19 (c-25) Energy Workforce Equity Database.

20 (1) The Agency, in consultation with the Department of  
21 Commerce and Economic Opportunity, shall create an Energy  
22 Workforce Equity Database, and may contract with a third  
23 party to do so ("database program administrator"). If the  
24 Department decides to contract with a third party, that  
25 third party shall be exempt from the requirements of  
26 Section 20-10 of the Illinois Procurement Code. The Energy

1 Workforce Equity Database shall be a searchable database  
2 of suppliers, vendors, and subcontractors for clean energy  
3 industries that is:

4 (A) publicly accessible;

5 (B) easy for people to find and use;

6 (C) organized by company specialty or field;

7 (D) region-specific; and

8 (E) populated with information including, but not  
9 limited to, contacts for suppliers, vendors, or  
10 subcontractors who are minority and women-owned  
11 business enterprise certified or who participate or  
12 have participated in any of the programs described in  
13 this Act.

14 (2) The Agency shall create an easily accessible,  
15 public facing online tool using the database information  
16 that includes, at a minimum, the following:

17 (A) a map of environmental justice and equity  
18 investment eligible communities;

19 (B) job postings and recruiting opportunities;

20 (C) a means by which recruiting clean energy  
21 companies can find and interact with current or former  
22 participants of clean energy workforce training  
23 programs;

24 (D) information on workforce training service  
25 providers and training opportunities available to  
26 prospective workers;

1 (E) renewable energy company diversity reporting;

2 (F) a list of equity eligible contractors with  
3 their contact information, types of work performed,  
4 and locations worked in;

5 (G) reporting on outcomes of the programs  
6 described in the workforce programs of the Energy  
7 Transition Act, including information such as, but not  
8 limited to, retention rate, graduation rate, and  
9 placement rates of trainees; and

10 (H) information about the Jobs and Environmental  
11 Justice Grant Program, the Clean Energy Jobs and  
12 Justice Fund, and other sources of capital.

13 (3) The Agency shall ensure the database is regularly  
14 updated to ensure information is current and shall  
15 coordinate with the Department of Commerce and Economic  
16 Opportunity to ensure that it includes information on  
17 individuals and entities that are or have participated in  
18 the Clean Jobs Workforce Network Program, Clean Energy  
19 Contractor Incubator Program, Returning Residents Clean  
20 Jobs Training Program, or Clean Energy Primes Contractor  
21 Accelerator Program.

22 (c-30) Enforcement of minimum equity standards. All  
23 entities seeking renewable energy credits must submit an  
24 annual report to demonstrate compliance with each of the  
25 equity commitments required under subsection (c-10). If the  
26 Agency concludes the entity has not met or maintained its

1 minimum equity standards required under the applicable  
2 subparagraphs under subsection (c-10), the Agency shall deny  
3 the entity's ability to participate in procurement programs in  
4 subsection (c), including by withholding approved vendor or  
5 designee status. The Agency may require the entity to enter  
6 into a corrective action plan. An entity that is not  
7 recertified for failing to meet required equity actions in  
8 subparagraph (c-10) may reapply once they have a corrective  
9 action plan and achieve compliance with the minimum equity  
10 standards.

11 (d) Clean coal portfolio standard.

12 (1) The procurement plans shall include electricity  
13 generated using clean coal. Each utility shall enter into  
14 one or more sourcing agreements with the initial clean  
15 coal facility, as provided in paragraph (3) of this  
16 subsection (d), covering electricity generated by the  
17 initial clean coal facility representing at least 5% of  
18 each utility's total supply to serve the load of eligible  
19 retail customers in 2015 and each year thereafter, as  
20 described in paragraph (3) of this subsection (d), subject  
21 to the limits specified in paragraph (2) of this  
22 subsection (d). It is the goal of the State that by January  
23 1, 2025, 25% of the electricity used in the State shall be  
24 generated by cost-effective clean coal facilities. For  
25 purposes of this subsection (d), "cost-effective" means  
26 that the expenditures pursuant to such sourcing agreements

1 do not cause the limit stated in paragraph (2) of this  
2 subsection (d) to be exceeded and do not exceed cost-based  
3 benchmarks, which shall be developed to assess all  
4 expenditures pursuant to such sourcing agreements covering  
5 electricity generated by clean coal facilities, other than  
6 the initial clean coal facility, by the procurement  
7 administrator, in consultation with the Commission staff,  
8 Agency staff, and the procurement monitor and shall be  
9 subject to Commission review and approval.

10 A utility party to a sourcing agreement shall  
11 immediately retire any emission credits that it receives  
12 in connection with the electricity covered by such  
13 agreement.

14 Utilities shall maintain adequate records documenting  
15 the purchases under the sourcing agreement to comply with  
16 this subsection (d) and shall file an accounting with the  
17 load forecast that must be filed with the Agency by July 15  
18 of each year, in accordance with subsection (d) of Section  
19 16-111.5 of the Public Utilities Act.

20 A utility shall be deemed to have complied with the  
21 clean coal portfolio standard specified in this subsection  
22 (d) if the utility enters into a sourcing agreement as  
23 required by this subsection (d).

24 (2) For purposes of this subsection (d), the required  
25 execution of sourcing agreements with the initial clean  
26 coal facility for a particular year shall be measured as a

1 percentage of the actual amount of electricity  
2 (megawatt-hours) supplied by the electric utility to  
3 eligible retail customers in the planning year ending  
4 immediately prior to the agreement's execution. For  
5 purposes of this subsection (d), the amount paid per  
6 kilowatthour means the total amount paid for electric  
7 service expressed on a per kilowatthour basis. For  
8 purposes of this subsection (d), the total amount paid for  
9 electric service includes without limitation amounts paid  
10 for supply, transmission, distribution, surcharges and  
11 add-on taxes.

12 Notwithstanding the requirements of this subsection  
13 (d), the total amount paid under sourcing agreements with  
14 clean coal facilities pursuant to the procurement plan for  
15 any given year shall be reduced by an amount necessary to  
16 limit the annual estimated average net increase due to the  
17 costs of these resources included in the amounts paid by  
18 eligible retail customers in connection with electric  
19 service to:

20 (A) in 2010, no more than 0.5% of the amount paid  
21 per kilowatthour by those customers during the year  
22 ending May 31, 2009;

23 (B) in 2011, the greater of an additional 0.5% of  
24 the amount paid per kilowatthour by those customers  
25 during the year ending May 31, 2010 or 1% of the amount  
26 paid per kilowatthour by those customers during the

1 year ending May 31, 2009;

2 (C) in 2012, the greater of an additional 0.5% of  
3 the amount paid per kilowatthour by those customers  
4 during the year ending May 31, 2011 or 1.5% of the  
5 amount paid per kilowatthour by those customers during  
6 the year ending May 31, 2009;

7 (D) in 2013, the greater of an additional 0.5% of  
8 the amount paid per kilowatthour by those customers  
9 during the year ending May 31, 2012 or 2% of the amount  
10 paid per kilowatthour by those customers during the  
11 year ending May 31, 2009; and

12 (E) thereafter, the total amount paid under  
13 sourcing agreements with clean coal facilities  
14 pursuant to the procurement plan for any single year  
15 shall be reduced by an amount necessary to limit the  
16 estimated average net increase due to the cost of  
17 these resources included in the amounts paid by  
18 eligible retail customers in connection with electric  
19 service to no more than the greater of (i) 2.015% of  
20 the amount paid per kilowatthour by those customers  
21 during the year ending May 31, 2009 or (ii) the  
22 incremental amount per kilowatthour paid for these  
23 resources in 2013. These requirements may be altered  
24 only as provided by statute.

25 No later than June 30, 2015, the Commission shall  
26 review the limitation on the total amount paid under

1 sourcing agreements, if any, with clean coal facilities  
2 pursuant to this subsection (d) and report to the General  
3 Assembly its findings as to whether that limitation unduly  
4 constrains the amount of electricity generated by  
5 cost-effective clean coal facilities that is covered by  
6 sourcing agreements.

7 (3) Initial clean coal facility. In order to promote  
8 development of clean coal facilities in Illinois, each  
9 electric utility subject to this Section shall execute a  
10 sourcing agreement to source electricity from a proposed  
11 clean coal facility in Illinois (the "initial clean coal  
12 facility") that will have a nameplate capacity of at least  
13 500 MW when commercial operation commences, that has a  
14 final Clean Air Act permit on June 1, 2009 (the effective  
15 date of Public Act 95-1027), and that will meet the  
16 definition of clean coal facility in Section 1-10 of this  
17 Act when commercial operation commences. The sourcing  
18 agreements with this initial clean coal facility shall be  
19 subject to both approval of the initial clean coal  
20 facility by the General Assembly and satisfaction of the  
21 requirements of paragraph (4) of this subsection (d) and  
22 shall be executed within 90 days after any such approval  
23 by the General Assembly. The Agency and the Commission  
24 shall have authority to inspect all books and records  
25 associated with the initial clean coal facility during the  
26 term of such a sourcing agreement. A utility's sourcing

1 agreement for electricity produced by the initial clean  
2 coal facility shall include:

3 (A) a formula contractual price (the "contract  
4 price") approved pursuant to paragraph (4) of this  
5 subsection (d), which shall:

6 (i) be determined using a cost of service  
7 methodology employing either a level or deferred  
8 capital recovery component, based on a capital  
9 structure consisting of 45% equity and 55% debt,  
10 and a return on equity as may be approved by the  
11 Federal Energy Regulatory Commission, which in any  
12 case may not exceed the lower of 11.5% or the rate  
13 of return approved by the General Assembly  
14 pursuant to paragraph (4) of this subsection (d);  
15 and

16 (ii) provide that all miscellaneous net  
17 revenue, including but not limited to net revenue  
18 from the sale of emission allowances, if any,  
19 substitute natural gas, if any, grants or other  
20 support provided by the State of Illinois or the  
21 United States Government, firm transmission  
22 rights, if any, by-products produced by the  
23 facility, energy or capacity derived from the  
24 facility and not covered by a sourcing agreement  
25 pursuant to paragraph (3) of this subsection (d)  
26 or item (5) of subsection (d) of Section 16-115 of

1 the Public Utilities Act, whether generated from  
2 the synthesis gas derived from coal, from SNG, or  
3 from natural gas, shall be credited against the  
4 revenue requirement for this initial clean coal  
5 facility;

6 (B) power purchase provisions, which shall:

7 (i) provide that the utility party to such  
8 sourcing agreement shall pay the contract price  
9 for electricity delivered under such sourcing  
10 agreement;

11 (ii) require delivery of electricity to the  
12 regional transmission organization market of the  
13 utility that is party to such sourcing agreement;

14 (iii) require the utility party to such  
15 sourcing agreement to buy from the initial clean  
16 coal facility in each hour an amount of energy  
17 equal to all clean coal energy made available from  
18 the initial clean coal facility during such hour  
19 times a fraction, the numerator of which is such  
20 utility's retail market sales of electricity  
21 (expressed in kilowatthours sold) in the State  
22 during the prior calendar month and the  
23 denominator of which is the total retail market  
24 sales of electricity (expressed in kilowatthours  
25 sold) in the State by utilities during such prior  
26 month and the sales of electricity (expressed in

1 kilowatthours sold) in the State by alternative  
2 retail electric suppliers during such prior month  
3 that are subject to the requirements of this  
4 subsection (d) and paragraph (5) of subsection (d)  
5 of Section 16-115 of the Public Utilities Act,  
6 provided that the amount purchased by the utility  
7 in any year will be limited by paragraph (2) of  
8 this subsection (d); and

9 (iv) be considered pre-existing contracts in  
10 such utility's procurement plans for eligible  
11 retail customers;

12 (C) contract for differences provisions, which  
13 shall:

14 (i) require the utility party to such sourcing  
15 agreement to contract with the initial clean coal  
16 facility in each hour with respect to an amount of  
17 energy equal to all clean coal energy made  
18 available from the initial clean coal facility  
19 during such hour times a fraction, the numerator  
20 of which is such utility's retail market sales of  
21 electricity (expressed in kilowatthours sold) in  
22 the utility's service territory in the State  
23 during the prior calendar month and the  
24 denominator of which is the total retail market  
25 sales of electricity (expressed in kilowatthours  
26 sold) in the State by utilities during such prior

1 month and the sales of electricity (expressed in  
2 kilowatthours sold) in the State by alternative  
3 retail electric suppliers during such prior month  
4 that are subject to the requirements of this  
5 subsection (d) and paragraph (5) of subsection (d)  
6 of Section 16-115 of the Public Utilities Act,  
7 provided that the amount paid by the utility in  
8 any year will be limited by paragraph (2) of this  
9 subsection (d);

10 (ii) provide that the utility's payment  
11 obligation in respect of the quantity of  
12 electricity determined pursuant to the preceding  
13 clause (i) shall be limited to an amount equal to  
14 (1) the difference between the contract price  
15 determined pursuant to subparagraph (A) of  
16 paragraph (3) of this subsection (d) and the  
17 day-ahead price for electricity delivered to the  
18 regional transmission organization market of the  
19 utility that is party to such sourcing agreement  
20 (or any successor delivery point at which such  
21 utility's supply obligations are financially  
22 settled on an hourly basis) (the "reference  
23 price") on the day preceding the day on which the  
24 electricity is delivered to the initial clean coal  
25 facility busbar, multiplied by (2) the quantity of  
26 electricity determined pursuant to the preceding

1 clause (i); and

2 (iii) not require the utility to take physical  
3 delivery of the electricity produced by the  
4 facility;

5 (D) general provisions, which shall:

6 (i) specify a term of no more than 30 years,  
7 commencing on the commercial operation date of the  
8 facility;

9 (ii) provide that utilities shall maintain  
10 adequate records documenting purchases under the  
11 sourcing agreements entered into to comply with  
12 this subsection (d) and shall file an accounting  
13 with the load forecast that must be filed with the  
14 Agency by July 15 of each year, in accordance with  
15 subsection (d) of Section 16-111.5 of the Public  
16 Utilities Act;

17 (iii) provide that all costs associated with  
18 the initial clean coal facility will be  
19 periodically reported to the Federal Energy  
20 Regulatory Commission and to purchasers in  
21 accordance with applicable laws governing  
22 cost-based wholesale power contracts;

23 (iv) permit the Illinois Power Agency to  
24 assume ownership of the initial clean coal  
25 facility, without monetary consideration and  
26 otherwise on reasonable terms acceptable to the

1 Agency, if the Agency so requests no less than 3  
2 years prior to the end of the stated contract  
3 term;

4 (v) require the owner of the initial clean  
5 coal facility to provide documentation to the  
6 Commission each year, starting in the facility's  
7 first year of commercial operation, accurately  
8 reporting the quantity of carbon emissions from  
9 the facility that have been captured and  
10 sequestered and report any quantities of carbon  
11 released from the site or sites at which carbon  
12 emissions were sequestered in prior years, based  
13 on continuous monitoring of such sites. If, in any  
14 year after the first year of commercial operation,  
15 the owner of the facility fails to demonstrate  
16 that the initial clean coal facility captured and  
17 sequestered at least 50% of the total carbon  
18 emissions that the facility would otherwise emit  
19 or that sequestration of emissions from prior  
20 years has failed, resulting in the release of  
21 carbon dioxide into the atmosphere, the owner of  
22 the facility must offset excess emissions. Any  
23 such carbon offsets must be permanent, additional,  
24 verifiable, real, located within the State of  
25 Illinois, and legally and practicably enforceable.  
26 The cost of such offsets for the facility that are

1 not recoverable shall not exceed \$15 million in  
2 any given year. No costs of any such purchases of  
3 carbon offsets may be recovered from a utility or  
4 its customers. All carbon offsets purchased for  
5 this purpose and any carbon emission credits  
6 associated with sequestration of carbon from the  
7 facility must be permanently retired. The initial  
8 clean coal facility shall not forfeit its  
9 designation as a clean coal facility if the  
10 facility fails to fully comply with the applicable  
11 carbon sequestration requirements in any given  
12 year, provided the requisite offsets are  
13 purchased. However, the Attorney General, on  
14 behalf of the People of the State of Illinois, may  
15 specifically enforce the facility's sequestration  
16 requirement and the other terms of this contract  
17 provision. Compliance with the sequestration  
18 requirements and offset purchase requirements  
19 specified in paragraph (3) of this subsection (d)  
20 shall be reviewed annually by an independent  
21 expert retained by the owner of the initial clean  
22 coal facility, with the advance written approval  
23 of the Attorney General. The Commission may, in  
24 the course of the review specified in item (vii),  
25 reduce the allowable return on equity for the  
26 facility if the facility willfully fails to comply

1 with the carbon capture and sequestration  
2 requirements set forth in this item (v);

3 (vi) include limits on, and accordingly  
4 provide for modification of, the amount the  
5 utility is required to source under the sourcing  
6 agreement consistent with paragraph (2) of this  
7 subsection (d);

8 (vii) require Commission review: (1) to  
9 determine the justness, reasonableness, and  
10 prudence of the inputs to the formula referenced  
11 in subparagraphs (A)(i) through (A)(iii) of  
12 paragraph (3) of this subsection (d), prior to an  
13 adjustment in those inputs including, without  
14 limitation, the capital structure and return on  
15 equity, fuel costs, and other operations and  
16 maintenance costs and (2) to approve the costs to  
17 be passed through to customers under the sourcing  
18 agreement by which the utility satisfies its  
19 statutory obligations. Commission review shall  
20 occur no less than every 3 years, regardless of  
21 whether any adjustments have been proposed, and  
22 shall be completed within 9 months;

23 (viii) limit the utility's obligation to such  
24 amount as the utility is allowed to recover  
25 through tariffs filed with the Commission,  
26 provided that neither the clean coal facility nor

1           the utility waives any right to assert federal  
2           pre-emption or any other argument in response to a  
3           purported disallowance of recovery costs;

4           (ix) limit the utility's or alternative retail  
5           electric supplier's obligation to incur any  
6           liability until such time as the facility is in  
7           commercial operation and generating power and  
8           energy and such power and energy is being  
9           delivered to the facility busbar;

10          (x) provide that the owner or owners of the  
11          initial clean coal facility, which is the  
12          counterparty to such sourcing agreement, shall  
13          have the right from time to time to elect whether  
14          the obligations of the utility party thereto shall  
15          be governed by the power purchase provisions or  
16          the contract for differences provisions;

17          (xi) append documentation showing that the  
18          formula rate and contract, insofar as they relate  
19          to the power purchase provisions, have been  
20          approved by the Federal Energy Regulatory  
21          Commission pursuant to Section 205 of the Federal  
22          Power Act;

23          (xii) provide that any changes to the terms of  
24          the contract, insofar as such changes relate to  
25          the power purchase provisions, are subject to  
26          review under the public interest standard applied

1 by the Federal Energy Regulatory Commission  
2 pursuant to Sections 205 and 206 of the Federal  
3 Power Act; and

4 (xiii) conform with customary lender  
5 requirements in power purchase agreements used as  
6 the basis for financing non-utility generators.

7 (4) Effective date of sourcing agreements with the  
8 initial clean coal facility. Any proposed sourcing  
9 agreement with the initial clean coal facility shall not  
10 become effective unless the following reports are prepared  
11 and submitted and authorizations and approvals obtained:

12 (i) Facility cost report. The owner of the initial  
13 clean coal facility shall submit to the Commission,  
14 the Agency, and the General Assembly a front-end  
15 engineering and design study, a facility cost report,  
16 method of financing (including but not limited to  
17 structure and associated costs), and an operating and  
18 maintenance cost quote for the facility (collectively  
19 "facility cost report"), which shall be prepared in  
20 accordance with the requirements of this paragraph (4)  
21 of subsection (d) of this Section, and shall provide  
22 the Commission and the Agency access to the work  
23 papers, relied upon documents, and any other backup  
24 documentation related to the facility cost report.

25 (ii) Commission report. Within 6 months following  
26 receipt of the facility cost report, the Commission,

1 in consultation with the Agency, shall submit a report  
2 to the General Assembly setting forth its analysis of  
3 the facility cost report. Such report shall include,  
4 but not be limited to, a comparison of the costs  
5 associated with electricity generated by the initial  
6 clean coal facility to the costs associated with  
7 electricity generated by other types of generation  
8 facilities, an analysis of the rate impacts on  
9 residential and small business customers over the life  
10 of the sourcing agreements, and an analysis of the  
11 likelihood that the initial clean coal facility will  
12 commence commercial operation by and be delivering  
13 power to the facility's busbar by 2016. To assist in  
14 the preparation of its report, the Commission, in  
15 consultation with the Agency, may hire one or more  
16 experts or consultants, the costs of which shall be  
17 paid for by the owner of the initial clean coal  
18 facility. The Commission and Agency may begin the  
19 process of selecting such experts or consultants prior  
20 to receipt of the facility cost report.

21 (iii) General Assembly approval. The proposed  
22 sourcing agreements shall not take effect unless,  
23 based on the facility cost report and the Commission's  
24 report, the General Assembly enacts authorizing  
25 legislation approving (A) the projected price, stated  
26 in cents per kilowatthour, to be charged for

1 electricity generated by the initial clean coal  
2 facility, (B) the projected impact on residential and  
3 small business customers' bills over the life of the  
4 sourcing agreements, and (C) the maximum allowable  
5 return on equity for the project; and

6 (iv) Commission review. If the General Assembly  
7 enacts authorizing legislation pursuant to  
8 subparagraph (iii) approving a sourcing agreement, the  
9 Commission shall, within 90 days of such enactment,  
10 complete a review of such sourcing agreement. During  
11 such time period, the Commission shall implement any  
12 directive of the General Assembly, resolve any  
13 disputes between the parties to the sourcing agreement  
14 concerning the terms of such agreement, approve the  
15 form of such agreement, and issue an order finding  
16 that the sourcing agreement is prudent and reasonable.  
17 The facility cost report shall be prepared as follows:

18 (A) The facility cost report shall be prepared by  
19 duly licensed engineering and construction firms  
20 detailing the estimated capital costs payable to one  
21 or more contractors or suppliers for the engineering,  
22 procurement and construction of the components  
23 comprising the initial clean coal facility and the  
24 estimated costs of operation and maintenance of the  
25 facility. The facility cost report shall include:

26 (i) an estimate of the capital cost of the

1 core plant based on one or more front end  
2 engineering and design studies for the  
3 gasification island and related facilities. The  
4 core plant shall include all civil, structural,  
5 mechanical, electrical, control, and safety  
6 systems.

7 (ii) an estimate of the capital cost of the  
8 balance of the plant, including any capital costs  
9 associated with sequestration of carbon dioxide  
10 emissions and all interconnects and interfaces  
11 required to operate the facility, such as  
12 transmission of electricity, construction or  
13 backfeed power supply, pipelines to transport  
14 substitute natural gas or carbon dioxide, potable  
15 water supply, natural gas supply, water supply,  
16 water discharge, landfill, access roads, and coal  
17 delivery.

18 The quoted construction costs shall be expressed  
19 in nominal dollars as of the date that the quote is  
20 prepared and shall include capitalized financing costs  
21 during construction, taxes, insurance, and other  
22 owner's costs, and an assumed escalation in materials  
23 and labor beyond the date as of which the construction  
24 cost quote is expressed.

25 (B) The front end engineering and design study for  
26 the gasification island and the cost study for the

1 balance of plant shall include sufficient design work  
2 to permit quantification of major categories of  
3 materials, commodities and labor hours, and receipt of  
4 quotes from vendors of major equipment required to  
5 construct and operate the clean coal facility.

6 (C) The facility cost report shall also include an  
7 operating and maintenance cost quote that will provide  
8 the estimated cost of delivered fuel, personnel,  
9 maintenance contracts, chemicals, catalysts,  
10 consumables, spares, and other fixed and variable  
11 operations and maintenance costs. The delivered fuel  
12 cost estimate will be provided by a recognized third  
13 party expert or experts in the fuel and transportation  
14 industries. The balance of the operating and  
15 maintenance cost quote, excluding delivered fuel  
16 costs, will be developed based on the inputs provided  
17 by duly licensed engineering and construction firms  
18 performing the construction cost quote, potential  
19 vendors under long-term service agreements and plant  
20 operating agreements, or recognized third party plant  
21 operator or operators.

22 The operating and maintenance cost quote  
23 (including the cost of the front end engineering and  
24 design study) shall be expressed in nominal dollars as  
25 of the date that the quote is prepared and shall  
26 include taxes, insurance, and other owner's costs, and

1 an assumed escalation in materials and labor beyond  
2 the date as of which the operating and maintenance  
3 cost quote is expressed.

4 (D) The facility cost report shall also include an  
5 analysis of the initial clean coal facility's ability  
6 to deliver power and energy into the applicable  
7 regional transmission organization markets and an  
8 analysis of the expected capacity factor for the  
9 initial clean coal facility.

10 (E) Amounts paid to third parties unrelated to the  
11 owner or owners of the initial clean coal facility to  
12 prepare the core plant construction cost quote,  
13 including the front end engineering and design study,  
14 and the operating and maintenance cost quote will be  
15 reimbursed through Coal Development Bonds.

16 (5) Re-powering and retrofitting coal-fired power  
17 plants previously owned by Illinois utilities to qualify  
18 as clean coal facilities. During the 2009 procurement  
19 planning process and thereafter, the Agency and the  
20 Commission shall consider sourcing agreements covering  
21 electricity generated by power plants that were previously  
22 owned by Illinois utilities and that have been or will be  
23 converted into clean coal facilities, as defined by  
24 Section 1-10 of this Act. Pursuant to such procurement  
25 planning process, the owners of such facilities may  
26 propose to the Agency sourcing agreements with utilities

1 and alternative retail electric suppliers required to  
2 comply with subsection (d) of this Section and item (5) of  
3 subsection (d) of Section 16-115 of the Public Utilities  
4 Act, covering electricity generated by such facilities. In  
5 the case of sourcing agreements that are power purchase  
6 agreements, the contract price for electricity sales shall  
7 be established on a cost of service basis. In the case of  
8 sourcing agreements that are contracts for differences,  
9 the contract price from which the reference price is  
10 subtracted shall be established on a cost of service  
11 basis. The Agency and the Commission may approve any such  
12 utility sourcing agreements that do not exceed cost-based  
13 benchmarks developed by the procurement administrator, in  
14 consultation with the Commission staff, Agency staff and  
15 the procurement monitor, subject to Commission review and  
16 approval. The Commission shall have authority to inspect  
17 all books and records associated with these clean coal  
18 facilities during the term of any such contract.

19 (6) Costs incurred under this subsection (d) or  
20 pursuant to a contract entered into under this subsection  
21 (d) shall be deemed prudently incurred and reasonable in  
22 amount and the electric utility shall be entitled to full  
23 cost recovery pursuant to the tariffs filed with the  
24 Commission.

25 (d-5) Zero emission standard.

26 (1) Beginning with the delivery year commencing on

1 June 1, 2017, the Agency shall, for electric utilities  
2 that serve at least 100,000 retail customers in this  
3 State, procure contracts with zero emission facilities  
4 that are reasonably capable of generating cost-effective  
5 zero emission credits in an amount approximately equal to  
6 16% of the actual amount of electricity delivered by each  
7 electric utility to retail customers in the State during  
8 calendar year 2014. For an electric utility serving fewer  
9 than 100,000 retail customers in this State that  
10 requested, under Section 16-111.5 of the Public Utilities  
11 Act, that the Agency procure power and energy for all or a  
12 portion of the utility's Illinois load for the delivery  
13 year commencing June 1, 2016, the Agency shall procure  
14 contracts with zero emission facilities that are  
15 reasonably capable of generating cost-effective zero  
16 emission credits in an amount approximately equal to 16%  
17 of the portion of power and energy to be procured by the  
18 Agency for the utility. The duration of the contracts  
19 procured under this subsection (d-5) shall be for a term  
20 of 10 years ending May 31, 2027. The quantity of zero  
21 emission credits to be procured under the contracts shall  
22 be all of the zero emission credits generated by the zero  
23 emission facility in each delivery year; however, if the  
24 zero emission facility is owned by more than one entity,  
25 then the quantity of zero emission credits to be procured  
26 under the contracts shall be the amount of zero emission

1 credits that are generated from the portion of the zero  
2 emission facility that is owned by the winning supplier.

3 The 16% value identified in this paragraph (1) is the  
4 average of the percentage targets in subparagraph (B) of  
5 paragraph (1) of subsection (c) of this Section for the 5  
6 delivery years beginning June 1, 2017.

7 The procurement process shall be subject to the  
8 following provisions:

9 (A) Those zero emission facilities that intend to  
10 participate in the procurement shall submit to the  
11 Agency the following eligibility information for each  
12 zero emission facility on or before the date  
13 established by the Agency:

14 (i) the in-service date and remaining useful  
15 life of the zero emission facility;

16 (ii) the amount of power generated annually  
17 for each of the years 2005 through 2015, and the  
18 projected zero emission credits to be generated  
19 over the remaining useful life of the zero  
20 emission facility, which shall be used to  
21 determine the capability of each facility;

22 (iii) the annual zero emission facility cost  
23 projections, expressed on a per megawatthour  
24 basis, over the next 6 delivery years, which shall  
25 include the following: operation and maintenance  
26 expenses; fully allocated overhead costs, which

1 shall be allocated using the methodology developed  
2 by the Institute for Nuclear Power Operations;  
3 fuel expenditures; non-fuel capital expenditures;  
4 spent fuel expenditures; a return on working  
5 capital; the cost of operational and market risks  
6 that could be avoided by ceasing operation; and  
7 any other costs necessary for continued  
8 operations, provided that "necessary" means, for  
9 purposes of this item (iii), that the costs could  
10 reasonably be avoided only by ceasing operations  
11 of the zero emission facility; and

12 (iv) a commitment to continue operating, for  
13 the duration of the contract or contracts executed  
14 under the procurement held under this subsection  
15 (d-5), the zero emission facility that produces  
16 the zero emission credits to be procured in the  
17 procurement.

18 The information described in item (iii) of this  
19 subparagraph (A) may be submitted on a confidential  
20 basis and shall be treated and maintained by the  
21 Agency, the procurement administrator, and the  
22 Commission as confidential and proprietary and exempt  
23 from disclosure under subparagraphs (a) and (g) of  
24 paragraph (1) of Section 7 of the Freedom of  
25 Information Act. The Office of Attorney General shall  
26 have access to, and maintain the confidentiality of,

1           such information pursuant to Section 6.5 of the  
2           Attorney General Act.

3           (B) The price for each zero emission credit  
4           procured under this subsection (d-5) for each delivery  
5           year shall be in an amount that equals the Social Cost  
6           of Carbon, expressed on a price per megawatthour  
7           basis. However, to ensure that the procurement remains  
8           affordable to retail customers in this State if  
9           electricity prices increase, the price in an  
10          applicable delivery year shall be reduced below the  
11          Social Cost of Carbon by the amount ("Price  
12          Adjustment") by which the market price index for the  
13          applicable delivery year exceeds the baseline market  
14          price index for the consecutive 12-month period ending  
15          May 31, 2016. If the Price Adjustment is greater than  
16          or equal to the Social Cost of Carbon in an applicable  
17          delivery year, then no payments shall be due in that  
18          delivery year. The components of this calculation are  
19          defined as follows:

20                 (i) Social Cost of Carbon: The Social Cost of  
21                 Carbon is \$16.50 per megawatthour, which is based  
22                 on the U.S. Interagency Working Group on Social  
23                 Cost of Carbon's price in the August 2016  
24                 Technical Update using a 3% discount rate,  
25                 adjusted for inflation for each year of the  
26                 program. Beginning with the delivery year

1 commencing June 1, 2023, the price per  
2 megawatthour shall increase by \$1 per  
3 megawatthour, and continue to increase by an  
4 additional \$1 per megawatthour each delivery year  
5 thereafter.

6 (ii) Baseline market price index: The baseline  
7 market price index for the consecutive 12-month  
8 period ending May 31, 2016 is \$31.40 per  
9 megawatthour, which is based on the sum of (aa)  
10 the average day-ahead energy price across all  
11 hours of such 12-month period at the PJM  
12 Interconnection LLC Northern Illinois Hub, (bb)  
13 50% multiplied by the Base Residual Auction, or  
14 its successor, capacity price for the rest of the  
15 RTO zone group determined by PJM Interconnection  
16 LLC, divided by 24 hours per day, and (cc) 50%  
17 multiplied by the Planning Resource Auction, or  
18 its successor, capacity price for Zone 4  
19 determined by the Midcontinent Independent System  
20 Operator, Inc., divided by 24 hours per day.

21 (iii) Market price index: The market price  
22 index for a delivery year shall be the sum of  
23 projected energy prices and projected capacity  
24 prices determined as follows:

25 (aa) Projected energy prices: the  
26 projected energy prices for the applicable

1 delivery year shall be calculated once for the  
2 year using the forward market price for the  
3 PJM Interconnection, LLC Northern Illinois  
4 Hub. The forward market price shall be  
5 calculated as follows: the energy forward  
6 prices for each month of the applicable  
7 delivery year averaged for each trade date  
8 during the calendar year immediately preceding  
9 that delivery year to produce a single energy  
10 forward price for the delivery year. The  
11 forward market price calculation shall use  
12 data published by the Intercontinental  
13 Exchange, or its successor.

14 (bb) Projected capacity prices:

15 (I) For the delivery years commencing  
16 June 1, 2017, June 1, 2018, and June 1,  
17 2019, the projected capacity price shall  
18 be equal to the sum of (1) 50% multiplied  
19 by the Base Residual Auction, or its  
20 successor, price for the rest of the RTO  
21 zone group as determined by PJM  
22 Interconnection LLC, divided by 24 hours  
23 per day and, (2) 50% multiplied by the  
24 resource auction price determined in the  
25 resource auction administered by the  
26 Midcontinent Independent System Operator,

1 Inc., in which the largest percentage of  
2 load cleared for Local Resource Zone 4,  
3 divided by 24 hours per day, and where  
4 such price is determined by the  
5 Midcontinent Independent System Operator,  
6 Inc.

7 (II) For the delivery year commencing  
8 June 1, 2020, and each year thereafter,  
9 the projected capacity price shall be  
10 equal to the sum of (1) 50% multiplied by  
11 the Base Residual Auction, or its  
12 successor, price for the ComEd zone as  
13 determined by PJM Interconnection LLC,  
14 divided by 24 hours per day, and (2) 50%  
15 multiplied by the resource auction price  
16 determined in the resource auction  
17 administered by the Midcontinent  
18 Independent System Operator, Inc., in  
19 which the largest percentage of load  
20 cleared for Local Resource Zone 4, divided  
21 by 24 hours per day, and where such price  
22 is determined by the Midcontinent  
23 Independent System Operator, Inc.

24 For purposes of this subsection (d-5):

25 "Rest of the RTO" and "ComEd Zone" shall have  
26 the meaning ascribed to them by PJM

1 Interconnection, LLC.

2 "RTO" means regional transmission  
3 organization.

4 (C) No later than 45 days after June 1, 2017 (the  
5 effective date of Public Act 99-906), the Agency shall  
6 publish its proposed zero emission standard  
7 procurement plan. The plan shall be consistent with  
8 the provisions of this paragraph (1) and shall provide  
9 that winning bids shall be selected based on public  
10 interest criteria that include, but are not limited  
11 to, minimizing carbon dioxide emissions that result  
12 from electricity consumed in Illinois and minimizing  
13 sulfur dioxide, nitrogen oxide, and particulate matter  
14 emissions that adversely affect the citizens of this  
15 State. In particular, the selection of winning bids  
16 shall take into account the incremental environmental  
17 benefits resulting from the procurement, such as any  
18 existing environmental benefits that are preserved by  
19 the procurements held under Public Act 99-906 and  
20 would cease to exist if the procurements were not  
21 held, including the preservation of zero emission  
22 facilities. The plan shall also describe in detail how  
23 each public interest factor shall be considered and  
24 weighted in the bid selection process to ensure that  
25 the public interest criteria are applied to the  
26 procurement and given full effect.

1           For purposes of developing the plan, the Agency  
2 shall consider any reports issued by a State agency,  
3 board, or commission under House Resolution 1146 of  
4 the 98th General Assembly and paragraph (4) of  
5 subsection (d) of this Section, as well as publicly  
6 available analyses and studies performed by or for  
7 regional transmission organizations that serve the  
8 State and their independent market monitors.

9           Upon publishing of the zero emission standard  
10 procurement plan, copies of the plan shall be posted  
11 and made publicly available on the Agency's website.  
12 All interested parties shall have 10 days following  
13 the date of posting to provide comment to the Agency on  
14 the plan. All comments shall be posted to the Agency's  
15 website. Following the end of the comment period, but  
16 no more than 60 days later than June 1, 2017 (the  
17 effective date of Public Act 99-906), the Agency shall  
18 revise the plan as necessary based on the comments  
19 received and file its zero emission standard  
20 procurement plan with the Commission.

21           If the Commission determines that the plan will  
22 result in the procurement of cost-effective zero  
23 emission credits, then the Commission shall, after  
24 notice and hearing, but no later than 45 days after the  
25 Agency filed the plan, approve the plan or approve  
26 with modification. For purposes of this subsection

1 (d-5), "cost effective" means the projected costs of  
2 procuring zero emission credits from zero emission  
3 facilities do not cause the limit stated in paragraph  
4 (2) of this subsection to be exceeded.

5 (C-5) As part of the Commission's review and  
6 acceptance or rejection of the procurement results,  
7 the Commission shall, in its public notice of  
8 successful bidders:

9 (i) identify how the winning bids satisfy the  
10 public interest criteria described in subparagraph  
11 (C) of this paragraph (1) of minimizing carbon  
12 dioxide emissions that result from electricity  
13 consumed in Illinois and minimizing sulfur  
14 dioxide, nitrogen oxide, and particulate matter  
15 emissions that adversely affect the citizens of  
16 this State;

17 (ii) specifically address how the selection of  
18 winning bids takes into account the incremental  
19 environmental benefits resulting from the  
20 procurement, including any existing environmental  
21 benefits that are preserved by the procurements  
22 held under Public Act 99-906 and would have ceased  
23 to exist if the procurements had not been held,  
24 such as the preservation of zero emission  
25 facilities;

26 (iii) quantify the environmental benefit of

1 preserving the resources identified in item (ii)  
2 of this subparagraph (C-5), including the  
3 following:

4 (aa) the value of avoided greenhouse gas  
5 emissions measured as the product of the zero  
6 emission facilities' output over the contract  
7 term multiplied by the U.S. Environmental  
8 Protection Agency eGrid subregion carbon  
9 dioxide emission rate and the U.S. Interagency  
10 Working Group on Social Cost of Carbon's price  
11 in the August 2016 Technical Update using a 3%  
12 discount rate, adjusted for inflation for each  
13 delivery year; and

14 (bb) the costs of replacement with other  
15 zero carbon dioxide resources, including wind  
16 and photovoltaic, based upon the simple  
17 average of the following:

18 (I) the price, or if there is more  
19 than one price, the average of the prices,  
20 paid for renewable energy credits from new  
21 utility-scale wind projects in the  
22 procurement events specified in item (i)  
23 of subparagraph (G) of paragraph (1) of  
24 subsection (c) of this Section; and

25 (II) the price, or if there is more  
26 than one price, the average of the prices,

1           paid for renewable energy credits from new  
2           utility-scale solar projects and  
3           brownfield site photovoltaic projects in  
4           the procurement events specified in item  
5           (ii) of subparagraph (G) of paragraph (1)  
6           of subsection (c) of this Section and,  
7           after January 1, 2015, renewable energy  
8           credits from photovoltaic distributed  
9           generation projects in procurement events  
10          held under subsection (c) of this Section.

11           Each utility shall enter into binding contractual  
12          arrangements with the winning suppliers.

13           The procurement described in this subsection  
14          (d-5), including, but not limited to, the execution of  
15          all contracts procured, shall be completed no later  
16          than May 10, 2017. Based on the effective date of  
17          Public Act 99-906, the Agency and Commission may, as  
18          appropriate, modify the various dates and timelines  
19          under this subparagraph and subparagraphs (C) and (D)  
20          of this paragraph (1). The procurement and plan  
21          approval processes required by this subsection (d-5)  
22          shall be conducted in conjunction with the procurement  
23          and plan approval processes required by subsection (c)  
24          of this Section and Section 16-111.5 of the Public  
25          Utilities Act, to the extent practicable.  
26          Notwithstanding whether a procurement event is

1           conducted under Section 16-111.5 of the Public  
2           Utilities Act, the Agency shall immediately initiate a  
3           procurement process on June 1, 2017 (the effective  
4           date of Public Act 99-906).

5           (D) Following the procurement event described in  
6           this paragraph (1) and consistent with subparagraph  
7           (B) of this paragraph (1), the Agency shall calculate  
8           the payments to be made under each contract for the  
9           next delivery year based on the market price index for  
10          that delivery year. The Agency shall publish the  
11          payment calculations no later than May 25, 2017 and  
12          every May 25 thereafter.

13          (E) Notwithstanding the requirements of this  
14          subsection (d-5), the contracts executed under this  
15          subsection (d-5) shall provide that the zero emission  
16          facility may, as applicable, suspend or terminate  
17          performance under the contracts in the following  
18          instances:

19                 (i) A zero emission facility shall be excused  
20                 from its performance under the contract for any  
21                 cause beyond the control of the resource,  
22                 including, but not restricted to, acts of God,  
23                 flood, drought, earthquake, storm, fire,  
24                 lightning, epidemic, war, riot, civil disturbance  
25                 or disobedience, labor dispute, labor or material  
26                 shortage, sabotage, acts of public enemy,

1 explosions, orders, regulations or restrictions  
2 imposed by governmental, military, or lawfully  
3 established civilian authorities, which, in any of  
4 the foregoing cases, by exercise of commercially  
5 reasonable efforts the zero emission facility  
6 could not reasonably have been expected to avoid,  
7 and which, by the exercise of commercially  
8 reasonable efforts, it has been unable to  
9 overcome. In such event, the zero emission  
10 facility shall be excused from performance for the  
11 duration of the event, including, but not limited  
12 to, delivery of zero emission credits, and no  
13 payment shall be due to the zero emission facility  
14 during the duration of the event.

15 (ii) A zero emission facility shall be  
16 permitted to terminate the contract if legislation  
17 is enacted into law by the General Assembly that  
18 imposes or authorizes a new tax, special  
19 assessment, or fee on the generation of  
20 electricity, the ownership or leasehold of a  
21 generating unit, or the privilege or occupation of  
22 such generation, ownership, or leasehold of  
23 generation units by a zero emission facility.  
24 However, the provisions of this item (ii) do not  
25 apply to any generally applicable tax, special  
26 assessment or fee, or requirements imposed by

1 federal law.

2 (iii) A zero emission facility shall be  
3 permitted to terminate the contract in the event  
4 that the resource requires capital expenditures in  
5 excess of \$40,000,000 that were neither known nor  
6 reasonably foreseeable at the time it executed the  
7 contract and that a prudent owner or operator of  
8 such resource would not undertake.

9 (iv) A zero emission facility shall be  
10 permitted to terminate the contract in the event  
11 the Nuclear Regulatory Commission terminates the  
12 resource's license.

13 (F) If the zero emission facility elects to  
14 terminate a contract under subparagraph (E) of this  
15 paragraph (1), then the Commission shall reopen the  
16 docket in which the Commission approved the zero  
17 emission standard procurement plan under subparagraph  
18 (C) of this paragraph (1) and, after notice and  
19 hearing, enter an order acknowledging the contract  
20 termination election if such termination is consistent  
21 with the provisions of this subsection (d-5).

22 (2) For purposes of this subsection (d-5), the amount  
23 paid per kilowatthour means the total amount paid for  
24 electric service expressed on a per kilowatthour basis.  
25 For purposes of this subsection (d-5), the total amount  
26 paid for electric service includes, without limitation,

1 amounts paid for supply, transmission, distribution,  
2 surcharges, and add-on taxes.

3 Notwithstanding the requirements of this subsection  
4 (d-5), the contracts executed under this subsection (d-5)  
5 shall provide that the total of zero emission credits  
6 procured under a procurement plan shall be subject to the  
7 limitations of this paragraph (2). For each delivery year,  
8 the contractual volume receiving payments in such year  
9 shall be reduced for all retail customers based on the  
10 amount necessary to limit the net increase that delivery  
11 year to the costs of those credits included in the amounts  
12 paid by eligible retail customers in connection with  
13 electric service to no more than 1.65% of the amount paid  
14 per kilowatthour by eligible retail customers during the  
15 year ending May 31, 2009. The result of this computation  
16 shall apply to and reduce the procurement for all retail  
17 customers, and all those customers shall pay the same  
18 single, uniform cents per kilowatthour charge under  
19 subsection (k) of Section 16-108 of the Public Utilities  
20 Act. To arrive at a maximum dollar amount of zero emission  
21 credits to be paid for the particular delivery year, the  
22 resulting per kilowatthour amount shall be applied to the  
23 actual amount of kilowatthours of electricity delivered by  
24 the electric utility in the delivery year immediately  
25 prior to the procurement, to all retail customers in its  
26 service territory. Unpaid contractual volume for any

1 delivery year shall be paid in any subsequent delivery  
2 year in which such payments can be made without exceeding  
3 the amount specified in this paragraph (2). The  
4 calculations required by this paragraph (2) shall be made  
5 only once for each procurement plan year. Once the  
6 determination as to the amount of zero emission credits to  
7 be paid is made based on the calculations set forth in this  
8 paragraph (2), no subsequent rate impact determinations  
9 shall be made and no adjustments to those contract amounts  
10 shall be allowed. All costs incurred under those contracts  
11 and in implementing this subsection (d-5) shall be  
12 recovered by the electric utility as provided in this  
13 Section.

14 No later than June 30, 2019, the Commission shall  
15 review the limitation on the amount of zero emission  
16 credits procured under this subsection (d-5) and report to  
17 the General Assembly its findings as to whether that  
18 limitation unduly constrains the procurement of  
19 cost-effective zero emission credits.

20 (3) Six years after the execution of a contract under  
21 this subsection (d-5), the Agency shall determine whether  
22 the actual zero emission credit payments received by the  
23 supplier over the 6-year period exceed the Average ZEC  
24 Payment. In addition, at the end of the term of a contract  
25 executed under this subsection (d-5), or at the time, if  
26 any, a zero emission facility's contract is terminated

1 under subparagraph (E) of paragraph (1) of this subsection  
2 (d-5), then the Agency shall determine whether the actual  
3 zero emission credit payments received by the supplier  
4 over the term of the contract exceed the Average ZEC  
5 Payment, after taking into account any amounts previously  
6 credited back to the utility under this paragraph (3). If  
7 the Agency determines that the actual zero emission credit  
8 payments received by the supplier over the relevant period  
9 exceed the Average ZEC Payment, then the supplier shall  
10 credit the difference back to the utility. The amount of  
11 the credit shall be remitted to the applicable electric  
12 utility no later than 120 days after the Agency's  
13 determination, which the utility shall reflect as a credit  
14 on its retail customer bills as soon as practicable;  
15 however, the credit remitted to the utility shall not  
16 exceed the total amount of payments received by the  
17 facility under its contract.

18 For purposes of this Section, the Average ZEC Payment  
19 shall be calculated by multiplying the quantity of zero  
20 emission credits delivered under the contract times the  
21 average contract price. The average contract price shall  
22 be determined by subtracting the amount calculated under  
23 subparagraph (B) of this paragraph (3) from the amount  
24 calculated under subparagraph (A) of this paragraph (3),  
25 as follows:

26 (A) The average of the Social Cost of Carbon, as

1 defined in subparagraph (B) of paragraph (1) of this  
2 subsection (d-5), during the term of the contract.

3 (B) The average of the market price indices, as  
4 defined in subparagraph (B) of paragraph (1) of this  
5 subsection (d-5), during the term of the contract,  
6 minus the baseline market price index, as defined in  
7 subparagraph (B) of paragraph (1) of this subsection  
8 (d-5).

9 If the subtraction yields a negative number, then the  
10 Average ZEC Payment shall be zero.

11 (4) Cost-effective zero emission credits procured from  
12 zero emission facilities shall satisfy the applicable  
13 definitions set forth in Section 1-10 of this Act.

14 (5) The electric utility shall retire all zero  
15 emission credits used to comply with the requirements of  
16 this subsection (d-5).

17 (6) Electric utilities shall be entitled to recover  
18 all of the costs associated with the procurement of zero  
19 emission credits through an automatic adjustment clause  
20 tariff in accordance with subsection (k) and (m) of  
21 Section 16-108 of the Public Utilities Act, and the  
22 contracts executed under this subsection (d-5) shall  
23 provide that the utilities' payment obligations under such  
24 contracts shall be reduced if an adjustment is required  
25 under subsection (m) of Section 16-108 of the Public  
26 Utilities Act.

1           (7) This subsection (d-5) shall become inoperative on  
2           January 1, 2028.

3           (d-10) Nuclear Plant Assistance; carbon mitigation  
4           credits.

5           (1) The General Assembly finds:

6                   (A) The health, welfare, and prosperity of all  
7           Illinois citizens require that the State of Illinois act  
8           to avoid and not increase carbon emissions from electric  
9           generation sources while continuing to ensure affordable,  
10          stable, and reliable electricity to all citizens.

11                   (B) Absent immediate action by the State to preserve  
12          existing carbon-free energy resources, those resources may  
13          retire, and the electric generation needs of Illinois'  
14          retail customers may be met instead by facilities that  
15          emit significant amounts of carbon pollution and other  
16          harmful air pollutants at a high social and economic cost  
17          until Illinois is able to develop other forms of clean  
18          energy.

19                   (C) The General Assembly finds that nuclear power  
20          generation is necessary for the State's transition to 100%  
21          clean energy, and ensuring continued operation of nuclear  
22          plants advances environmental and public health interests  
23          through providing carbon-free electricity while reducing  
24          the air pollution profile of the Illinois energy  
25          generation fleet.

26                   (D) The clean energy attributes of nuclear generation

1 facilities support the State in its efforts to achieve  
2 100% clean energy.

3 (E) The State currently invests in various forms of  
4 clean energy, including, but not limited to, renewable  
5 energy, energy efficiency, and low-emission vehicles,  
6 among others.

7 (F) The Environmental Protection Agency commissioned  
8 an independent audit which provided a detailed assessment  
9 of the financial condition of the Illinois nuclear fleet  
10 to evaluate its financial viability and whether the  
11 environmental benefits of such resources were at risk. The  
12 report identified the risk of losing the environmental  
13 benefits of several specific nuclear units. The report  
14 also identified that the LaSalle County Generating Station  
15 will continue to operate through 2026 and therefore is not  
16 eligible to participate in the carbon mitigation credit  
17 program.

18 (G) Nuclear plants provide carbon-free energy, which  
19 helps to avoid many health-related negative impacts for  
20 Illinois residents.

21 (H) The procurement of carbon mitigation credits  
22 representing the environmental benefits of carbon-free  
23 generation will further the State's efforts at achieving  
24 100% clean energy and decarbonizing the electricity sector  
25 in a safe, reliable, and affordable manner. Further, the  
26 procurement of carbon emission credits will enhance the

1 health and welfare of Illinois residents through decreased  
2 reliance on more highly polluting generation.

3 (I) The General Assembly therefore finds it necessary  
4 to establish carbon mitigation credits to ensure decreased  
5 reliance on more carbon-intensive energy resources, for  
6 transitioning to a fully decarbonized electricity sector,  
7 and to help ensure health and welfare of the State's  
8 residents.

9 (2) As used in this subsection:

10 "Baseline costs" means costs used to establish a customer  
11 protection cap that have been evaluated through an independent  
12 audit of a carbon-free energy resource conducted by the  
13 Environmental Protection Agency that evaluated projected  
14 annual costs for operation and maintenance expenses; fully  
15 allocated overhead costs, which shall be allocated using the  
16 methodology developed by the Institute for Nuclear Power  
17 Operations; fuel expenditures; nonfuel capital expenditures;  
18 spent fuel expenditures; a return on working capital; the cost  
19 of operational and market risks that could be avoided by  
20 ceasing operation; and any other costs necessary for continued  
21 operations, provided that "necessary" means, for purposes of  
22 this definition, that the costs could reasonably be avoided  
23 only by ceasing operations of the carbon-free energy resource.

24 "Carbon mitigation credit" means a tradable credit that  
25 represents the carbon emission reduction attributes of one  
26 megawatt-hour of energy produced from a carbon-free energy

1 resource.

2 "Carbon-free energy resource" means a generation facility  
3 that: (1) is fueled by nuclear power; and (2) is  
4 interconnected to PJM Interconnection, LLC.

5 (3) Procurement.

6 (A) Beginning with the delivery year commencing on  
7 June 1, 2022, the Agency shall, for electric utilities  
8 serving at least 3,000,000 retail customers in the State,  
9 seek to procure contracts for no more than approximately  
10 54,500,000 cost-effective carbon mitigation credits from  
11 carbon-free energy resources because such credits are  
12 necessary to support current levels of carbon-free energy  
13 generation and ensure the State meets its carbon dioxide  
14 emissions reduction goals. The Agency shall not make a  
15 partial award of a contract for carbon mitigation credits  
16 covering a fractional amount of a carbon-free energy  
17 resource's projected output.

18 (B) Each carbon-free energy resource that intends to  
19 participate in a procurement shall be required to submit  
20 to the Agency the following information for the resource  
21 on or before the date established by the Agency:

22 (i) the in-service date and remaining useful life  
23 of the carbon-free energy resource;

24 (ii) the amount of power generated annually for  
25 each of the past 10 years, which shall be used to  
26 determine the capability of each facility;

1 (iii) a commitment to be reflected in any contract  
2 entered into pursuant to this subsection (d-10) to  
3 continue operating the carbon-free energy resource at  
4 a capacity factor of at least 88% annually on average  
5 for the duration of the contract or contracts executed  
6 under the procurement held under this subsection  
7 (d-10), except in an instance described in  
8 subparagraph (E) of paragraph (1) of subsection (d-5)  
9 of this Section or made impracticable as a result of  
10 compliance with law or regulation;

11 (iv) financial need and the risk of loss of the  
12 environmental benefits of such resource, which shall  
13 include the following information:

14 (I) the carbon-free energy resource's cost  
15 projections, expressed on a per megawatt-hour  
16 basis, over the next 5 delivery years, which shall  
17 include the following: operation and maintenance  
18 expenses; fully allocated overhead costs, which  
19 shall be allocated using the methodology developed  
20 by the Institute for Nuclear Power Operations;  
21 fuel expenditures; nonfuel capital expenditures;  
22 spent fuel expenditures; a return on working  
23 capital; the cost of operational and market risks  
24 that could be avoided by ceasing operation; and  
25 any other costs necessary for continued  
26 operations, provided that "necessary" means, for

1 purposes of this subitem (I), that the costs could  
2 reasonably be avoided only by ceasing operations  
3 of the carbon-free energy resource; and

4 (II) the carbon-free energy resource's revenue  
5 projections, including energy, capacity, ancillary  
6 services, any other direct State support, known or  
7 anticipated federal attribute credits, known or  
8 anticipated tax credits, and any other direct  
9 federal support.

10 The information described in this subparagraph (B) may  
11 be submitted on a confidential basis and shall be treated  
12 and maintained by the Agency, the procurement  
13 administrator, and the Commission as confidential and  
14 proprietary and exempt from disclosure under subparagraphs  
15 (a) and (g) of paragraph (1) of Section 7 of the Freedom of  
16 Information Act. The Office of the Attorney General shall  
17 have access to, and maintain the confidentiality of, such  
18 information pursuant to Section 6.5 of the Attorney  
19 General Act.

20 (C) The Agency shall solicit bids for the contracts  
21 described in this subsection (d-10) from carbon-free  
22 energy resources that have satisfied the requirements of  
23 subparagraph (B) of this paragraph (3). The contracts  
24 procured pursuant to a procurement event shall reflect,  
25 and be subject to, the following terms, requirements, and  
26 limitations:

1 (i) Contracts are for delivery of carbon  
2 mitigation credits, and are not energy or capacity  
3 sales contracts requiring physical delivery. Pursuant  
4 to item (iii), contract payments shall fully deduct  
5 the value of any monetized federal production tax  
6 credits, credits issued pursuant to a federal clean  
7 energy standard, and other federal credits if  
8 applicable.

9 (ii) Contracts for carbon mitigation credits shall  
10 commence with the delivery year beginning on June 1,  
11 2022 and shall be for a term of 5 delivery years  
12 concluding on May 31, 2027.

13 (iii) The price per carbon mitigation credit to be  
14 paid under a contract for a given delivery year shall  
15 be equal to an accepted bid price less the sum of:

16 (I) one of the following energy price indices,  
17 selected by the bidder at the time of the bid for  
18 the term of the contract:

19 (aa) the weighted-average hourly day-ahead  
20 price for the applicable delivery year at the  
21 busbar of all resources procured pursuant to  
22 this subsection (d-10), weighted by actual  
23 production from the resources; or

24 (bb) the projected energy price for the  
25 PJM Interconnection, LLC Northern Illinois Hub  
26 for the applicable delivery year determined

1           according to subitem (aa) of item (iii) of  
2           subparagraph (B) of paragraph (1) of  
3           subsection (d-5).

4           (II) the Base Residual Auction Capacity Price  
5           for the ComEd zone as determined by PJM  
6           Interconnection, LLC, divided by 24 hours per day,  
7           for the applicable delivery year for the first 3  
8           delivery years, and then any subsequent delivery  
9           years unless the PJM Interconnection, LLC applies  
10          the Minimum Offer Price Rule to participating  
11          carbon-free energy resources because they supply  
12          carbon mitigation credits pursuant to this Section  
13          at which time, upon notice by the carbon-free  
14          energy resource to the Commission and subject to  
15          the Commission's confirmation, the value under  
16          this subitem shall be zero, as further described  
17          in the carbon mitigation credit procurement plan;  
18          and

19          (III) any value of monetized federal tax  
20          credits, direct payments, or similar subsidy  
21          provided to the carbon-free energy resource from  
22          any unit of government that is not already  
23          reflected in energy prices.

24          If the price-per-megawatt-hour calculation  
25          performed under item (iii) of this subparagraph (C)  
26          for a given delivery year results in a net positive

1 value, then the electric utility counterparty to the  
2 contract shall multiply such net value by the  
3 applicable contract quantity and remit the amount to  
4 the supplier.

5 To protect retail customers from retail rate  
6 impacts that may arise upon the initiation of carbon  
7 policy changes, if the price-per-megawatt-hour  
8 calculation performed under item (iii) of this  
9 subparagraph (C) for a given delivery year results in  
10 a net negative value, then the supplier counterparty  
11 to the contract shall multiply such net value by the  
12 applicable contract quantity and remit such amount to  
13 the electric utility counterparty. The electric  
14 utility shall reflect such amounts remitted by  
15 suppliers as a credit on its retail customer bills as  
16 soon as practicable.

17 (iv) To ensure that retail customers in Northern  
18 Illinois do not pay more for carbon mitigation credits  
19 than the value such credits provide, and  
20 notwithstanding the provisions of this subsection  
21 (d-10), the Agency shall not accept bids for contracts  
22 that exceed a customer protection cap equal to the  
23 baseline costs of carbon-free energy resources.

24 The baseline costs for the applicable year shall  
25 be the following:

26 (I) For the delivery year beginning June 1,

1           2022, the baseline costs shall be an amount equal  
2           to \$30.30 per megawatt-hour.

3           (II) For the delivery year beginning June 1,  
4           2023, the baseline costs shall be an amount equal  
5           to \$32.50 per megawatt-hour.

6           (III) For the delivery year beginning June 1,  
7           2024, the baseline costs shall be an amount equal  
8           to \$33.43 per megawatt-hour.

9           (IV) For the delivery year beginning June 1,  
10          2025, the baseline costs shall be an amount equal  
11          to \$33.50 per megawatt-hour.

12          (V) For the delivery year beginning June 1,  
13          2026, the baseline costs shall be an amount equal  
14          to \$34.50 per megawatt-hour.

15          An Environmental Protection Agency consultant  
16          forecast, included in a report issued April 14, 2021,  
17          projects that a carbon-free energy resource has the  
18          opportunity to earn on average approximately \$30.28  
19          per megawatt-hour, for the sale of energy and capacity  
20          during the time period between 2022 and 2027.  
21          Therefore, the sale of carbon mitigation credits  
22          provides the opportunity to receive an additional  
23          amount per megawatt-hour in addition to the projected  
24          prices for energy and capacity.

25          Although actual energy and capacity prices may  
26          vary from year-to-year, the General Assembly finds

1           that this customer protection cap will help ensure  
2           that the cost of carbon mitigation credits will be  
3           less than its value, based upon the social cost of  
4           carbon identified in the Technical Support Document  
5           issued in February 2021 by the U.S. Interagency  
6           Working Group on Social Cost of Greenhouse Gases and  
7           the PJM Interconnection, LLC carbon dioxide marginal  
8           emission rate for 2020, and that a carbon-free energy  
9           resource receiving payment for carbon mitigation  
10          credits receives no more than necessary to keep those  
11          units in operation.

12          (D) No later than 7 days after the effective date of  
13          this amendatory Act of the 102nd General Assembly, the  
14          Agency shall publish its proposed carbon mitigation credit  
15          procurement plan. The Plan shall provide that winning bids  
16          shall be selected by taking into consideration which  
17          resources best match public interest criteria that  
18          include, but are not limited to, minimizing carbon dioxide  
19          emissions that result from electricity consumed in  
20          Illinois and minimizing sulfur dioxide, nitrogen oxide,  
21          and particulate matter emissions that adversely affect the  
22          citizens of this State. The selection of winning bids  
23          shall also take into account the incremental environmental  
24          benefits resulting from the procurement or procurements,  
25          such as any existing environmental benefits that are  
26          preserved by a procurement held under this subsection

1 (d-10) and would cease to exist if the procurement were  
2 not held, including the preservation of carbon-free energy  
3 resources. For those bidders having the same public  
4 interest criteria score, the relative ranking of such  
5 bidders shall be determined by price. The Plan shall  
6 describe in detail how each public interest factor shall  
7 be considered and weighted in the bid selection process to  
8 ensure that the public interest criteria are applied to  
9 the procurement. The Plan shall, to the extent practical  
10 and permissible by federal law, ensure that successful  
11 bidders make commercially reasonable efforts to apply for  
12 federal tax credits, direct payments, or similar subsidy  
13 programs that support carbon-free generation and for which  
14 the successful bidder is eligible. Upon publishing of the  
15 carbon mitigation credit procurement plan, copies of the  
16 plan shall be posted and made publicly available on the  
17 Agency's website. All interested parties shall have 7 days  
18 following the date of posting to provide comment to the  
19 Agency on the plan. All comments shall be posted to the  
20 Agency's website. Following the end of the comment period,  
21 but no more than 19 days later than the effective date of  
22 this amendatory Act of the 102nd General Assembly, the  
23 Agency shall revise the plan as necessary based on the  
24 comments received and file its carbon mitigation credit  
25 procurement plan with the Commission.

26 (E) If the Commission determines that the plan is

1 likely to result in the procurement of cost-effective  
2 carbon mitigation credits, then the Commission shall,  
3 after notice and hearing and opportunity for comment, but  
4 no later than 42 days after the Agency filed the plan,  
5 approve the plan or approve it with modification. For  
6 purposes of this subsection (d-10), "cost-effective" means  
7 carbon mitigation credits that are procured from  
8 carbon-free energy resources at prices that are within the  
9 limits specified in this paragraph (3). As part of the  
10 Commission's review and acceptance or rejection of the  
11 procurement results, the Commission shall, in its public  
12 notice of successful bidders:

13 (i) identify how the selected carbon-free energy  
14 resources satisfy the public interest criteria  
15 described in this paragraph (3) of minimizing carbon  
16 dioxide emissions that result from electricity  
17 consumed in Illinois and minimizing sulfur dioxide,  
18 nitrogen oxide, and particulate matter emissions that  
19 adversely affect the citizens of this State;

20 (ii) specifically address how the selection of  
21 carbon-free energy resources takes into account the  
22 incremental environmental benefits resulting from the  
23 procurement, including any existing environmental  
24 benefits that are preserved by the procurements held  
25 under this amendatory Act of the 102nd General  
26 Assembly and would have ceased to exist if the

1 procurements had not been held, such as the  
2 preservation of carbon-free energy resources;

3 (iii) quantify the environmental benefit of  
4 preserving the carbon-free energy resources procured  
5 pursuant to this subsection (d-10), including the  
6 following:

7 (I) an assessment value of avoided greenhouse  
8 gas emissions measured as the product of the  
9 carbon-free energy resources' output over the  
10 contract term, using generally accepted  
11 methodologies for the valuation of avoided  
12 emissions; and

13 (II) an assessment of costs of replacement  
14 with other carbon-free energy resources and  
15 renewable energy resources, including wind and  
16 photovoltaic generation, based upon an assessment  
17 of the prices paid for renewable energy credits  
18 through programs and procurements conducted  
19 pursuant to subsection (c) of Section 1-75 of this  
20 Act, and the additional storage necessary to  
21 produce the same or similar capability of matching  
22 customer usage patterns.

23 (F) The procurements described in this paragraph (3),  
24 including, but not limited to, the execution of all  
25 contracts procured, shall be completed no later than  
26 December 3, 2021. The procurement and plan approval

1 processes required by this paragraph (3) shall be  
2 conducted in conjunction with the procurement and plan  
3 approval processes required by Section 16-111.5 of the  
4 Public Utilities Act, to the extent practicable. However,  
5 the Agency and Commission may, as appropriate, modify the  
6 various dates and timelines under this subparagraph and  
7 subparagraphs (D) and (E) of this paragraph (3) to meet  
8 the December 3, 2021 contract execution deadline.  
9 Following the completion of such procurements, and  
10 consistent with this paragraph (3), the Agency shall  
11 calculate the payments to be made under each contract in a  
12 timely fashion.

13 (F-1) Costs incurred by the electric utility pursuant  
14 to a contract authorized by this subsection (d-10) shall  
15 be deemed prudently incurred and reasonable in amount, and  
16 the electric utility shall be entitled to full cost  
17 recovery pursuant to a tariff or tariffs filed with the  
18 Commission.

19 (G) The counterparty electric utility shall retire all  
20 carbon mitigation credits used to comply with the  
21 requirements of this subsection (d-10).

22 (H) If a carbon-free energy resource is sold to  
23 another owner, the rights, obligations, and commitments  
24 under this subsection (d-10) shall continue to the  
25 subsequent owner.

26 (I) This subsection (d-10) shall become inoperative on

1 January 1, 2028.

2 (e) The draft procurement plans are subject to public  
3 comment, as required by Section 16-111.5 of the Public  
4 Utilities Act.

5 (f) The Agency shall submit the final procurement plan to  
6 the Commission. The Agency shall revise a procurement plan if  
7 the Commission determines that it does not meet the standards  
8 set forth in Section 16-111.5 of the Public Utilities Act.

9 (g) The Agency shall assess fees to each affected utility  
10 to recover the costs incurred in preparation of the annual  
11 procurement plan for the utility.

12 (h) The Agency shall assess fees to each bidder to recover  
13 the costs incurred in connection with a competitive  
14 procurement process.

15 (i) A renewable energy credit, carbon emission credit,  
16 zero emission credit, or carbon mitigation credit can only be  
17 used once to comply with a single portfolio or other standard  
18 as set forth in subsection (c), subsection (d), or subsection  
19 (d-5) of this Section, respectively. A renewable energy  
20 credit, carbon emission credit, zero emission credit, or  
21 carbon mitigation credit cannot be used to satisfy the  
22 requirements of more than one standard. If more than one type  
23 of credit is issued for the same megawatt hour of energy, only  
24 one credit can be used to satisfy the requirements of a single  
25 standard. After such use, the credit must be retired together  
26 with any other credits issued for the same megawatt hour of

1 energy.

2 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;  
3 103-580, eff. 12-8-23.)

4 Section 65. The Public Utilities Act is amended by  
5 changing Sections 8-406, 8-406.1, 16-107.6, 16-108, 16-111.5,  
6 and 16-135 as follows:

7 (220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

8 Sec. 8-406. Certificate of public convenience and  
9 necessity.

10 (a) No public utility not owning any city or village  
11 franchise nor engaged in performing any public service or in  
12 furnishing any product or commodity within this State as of  
13 July 1, 1921 and not possessing a certificate of public  
14 convenience and necessity from the Illinois Commerce  
15 Commission, the State Public Utilities Commission, or the  
16 Public Utilities Commission, at the time Public Act 84-617  
17 goes into effect (January 1, 1986), shall transact any  
18 business in this State until it shall have obtained a  
19 certificate from the Commission that public convenience and  
20 necessity require the transaction of such business. A  
21 certificate of public convenience and necessity requiring the  
22 transaction of public utility business in any area of this  
23 State shall include authorization to the public utility  
24 receiving the certificate of public convenience and necessity

1 to construct such plant, equipment, property, or facility as  
2 is provided for under the terms and conditions of its tariff  
3 and as is necessary to provide utility service and carry out  
4 the transaction of public utility business by the public  
5 utility in the designated area.

6 (b) No public utility shall begin the construction of any  
7 new plant, equipment, property, or facility which is not in  
8 substitution of any existing plant, equipment, property, or  
9 facility, or any extension or alteration thereof or in  
10 addition thereto, unless and until it shall have obtained from  
11 the Commission a certificate that public convenience and  
12 necessity require such construction. Whenever after a hearing  
13 the Commission determines that any new construction or the  
14 transaction of any business by a public utility will promote  
15 the public convenience and is necessary thereto, it shall have  
16 the power to issue certificates of public convenience and  
17 necessity. The Commission shall determine that proposed  
18 construction will promote the public convenience and necessity  
19 only if the utility demonstrates: (1) that the proposed  
20 construction is necessary to provide adequate, reliable, and  
21 efficient service to its customers and is the least-cost means  
22 of satisfying the service needs of its customers or that the  
23 proposed construction will promote the development of an  
24 effectively competitive electricity market that operates  
25 efficiently, is equitable to all customers, and is the least  
26 cost means of satisfying those objectives; (2) that the

1 utility is capable of efficiently managing and supervising the  
2 construction process and has taken sufficient action to ensure  
3 adequate and efficient construction and supervision thereof;  
4 and (3) that the utility is capable of financing the proposed  
5 construction without significant adverse financial  
6 consequences for the utility or its customers.

7 (b-5) As used in this subsection (b-5):

8 "Qualifying direct current applicant" means an entity that  
9 seeks to provide direct current bulk transmission service for  
10 the purpose of transporting electric energy in interstate  
11 commerce.

12 "Qualifying direct current project" means a high voltage  
13 direct current electric service line that crosses at least one  
14 Illinois border, the Illinois portion of which is physically  
15 located within the region of the Midcontinent Independent  
16 System Operator, Inc., or its successor organization, and runs  
17 through the counties of Pike, Scott, Greene, Macoupin,  
18 Montgomery, Christian, Shelby, Cumberland, and Clark, is  
19 capable of transmitting electricity at voltages of 345  
20 kilovolts or above, and may also include associated  
21 interconnected alternating current interconnection facilities  
22 in this State that are part of the proposed project and  
23 reasonably necessary to connect the project with other  
24 portions of the grid.

25 Notwithstanding any other provision of this Act, a  
26 qualifying direct current applicant that does not own,

1 control, operate, or manage, within this State, any plant,  
2 equipment, or property used or to be used for the transmission  
3 of electricity at the time of its application or of the  
4 Commission's order may file an application on or before  
5 December 31, 2023 with the Commission pursuant to this Section  
6 or Section 8-406.1 for, and the Commission may grant, a  
7 certificate of public convenience and necessity to construct,  
8 operate, and maintain a qualifying direct current project. The  
9 qualifying direct current applicant may also include in the  
10 application requests for authority under Section 8-503. The  
11 Commission shall grant the application for a certificate of  
12 public convenience and necessity and requests for authority  
13 under Section 8-503 if it finds that the qualifying direct  
14 current applicant and the proposed qualifying direct current  
15 project satisfy the requirements of this subsection and  
16 otherwise satisfy the criteria of this Section or Section  
17 8-406.1 and the criteria of Section 8-503, as applicable to  
18 the application and to the extent such criteria are not  
19 superseded by the provisions of this subsection. The  
20 Commission's order on the application for the certificate of  
21 public convenience and necessity shall also include the  
22 Commission's findings and determinations on the request or  
23 requests for authority pursuant to Section 8-503. Prior to  
24 filing its application under either this Section or Section  
25 8-406.1, the qualifying direct current applicant shall conduct  
26 3 public meetings in accordance with subsection (h) of this

1 Section. If the qualifying direct current applicant  
2 demonstrates in its application that the proposed qualifying  
3 direct current project is designed to deliver electricity to a  
4 point or points on the electric transmission grid in either or  
5 both the PJM Interconnection, LLC or the Midcontinent  
6 Independent System Operator, Inc., or their respective  
7 successor organizations, the proposed qualifying direct  
8 current project shall be deemed to be, and the Commission  
9 shall find it to be, for public use. If the qualifying direct  
10 current applicant further demonstrates in its application that  
11 the proposed transmission project has a capacity of 1,000  
12 megawatts or larger and a voltage level of 345 kilovolts or  
13 greater, the proposed transmission project shall be deemed to  
14 satisfy, and the Commission shall find that it satisfies, the  
15 criteria stated in item (1) of subsection (b) of this Section  
16 or in paragraph (1) of subsection (f) of Section 8-406.1, as  
17 applicable to the application, without the taking of  
18 additional evidence on these criteria. Prior to the transfer  
19 of functional control of any transmission assets to a regional  
20 transmission organization, a qualifying direct current  
21 applicant shall request Commission approval to join a regional  
22 transmission organization in an application filed pursuant to  
23 this subsection (b-5) or separately pursuant to Section 7-102  
24 of this Act. The Commission may grant permission to a  
25 qualifying direct current applicant to join a regional  
26 transmission organization if it finds that the membership, and

1 associated transfer of functional control of transmission  
2 assets, benefits Illinois customers in light of the attendant  
3 costs and is otherwise in the public interest. Nothing in this  
4 subsection (b-5) requires a qualifying direct current  
5 applicant to join a regional transmission organization.  
6 Nothing in this subsection (b-5) requires the owner or  
7 operator of a high voltage direct current transmission line  
8 that is not a qualifying direct current project to obtain a  
9 certificate of public convenience and necessity to the extent  
10 it is not otherwise required by this Section 8-406 or any other  
11 provision of this Act.

12 (c) As used in this subsection (c):

13 "Decommissioning" has the meaning given to that term in  
14 subsection (a) of Section 8-508.1.

15 "Nuclear power reactor" has the meaning given to that term  
16 in Section 8 of the Nuclear Safety Law of 2004.

17 After the effective date of this amendatory Act of the  
18 103rd General Assembly, no construction shall commence on any  
19 new nuclear power reactor with a nameplate capacity of more  
20 than 300 megawatts of electricity to be located within this  
21 State, and no certificate of public convenience and necessity  
22 or other authorization shall be issued therefor by the  
23 Commission, until the Illinois Emergency Management Agency and  
24 Office of Homeland Security, in consultation with the Illinois  
25 Environmental Protection Agency and the Illinois Department of  
26 Natural Resources, finds that the United States Government,

1 through its authorized agency, has identified and approved a  
2 demonstrable technology or means for the disposal of high  
3 level nuclear waste, or until such construction has been  
4 specifically approved by a statute enacted by the General  
5 Assembly. Beginning January 1, 2026, construction may commence  
6 on a new nuclear power reactor with a nameplate capacity of 300  
7 megawatts of electricity or less within this State if the  
8 entity constructing the new nuclear power reactor has obtained  
9 all permits, licenses, permissions, or approvals governing the  
10 construction, operation, and funding of decommissioning of  
11 such nuclear power reactors required by: (1) this Act; (2) any  
12 rules adopted by the Illinois Emergency Management Agency and  
13 Office of Homeland Security under the authority of this Act;  
14 (3) any applicable federal statutes, including, but not  
15 limited to, the Atomic Energy Act of 1954, the Energy  
16 Reorganization Act of 1974, the Low-Level Radioactive Waste  
17 Policy Amendments Act of 1985, and the Energy Policy Act of  
18 1992; (4) any regulations promulgated or enforced by the U.S.  
19 Nuclear Regulatory Commission, including, but not limited to,  
20 those codified at Title X, Parts 20, 30, 40, 50, 70, and 72 of  
21 the Code of Federal Regulations, as from time to time amended;  
22 and (5) any other federal or State statute, rule, or  
23 regulation governing the permitting, licensing, operation, or  
24 decommissioning of such nuclear power reactors. None of the  
25 rules developed by the Illinois Emergency Management Agency  
26 and Office of Homeland Security or any other State agency,

1 board, or commission pursuant to this Act shall be construed  
2 to supersede the authority of the U.S. Nuclear Regulatory  
3 Commission. The changes made by this amendatory Act of the  
4 103rd General Assembly shall not apply to the uprate, renewal,  
5 or subsequent renewal of any license for an existing nuclear  
6 power reactor that began operation prior to the effective date  
7 of this amendatory Act of the 103rd General Assembly.

8 None of the changes made in this amendatory Act of the  
9 103rd General Assembly are intended to authorize the  
10 construction of nuclear power plants powered by nuclear power  
11 reactors that are not either: (1) small modular nuclear  
12 reactors; or (2) nuclear power reactors licensed by the U.S.  
13 Nuclear Regulatory Commission to operate in this State prior  
14 to the effective date of this amendatory Act of the 103rd  
15 General Assembly.

16 (d) In making its determination under subsection (b) of  
17 this Section, the Commission shall attach primary weight to  
18 the cost or cost savings to the customers of the utility. The  
19 Commission may consider any or all factors which will or may  
20 affect such cost or cost savings, including the public  
21 utility's engineering judgment regarding the materials used  
22 for construction.

23 (e) The Commission may issue a temporary certificate which  
24 shall remain in force not to exceed one year in cases of  
25 emergency, to assure maintenance of adequate service or to  
26 serve particular customers, without notice or hearing, pending

1 the determination of an application for a certificate, and may  
2 by regulation exempt from the requirements of this Section  
3 temporary acts or operations for which the issuance of a  
4 certificate will not be required in the public interest.

5 A public utility shall not be required to obtain but may  
6 apply for and obtain a certificate of public convenience and  
7 necessity pursuant to this Section with respect to any matter  
8 as to which it has received the authorization or order of the  
9 Commission under the Electric Supplier Act, and any such  
10 authorization or order granted a public utility by the  
11 Commission under that Act shall as between public utilities be  
12 deemed to be, and shall have except as provided in that Act the  
13 same force and effect as, a certificate of public convenience  
14 and necessity issued pursuant to this Section.

15 No electric cooperative shall be made or shall become a  
16 party to or shall be entitled to be heard or to otherwise  
17 appear or participate in any proceeding initiated under this  
18 Section for authorization of power plant construction and as  
19 to matters as to which a remedy is available under the Electric  
20 Supplier Act.

21 (f) Such certificates may be altered or modified by the  
22 Commission, upon its own motion or upon application by the  
23 person or corporation affected. Unless exercised within a  
24 period of 2 years from the grant thereof, authority conferred  
25 by a certificate of convenience and necessity issued by the  
26 Commission shall be null and void.

1           No certificate of public convenience and necessity shall  
2 be construed as granting a monopoly or an exclusive privilege,  
3 immunity or franchise.

4           (g) A public utility that undertakes any of the actions  
5 described in items (1) through (3) of this subsection (g) or  
6 that has obtained approval pursuant to Section 8-406.1 of this  
7 Act shall not be required to comply with the requirements of  
8 this Section to the extent such requirements otherwise would  
9 apply. For purposes of this Section and Section 8-406.1 of  
10 this Act, "high voltage electric service line" means an  
11 electric line having a design voltage of 100,000 or more. For  
12 purposes of this subsection (g), a public utility may do any of  
13 the following:

14           (1) replace or upgrade any existing high voltage  
15 electric service line and related facilities,  
16 notwithstanding its length;

17           (2) relocate any existing high voltage electric  
18 service line and related facilities, notwithstanding its  
19 length, to accommodate construction or expansion of a  
20 roadway or other transportation infrastructure; or

21           (3) construct a high voltage electric service line and  
22 related facilities that is constructed solely to serve a  
23 single customer's premises or to provide a generator  
24 interconnection to the public utility's transmission  
25 system and that will pass under or over the premises owned  
26 by the customer or generator to be served or under or over

1 premises for which the customer or generator has secured  
2 the necessary right of way.

3 (h) A public utility seeking to construct a high-voltage  
4 electric service line and related facilities (Project) must  
5 show that the utility has held a minimum of 2 pre-filing public  
6 meetings to receive public comment concerning the Project in  
7 each county where the Project is to be located, no earlier than  
8 6 months prior to filing an application for a certificate of  
9 public convenience and necessity from the Commission. Notice  
10 of the public meeting shall be published in a newspaper of  
11 general circulation within the affected county once a week for  
12 3 consecutive weeks, beginning no earlier than one month prior  
13 to the first public meeting. If the Project traverses 2  
14 contiguous counties and where in one county the transmission  
15 line mileage and number of landowners over whose property the  
16 proposed route traverses is one-fifth or less of the  
17 transmission line mileage and number of such landowners of the  
18 other county, then the utility may combine the 2 pre-filing  
19 meetings in the county with the greater transmission line  
20 mileage and affected landowners. All other requirements  
21 regarding pre-filing meetings shall apply in both counties.  
22 Notice of the public meeting, including a description of the  
23 Project, must be provided in writing to the clerk of each  
24 county where the Project is to be located. A representative of  
25 the Commission shall be invited to each pre-filing public  
26 meeting.

1       (h-5) A public utility seeking to construct a high-voltage  
2 electric service line and related facilities must also show  
3 that the Project has complied with training and competence  
4 requirements under subsection (b) of Section 15 of the  
5 Electric Transmission Systems Construction Standards Act.

6       (i) For applications filed after August 18, 2015 (the  
7 effective date of Public Act 99-399), the Commission shall, by  
8 certified mail, notify each owner of record of land, as  
9 identified in the records of the relevant county tax assessor,  
10 included in the right-of-way over which the utility seeks in  
11 its application to construct a high-voltage electric line of  
12 the time and place scheduled for the initial hearing on the  
13 public utility's application. The utility shall reimburse the  
14 Commission for the cost of the postage and supplies incurred  
15 for mailing the notice.

16       (Source: P.A. 102-609, eff. 8-27-21; 102-662, eff. 9-15-21;  
17 102-813, eff. 5-13-22; 102-931, eff. 5-27-22; 103-569, eff.  
18 6-1-24.)

19       (220 ILCS 5/8-406.1)

20       Sec. 8-406.1. Certificate of public convenience and  
21 necessity; expedited procedure.

22       (a) A public utility may apply for a certificate of public  
23 convenience and necessity pursuant to this Section for the  
24 construction of any new high voltage electric service line and  
25 related facilities (Project). To facilitate the expedited

1 review process of an application filed pursuant to this  
2 Section, an application shall include all of the following:

3 (1) Information in support of the application that  
4 shall include the following:

5 (A) A detailed description of the Project,  
6 including location maps and plot plans to scale  
7 showing all major components.

8 (B) The following engineering data:

9 (i) a detailed Project description including:

10 (I) name and destination of the Project;

11 (II) design voltage rating (kV);

12 (III) operating voltage rating (kV); and

13 (IV) normal peak operating current rating;

14 (ii) a conductor, structures, and substations  
15 description including:

16 (I) conductor size and type;

17 (II) type of structures;

18 (III) height of typical structures;

19 (IV) an explanation why these structures  
20 were selected;

21 (V) dimensional drawings of the typical  
22 structures to be used in the Project; and

23 (VI) a list of the names of all new (and  
24 existing if applicable) substations or  
25 switching stations that will be associated  
26 with the proposed new high voltage electric

1 service line;

2 (iii) the location of the site and  
3 right-of-way including:

4 (I) miles of right-of-way;

5 (II) miles of circuit;

6 (III) width of the right-of-way; and

7 (IV) a brief description of the area  
8 traversed by the proposed high voltage  
9 electric service line, including a description  
10 of the general land uses in the area and the  
11 type of terrain crossed by the proposed line;

12 (iv) assumptions, bases, formulae, and methods  
13 used in the development and preparation of the  
14 diagrams and accompanying data, and a technical  
15 description providing the following information:

16 (I) number of circuits, with  
17 identification as to whether the circuit is  
18 overhead or underground;

19 (II) the operating voltage and frequency;

20 and

21 (III) conductor size and type and number  
22 of conductors per phase;

23 (v) if the proposed interconnection is an  
24 overhead line, the following additional  
25 information also must be provided:

26 (I) the wind and ice loading design

1 parameters;

2 (II) a full description and drawing of a  
3 typical supporting structure, including  
4 strength specifications;

5 (III) structure spacing with typical  
6 ruling and maximum spans;

7 (IV) conductor (phase) spacing; and

8 (V) the designed line-to-ground and  
9 conductor-side clearances;

10 (vi) if an underground or underwater  
11 interconnection is proposed, the following  
12 additional information also must be provided:

13 (I) burial depth;

14 (II) type of cable and a description of  
15 any required supporting equipment, such as  
16 insulation medium pressurizing or forced  
17 cooling;

18 (III) cathodic protection scheme; and

19 (IV) type of dielectric fluid and  
20 safeguards used to limit potential spills in  
21 waterways;

22 (vii) technical diagrams that provide  
23 clarification of any item under this item (1)  
24 should be included; and

25 (viii) applicant shall provide and identify a  
26 primary right-of-way and one or more alternate

1 rights-of-way for the Project as part of the  
2 filing. To the extent applicable, for each  
3 right-of-way, an applicant shall provide the  
4 information described in this subsection (a). Upon  
5 a showing of good cause in its filing, an  
6 applicant may be excused from providing and  
7 identifying alternate rights-of-way.

8 (2) An application fee of \$100,000, which shall be  
9 paid into the Public Utility Fund at the time the Chief  
10 Clerk of the Commission deems it complete and accepts the  
11 filing.

12 (3) Information showing that the utility has held a  
13 minimum of 3 pre-filing public meetings to receive public  
14 comment concerning the Project in each county where the  
15 Project is to be located, no earlier than 6 months prior to  
16 the filing of the application. Notice of the public  
17 meeting shall be published in a newspaper of general  
18 circulation within the affected county once a week for 3  
19 consecutive weeks, beginning no earlier than one month  
20 prior to the first public meeting. If the Project  
21 traverses 2 contiguous counties and where in one county  
22 the transmission line mileage and number of landowners  
23 over whose property the proposed route traverses is 1/5 or  
24 less of the transmission line mileage and number of such  
25 landowners of the other county, then the utility may  
26 combine the 3 pre-filing meetings in the county with the

1 greater transmission line mileage and affected landowners.  
2 All other requirements regarding pre-filing meetings shall  
3 apply in both counties. Notice of the public meeting,  
4 including a description of the Project, must be provided  
5 in writing to the clerk of each county where the Project is  
6 to be located. A representative of the Commission shall be  
7 invited to each pre-filing public meeting.

8 For applications filed after the effective date of this  
9 amendatory Act of the 99th General Assembly, the Commission  
10 shall, by certified mail, notify each owner of record of the  
11 land, as identified in the records of the relevant county tax  
12 assessor, included in the primary or alternate rights-of-way  
13 identified in the utility's application of the time and place  
14 scheduled for the initial hearing upon the public utility's  
15 application. The utility shall reimburse the Commission for  
16 the cost of the postage and supplies incurred for mailing the  
17 notice.

18 (b) At the first status hearing the administrative law  
19 judge shall set a schedule for discovery that shall take into  
20 consideration the expedited nature of the proceeding.

21 (c) Nothing in this Section prohibits a utility from  
22 requesting, or the Commission from approving, protection of  
23 confidential or proprietary information under applicable law.  
24 The public utility may seek confidential protection of any of  
25 the information provided pursuant to this Section, subject to  
26 Commission approval.

1           (d) The public utility shall publish notice of its  
2 application in the official State newspaper within 10 days  
3 following the date of the application's filing.

4           (e) The public utility shall establish a dedicated website  
5 for the Project 3 weeks prior to the first public meeting and  
6 maintain the website until construction of the Project is  
7 complete. The website address shall be included in all public  
8 notices.

9           (f) The Commission shall, after notice and hearing, grant  
10 a certificate of public convenience and necessity filed in  
11 accordance with the requirements of this Section if, based  
12 upon the application filed with the Commission and the  
13 evidentiary record, it finds the Project will promote the  
14 public convenience and necessity and that all of the following  
15 criteria are satisfied:

16           (1) That the Project is necessary to provide adequate,  
17 reliable, and efficient service to the public utility's  
18 customers and is the least-cost means of satisfying the  
19 service needs of the public utility's customers or that  
20 the Project will promote the development of an effectively  
21 competitive electricity market that operates efficiently,  
22 is equitable to all customers, and is the least cost means  
23 of satisfying those objectives.

24           (2) That the public utility is capable of efficiently  
25 managing and supervising the construction process and has  
26 taken sufficient action to ensure adequate and efficient

1 construction and supervision of the construction.

2 (3) That the public utility is capable of financing  
3 the proposed construction without significant adverse  
4 financial consequences for the utility or its customers.

5 (4) That the Project has complied with training and  
6 competence and Diversity Plan requirements under  
7 subsections (b) and (d) of Section 15 of the Electric  
8 Transmission Systems Construction Standards Act.

9 (g) The Commission shall issue its decision with findings  
10 of fact and conclusions of law granting or denying the  
11 application no later than 150 days after the application is  
12 filed. The Commission may extend the 150-day deadline upon  
13 notice by an additional 75 days if, on or before the 30th day  
14 after the filing of the application, the Commission finds that  
15 good cause exists to extend the 150-day period.

16 (h) In the event the Commission grants a public utility's  
17 application for a certificate pursuant to this Section, the  
18 public utility shall pay a one-time construction fee to each  
19 county in which the Project is constructed within 30 days  
20 after the completion of construction. The construction fee  
21 shall be \$20,000 per mile of high voltage electric service  
22 line constructed in that county, or a proportionate fraction  
23 of that fee. The fee shall be in lieu of any permitting fees  
24 that otherwise would be imposed by a county. Counties  
25 receiving a payment under this subsection (h) may distribute  
26 all or portions of the fee to local taxing districts in that

1 county.

2 (i) Notwithstanding any other provisions of this Act, a  
3 decision granting a certificate under this Section shall  
4 include an order pursuant to Section 8-503 of this Act  
5 authorizing or directing the construction of the high voltage  
6 electric service line and related facilities as approved by  
7 the Commission, in the manner and within the time specified in  
8 said order.

9 (Source: P.A. 102-931, eff. 5-27-22.)

10 (220 ILCS 5/16-107.6)

11 Sec. 16-107.6. Distributed generation rebate.

12 (a) In this Section:

13 "Additive services" means the services that distributed  
14 energy resources provide to the energy system and society that  
15 are not (1) already included in the base rebates for  
16 system-wide grid services; or (2) otherwise already  
17 compensated. Additive services may reflect, but shall not be  
18 limited to, any geographic, time-based, performance-based, and  
19 other benefits of distributed energy resources, as well as the  
20 present and future technological capabilities of distributed  
21 energy resources and present and future grid needs.

22 "Distributed energy resource" means a wide range of  
23 technologies that are located on the customer side of the  
24 customer's electric meter, including, but not limited to,  
25 distributed generation, energy storage, electric vehicles, and

1 demand response technologies.

2 "Energy storage system" means commercially available  
3 technology that is capable of absorbing energy and storing it  
4 for a period of time for use at a later time, including, but  
5 not limited to, electrochemical, thermal, and  
6 electromechanical technologies, and may be interconnected  
7 behind the customer's meter or interconnected behind its own  
8 meter.

9 "Smart inverter" means a device that converts direct  
10 current into alternating current and meets the IEEE 1547-2018  
11 equipment standards. Until devices that meet the IEEE  
12 1547-2018 standard are available, devices that meet the UL  
13 1741 SA standard are acceptable.

14 "Subscriber" has the meaning set forth in Section 1-10 of  
15 the Illinois Power Agency Act.

16 "Subscription" has the meaning set forth in Section 1-10  
17 of the Illinois Power Agency Act.

18 "System-wide grid services" means the benefits that a  
19 distributed energy resource provides to the distribution grid  
20 for a period of no less than 25 years. System-wide grid  
21 services do not vary by location, time, or the performance  
22 characteristics of the distributed energy resource.  
23 System-wide grid services include, but are not limited to,  
24 avoided or deferred distribution capacity costs, resilience  
25 and reliability benefits, avoided or deferred distribution  
26 operation and maintenance costs, distribution voltage and

1 power quality benefits, and line loss reductions.

2 "Threshold date" means December 31, 2024 or the date on  
3 which the utility's tariff or tariffs setting the new  
4 compensation values established under subsection (e) take  
5 effect, whichever is later.

6 (b) An electric utility that serves more than 200,000  
7 customers in the State shall file a petition with the  
8 Commission requesting approval of the utility's tariff to  
9 provide a rebate to the owner or operator of distributed  
10 generation, including third-party owned systems, that meets  
11 the following criteria:

12 (1) has a nameplate generating capacity no greater  
13 than 5,000 kilowatts and is primarily used to offset a  
14 customer's electricity load;

15 (2) is located on the customer's side of the billing  
16 meter and for the customer's own use;

17 (3) is interconnected to electric distribution  
18 facilities owned by the electric utility under rules  
19 adopted by the Commission by means of one or more  
20 inverters ~~the inverter~~ or smart inverters ~~inverter~~  
21 required by this Section, as applicable.

22 For purposes of this Section, "distributed generation"  
23 shall satisfy the definition of distributed renewable energy  
24 generation device set forth in Section 1-10 of the Illinois  
25 Power Agency Act to the extent such definition is consistent  
26 with the requirements of this Section.

1           In addition, any new photovoltaic distributed generation  
2 that is installed after June 1, 2017 (the effective date of  
3 Public Act 99-906) must be installed by a qualified person, as  
4 defined by subsection (i) of Section 1-56 of the Illinois  
5 Power Agency Act.

6           The tariff shall include a base rebate that compensates  
7 distributed generation for the system-wide grid services  
8 associated with distributed generation and, after the  
9 proceeding described in subsection (e) of this Section, an  
10 additional payment or payments for the additive services. The  
11 tariff shall provide that the smart inverter or smart  
12 inverters associated with the distributed generation shall  
13 provide autonomous response to grid conditions through its  
14 default settings as approved by the Commission. Default  
15 settings may not be changed after the execution of the  
16 interconnection agreement except by mutual agreement between  
17 the utility and the owner or operator of the distributed  
18 generation. Nothing in this Section shall negate or supersede  
19 Institute of Electrical and Electronics Engineers equipment  
20 standards or other similar standards or requirements. The  
21 tariff shall not limit the ability of the smart inverter or  
22 smart inverters or other distributed energy resource to  
23 provide wholesale market products such as regulation, demand  
24 response, or other services, or limit the ability of the owner  
25 of the smart inverter or the other distributed energy resource  
26 to receive compensation for providing those wholesale market

1 products or services.

2 (b-5) Within 30 days after the effective date of this  
3 amendatory Act of the 102nd General Assembly, each electric  
4 public utility with 3,000,000 or more retail customers shall  
5 file a tariff with the Commission that further compensates any  
6 retail customer that installs or has installed photovoltaic  
7 facilities paired with energy storage facilities on or  
8 adjacent to its premises for the benefits the facilities  
9 provide to the distribution grid. The tariff shall provide  
10 that, in addition to the other rebates identified in this  
11 Section, the electric utility shall rebate to such retail  
12 customer (i) the previously incurred and future costs of  
13 installing interconnection facilities and related  
14 infrastructure to enable full participation in the PJM  
15 Interconnection, LLC or its successor organization frequency  
16 regulation market; and (ii) all wholesale demand charges  
17 incurred after the effective date of this amendatory Act of  
18 the 102nd General Assembly. The Commission shall approve, or  
19 approve with modification, the tariff within 120 days after  
20 the utility's filing.

21 (c) The proposed tariff authorized by subsection (b) of  
22 this Section shall include the following participation terms  
23 for rebates to be applied under this Section for distributed  
24 generation that satisfies the criteria set forth in subsection  
25 (b) of this Section:

26 (1) The owner or operator of distributed generation

1 that services customers not eligible for net metering  
2 under subsection (d), (d-5), or (e) of Section 16-107.5 of  
3 this Act may apply for a rebate as provided for in this  
4 Section. Until the threshold date, the value of the rebate  
5 shall be \$250 per kilowatt of nameplate generating  
6 capacity, measured as nominal DC power output, of that  
7 customer's distributed generation. To the extent the  
8 distributed generation also has an associated energy  
9 storage, then the energy storage system shall be  
10 separately compensated with a base rebate of \$250 per  
11 kilowatt-hour of nameplate capacity. Any distributed  
12 generation device that is compensated for storage in this  
13 subsection (1) before the threshold date shall participate  
14 in one or more programs determined through the Multi-Year  
15 Integrated Grid Planning process that are designed to meet  
16 peak reduction and flexibility. After the threshold date,  
17 the value of the base rebate and additional compensation  
18 for any additive services shall be as determined by the  
19 Commission in the proceeding described in subsection (e)  
20 of this Section, provided that the value of the base  
21 rebate for system-wide grid services shall not be lower  
22 than \$250 per kilowatt of nameplate generating capacity of  
23 distributed generation or community renewable generation  
24 project.

25 (2) The owner or operator of distributed generation  
26 that, before the threshold date, would have been eligible

1 for net metering under subsection (d), (d-5), or (e) of  
2 Section 16-107.5 of this Act and that has not previously  
3 received a distributed generation rebate, may apply for a  
4 rebate as provided for in this Section. Until the  
5 threshold date, the value of the base rebate shall be \$300  
6 per kilowatt of nameplate generating capacity, measured as  
7 nominal DC power output, of the distributed generation.  
8 The owner or operator of distributed generation that,  
9 before the threshold date, is eligible for net metering  
10 under subsection (d), (d-5), or (e) of Section 16-107.5 of  
11 this Act may apply for a base rebate for an associated  
12 energy storage device behind the same retail customer  
13 meter ~~that uses the same smart inverter~~ as the distributed  
14 generation, regardless of whether the distributed  
15 generation applies for a rebate for the distributed  
16 generation device. The energy storage system shall be  
17 separately compensated at a base payment of \$300 per  
18 kilowatt-hour of nameplate capacity. Any distributed  
19 generation device that is compensated for storage in this  
20 subsection (2) before the threshold date shall participate  
21 in a peak time rebate program, hourly pricing program, or  
22 time-of-use rate program offered by the applicable  
23 electric utility. After the threshold date, the value of  
24 the base rebate and additional compensation for any  
25 additive services shall be as determined by the Commission  
26 in the proceeding described in subsection (e) of this

1 Section, provided that, prior to December 31, 2029, the  
2 value of the base rebate for system-wide services shall  
3 not be lower than \$300 per kilowatt of nameplate  
4 generating capacity of distributed generation, after which  
5 it shall not be lower than \$250 per kilowatt of nameplate  
6 capacity. The eligibility of energy storage devices that  
7 are interconnected behind the same retail customer meter  
8 as the distributed generation shall not be limited to  
9 energy storage devices interconnected after the effective  
10 date of this amendatory Act of the 103rd General Assembly.  
11 To the extent that an electric utility's tariffs are  
12 inconsistent with the requirements of this paragraph (2)  
13 as modified by this amendatory Act of the 103rd General  
14 Assembly, such electric utility shall, within 30 days,  
15 file modified tariffs consistent with the requirements of  
16 this paragraph (2).

17 (3) Upon approval of a rebate application submitted  
18 under this subsection (c), the retail customer shall no  
19 longer be entitled to receive any delivery service credits  
20 for the excess electricity generated by its facility and  
21 shall be subject to the provisions of subsection (n) of  
22 Section 16-107.5 of this Act unless the owner or operator  
23 receives a rebate only for an energy storage device and  
24 not for the distributed generation device.

25 (4) To be eligible for a rebate described in this  
26 subsection (c), the owner or operator of the distributed

1 generation must have a smart inverter installed and in  
2 operation on the distributed generation.

3 (d) The Commission shall review the proposed tariff  
4 authorized by subsection (b) of this Section and may make  
5 changes to the tariff that are consistent with this Section  
6 and with the Commission's authority under Article IX of this  
7 Act, subject to notice and hearing. Following notice and  
8 hearing, the Commission shall issue an order approving, or  
9 approving with modification, such tariff no later than 240  
10 days after the utility files its tariff. Upon the effective  
11 date of this amendatory Act of the 102nd General Assembly, an  
12 electric utility shall file a petition with the Commission to  
13 amend and update any existing tariffs to comply with  
14 subsections (b) and (c).

15 (e) By no later than June 30, 2023, the Commission shall  
16 open an independent, statewide investigation into the value  
17 of, and compensation for, distributed energy resources. The  
18 Commission shall conduct the investigation, but may arrange  
19 for experts or consultants independent of the utilities and  
20 selected by the Commission to assist with the investigation.  
21 The cost of the investigation shall be shared by the utilities  
22 filing tariffs under subsection (b) of this Section but may be  
23 recovered as an expense through normal ratemaking procedures.

24 (1) The Commission shall ensure that the investigation  
25 includes, at minimum, diverse sets of stakeholders; a  
26 review of best practices in calculating the value of

1 distributed energy resource benefits; a review of the full  
2 value of the distributed energy resources and the manner  
3 in which each component of that value is or is not  
4 otherwise compensated; and assessments of how the value of  
5 distributed energy resources may evolve based on the  
6 present and future technological capabilities of  
7 distributed energy resources and based on present and  
8 future grid needs.

9 (2) The Commission's final order concluding this  
10 investigation shall establish an annual process and  
11 formula for the compensation of distributed generation and  
12 energy storage systems, and an initial set of inputs for  
13 that formula. The Commission's final order concluding this  
14 investigation shall establish base rebates that compensate  
15 distributed generation, community renewable generation  
16 projects and energy storage systems for the system-wide  
17 grid services that they provide. Those base rebate values  
18 shall be consistent across the state, and shall not vary  
19 by customer, customer class, customer location, or any  
20 other variable. With respect to rebates for distributed  
21 generation or community renewable generation projects,  
22 that rebate shall not be lower than \$250 per kilowatt of  
23 nameplate generating capacity of the distributed  
24 generation or community renewable generation project. The  
25 Commission's final order concluding this proceeding shall  
26 also direct the utilities to update the formula, on an

1 annual basis, with inputs derived from their integrated  
2 grid plans developed pursuant to Section 16-105.17. The  
3 base rebate shall be updated annually based on the annual  
4 updates to the formula inputs, but, with respect to  
5 rebates for distributed generation or community renewable  
6 generation projects, shall be no lower than \$250 per  
7 kilowatt of nameplate generating capacity of the  
8 distributed generation or community renewable generation  
9 project.

10 (3) The Commission shall also determine, as a part of  
11 its investigation under this subsection, whether  
12 distributed energy resources can provide any additive  
13 services. Those additive services may include services  
14 that are provided through utility-controlled responses to  
15 grid conditions. If the Commission determines that  
16 distributed energy resources can provide additive grid  
17 services, the Commission shall determine the terms and  
18 conditions for the operation and compensation of those  
19 services. That compensation shall be above and beyond the  
20 base rebate that the distributed energy generation,  
21 community renewable generation project and energy storage  
22 system receives. Compensation for additive services may  
23 vary by location, time, performance characteristics,  
24 technology types, or other variables.

25 (4) The Commission shall ensure that compensation for  
26 distributed energy resources, including base rebates and

1 any payments for additive services, shall reflect all  
2 reasonably known and measurable values of the distributed  
3 generation over its full expected useful life.  
4 Compensation for additive services shall reflect, but  
5 shall not be limited to, any geographic, time-based,  
6 performance-based, and other benefits of distributed  
7 generation, as well as the present and future  
8 technological capabilities of distributed energy resources  
9 and present and future grid needs.

10 (5) The Commission shall consider the electric  
11 utility's integrated grid plan developed pursuant to  
12 Section 16-105.17 of this Act to help identify the value  
13 of distributed energy resources for the purpose of  
14 calculating the compensation described in this subsection.

15 (6) The Commission shall determine additional  
16 compensation for distributed energy resources that creates  
17 savings and value on the distribution system by being  
18 co-located or in close proximity to electric vehicle  
19 charging infrastructure in use by medium-duty and  
20 heavy-duty vehicles, primarily serving environmental  
21 justice communities, as outlined in the utility integrated  
22 grid planning process under Section 16-105.17 of this Act.

23 No later than 60 days after the Commission enters its  
24 final order under this subsection (e), each utility shall file  
25 its updated tariff or tariffs in compliance with the order,  
26 including new tariffs for the recovery of costs incurred under

1 this subsection (e) that shall provide for volumetric-based  
2 cost recovery, and the Commission shall approve, or approve  
3 with modification, the tariff or tariffs within 240 days after  
4 the utility's filing.

5 (f) Notwithstanding any provision of this Act to the  
6 contrary, the owner or operator of a community renewable  
7 generation project as defined in Section 1-10 of the Illinois  
8 Power Agency Act shall also be eligible to apply for the rebate  
9 described in this Section. The owner or operator of the  
10 community renewable generation project may apply for a rebate  
11 only if the owner or operator, or previous owner or operator,  
12 of the community renewable generation project has not already  
13 submitted an application, and, regardless of whether the  
14 subscriber is a residential or non-residential customer, may  
15 be allowed the amount identified in paragraph (1) of  
16 subsection (c) applicable on the date that the application is  
17 submitted.

18 (g) The owner of the distributed generation or community  
19 renewable generation project may apply for the rebate or  
20 rebates approved under this Section at the time of execution  
21 of an interconnection agreement with the distribution utility  
22 and shall receive the value available at that time of  
23 execution of the interconnection agreement, provided the  
24 project reaches mechanical completion within 24 months after  
25 execution of the interconnection agreement. If the project has  
26 not reached mechanical completion within 24 months after

1 execution, the owner may reapply for the rebate or rebates  
2 approved under this Section available at the time of  
3 application and shall receive the value available at the time  
4 of application. The utility shall issue the rebate no later  
5 than 60 days after the project is energized. In the event the  
6 application is incomplete or the utility is otherwise unable  
7 to calculate the payment based on the information provided by  
8 the owner, the utility shall issue the payment no later than 60  
9 days after the application is complete or all requested  
10 information is received.

11 (h) An electric utility shall recover from its retail  
12 customers all of the costs of the rebates made under a tariff  
13 or tariffs approved under subsection (d) of this Section,  
14 including, but not limited to, the value of the rebates and all  
15 costs incurred by the utility to comply with and implement  
16 subsections (b) and (c) of this Section, but not including  
17 costs incurred by the utility to comply with and implement  
18 subsection (e) of this Section, consistent with the following  
19 provisions:

20 (1) The utility shall defer the full amount of its  
21 costs as a regulatory asset. The total costs deferred as a  
22 regulatory asset shall be amortized over a 15-year period.  
23 The unamortized balance shall be recognized as of December  
24 31 for a given year. The utility shall also earn a return  
25 on the total of the unamortized balance of the regulatory  
26 assets, less any deferred taxes related to the unamortized

1 balance, at an annual rate equal to the utility's weighted  
2 average cost of capital that includes, based on a year-end  
3 capital structure, the utility's actual cost of debt for  
4 the applicable calendar year and a cost of equity, which  
5 shall be calculated as the sum of (i) the average for the  
6 applicable calendar year of the monthly average yields of  
7 30-year U.S. Treasury bonds published by the Board of  
8 Governors of the Federal Reserve System in its weekly H.15  
9 Statistical Release or successor publication; and (ii) 580  
10 basis points, including a revenue conversion factor  
11 calculated to recover or refund all additional income  
12 taxes that may be payable or receivable as a result of that  
13 return.

14 When an electric utility creates a regulatory asset  
15 under the provisions of this paragraph (1) of subsection  
16 (h), the costs are recovered over a period during which  
17 customers also receive a benefit, which is in the public  
18 interest. Accordingly, it is the intent of the General  
19 Assembly that an electric utility that elects to create a  
20 regulatory asset under the provisions of this paragraph  
21 (1) shall recover all of the associated costs, including,  
22 but not limited to, its cost of capital as set forth in  
23 this paragraph (1). After the Commission has approved the  
24 prudence and reasonableness of the costs that comprise the  
25 regulatory asset, the electric utility shall be permitted  
26 to recover all such costs, and the value and

1 recoverability through rates of the associated regulatory  
2 asset shall not be limited, altered, impaired, or reduced.  
3 To enable the financing of the incremental capital  
4 expenditures, including regulatory assets, for electric  
5 utilities that serve less than 3,000,000 retail customers  
6 but more than 500,000 retail customers in the State, the  
7 utility's actual year-end capital structure that includes  
8 a common equity ratio, excluding goodwill, of up to and  
9 including 50% of the total capital structure shall be  
10 deemed reasonable and used to set rates.

11 (2) The utility, at its election, may recover all of  
12 the costs as part of a filing for a general increase in  
13 rates under Article IX of this Act, as part of an annual  
14 filing to update a performance-based formula rate under  
15 subsection (d) of Section 16-108.5 of this Act, or through  
16 an automatic adjustment clause tariff, provided that  
17 nothing in this paragraph (2) permits the double recovery  
18 of such costs from customers. If the utility elects to  
19 recover the costs it incurs under subsections (b) and (c)  
20 through an automatic adjustment clause tariff, the utility  
21 may file its proposed tariff together with the tariff it  
22 files under subsection (b) of this Section or at a later  
23 time. The proposed tariff shall provide for an annual  
24 reconciliation, less any deferred taxes related to the  
25 reconciliation, with interest at an annual rate of return  
26 equal to the utility's weighted average cost of capital as

1           calculated under paragraph (1) of this subsection (h),  
2           including a revenue conversion factor calculated to  
3           recover or refund all additional income taxes that may be  
4           payable or receivable as a result of that return, of the  
5           revenue requirement reflected in rates for each calendar  
6           year, beginning with the calendar year in which the  
7           utility files its automatic adjustment clause tariff under  
8           this subsection (h), with what the revenue requirement  
9           would have been had the actual cost information for the  
10          applicable calendar year been available at the filing  
11          date. The Commission shall review the proposed tariff and  
12          may make changes to the tariff that are consistent with  
13          this Section and with the Commission's authority under  
14          Article IX of this Act, subject to notice and hearing.  
15          Following notice and hearing, the Commission shall issue  
16          an order approving, or approving with modification, such  
17          tariff no later than 240 days after the utility files its  
18          tariff.

19          (i) An electric utility shall recover from its retail  
20          customers, on a volumetric basis, all of the costs of the  
21          rebates made under a tariff or tariffs placed into effect  
22          under subsection (e) of this Section, including, but not  
23          limited to, the value of the rebates and all costs incurred by  
24          the utility to comply with and implement subsection (e) of  
25          this Section, consistent with the following provisions:

26               (1) The utility may defer a portion of its costs as a

1 regulatory asset. The Commission shall determine the  
2 portion that may be appropriately deferred as a regulatory  
3 asset. Factors that the Commission shall consider in  
4 determining the portion of costs that shall be deferred as  
5 a regulatory asset include, but are not limited to: (i)  
6 whether and the extent to which a cost effectively  
7 deferred or avoided other distribution system operating  
8 costs or capital expenditures; (ii) the extent to which a  
9 cost provides environmental benefits; (iii) the extent to  
10 which a cost improves system reliability or resilience;  
11 (iv) the electric utility's distribution system plan  
12 developed pursuant to Section 16-105.17 of this Act; (v)  
13 the extent to which a cost advances equity principles; and  
14 (vi) such other factors as the Commission deems  
15 appropriate. The remainder of costs shall be deemed an  
16 operating expense and shall be recoverable if found  
17 prudent and reasonable by the Commission.

18 The total costs deferred as a regulatory asset shall  
19 be amortized over a 15-year period. The unamortized  
20 balance shall be recognized as of December 31 for a given  
21 year. The utility shall also earn a return on the total of  
22 the unamortized balance of the regulatory assets, less any  
23 deferred taxes related to the unamortized balance, at an  
24 annual rate equal to the utility's weighted average cost  
25 of capital that includes, based on a year-end capital  
26 structure, the utility's actual cost of debt for the

1 applicable calendar year and a cost of equity, which shall  
2 be calculated as the sum of: (I) the average for the  
3 applicable calendar year of the monthly average yields of  
4 30-year U.S. Treasury bonds published by the Board of  
5 Governors of the Federal Reserve System in its weekly H.15  
6 Statistical Release or successor publication; and (II) 580  
7 basis points, including a revenue conversion factor  
8 calculated to recover or refund all additional income  
9 taxes that may be payable or receivable as a result of that  
10 return.

11 (2) The utility may recover all of the costs through  
12 an automatic adjustment clause tariff, on a volumetric  
13 basis. The utility may file its proposed cost-recovery  
14 tariff together with the tariff it files under subsection  
15 (e) of this Section or at a later time. The proposed tariff  
16 shall provide for an annual reconciliation, less any  
17 deferred taxes related to the reconciliation, with  
18 interest at an annual rate of return equal to the  
19 utility's weighted average cost of capital as calculated  
20 under paragraph (1) of this subsection (i), including a  
21 revenue conversion factor calculated to recover or refund  
22 all additional income taxes that may be payable or  
23 receivable as a result of that return, of the revenue  
24 requirement reflected in rates for each calendar year,  
25 beginning with the calendar year in which the utility  
26 files its automatic adjustment clause tariff under this

1 subsection (i), with what the revenue requirement would  
2 have been had the actual cost information for the  
3 applicable calendar year been available at the filing  
4 date. The Commission shall review the proposed tariff and  
5 may make changes to the tariff that are consistent with  
6 this Section and with the Commission's authority under  
7 Article IX of this Act, subject to notice and hearing.  
8 Following notice and hearing, the Commission shall issue  
9 an order approving, or approving with modification, such  
10 tariff no later than 240 days after the utility files its  
11 tariff.

12 (j) No later than 90 days after the Commission enters an  
13 order, or order on rehearing, whichever is later, approving an  
14 electric utility's proposed tariff under this Section, the  
15 electric utility shall provide notice of the availability of  
16 rebates under this Section.

17 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

18 (220 ILCS 5/16-135)

19 Sec. 16-135. Energy Storage Program.

20 (a) The Illinois General Assembly hereby finds and  
21 declares that:

22 (1) Energy storage systems provide opportunities to:

23 (A) reduce costs to ratepayers directly or  
24 indirectly by avoiding or deferring the need for  
25 investment in new generation and for upgrades to

1 systems for the transmission and distribution of  
2 electricity;

3 (B) reduce the use of fossil fuels for meeting  
4 demand during peak load periods;

5 (C) provide ancillary services such as frequency  
6 response, load following, and voltage support;

7 (D) assist electric utilities with integrating  
8 sources of renewable energy into the grid for the  
9 transmission and distribution of electricity, and with  
10 maintaining grid stability;

11 (E) support diversification of energy resources;

12 (F) enhance the resilience and reliability of the  
13 electric grid; and

14 (G) reduce greenhouse gas emissions and other air  
15 pollutants resulting from power generation, thereby  
16 minimizing public health impacts that result from  
17 power generation.

18 (2) There are significant barriers to obtaining the  
19 benefits of energy storage systems, including inadequate  
20 valuation of the services that energy storage can provide  
21 to the grid and the public.

22 (3) It is in the public interest to:

23 (A) develop a robust competitive market for  
24 existing and new providers of energy storage systems  
25 in order to leverage Illinois' position as a leader in  
26 advanced energy and to capture the potential for

1 economic development;

2 (B) implement targets and programs to achieve  
3 deployment of energy storage systems; and

4 (C) modernize distributed energy resource programs  
5 and interconnection standards to lower costs and  
6 efficiently deploy energy storage systems in order to  
7 increase economic development and job creation within  
8 the state's clean energy economy.

9 (b) In this Section:

10 "Energy storage peak standard" means a percentage of  
11 annual retail electricity sales during peak hours that an  
12 electric utility must derive from electricity discharged from  
13 eligible energy storage systems.

14 "Deployment" means the installation of energy storage  
15 systems through a variety of mechanisms, including utility  
16 procurement, customer installation, or other processes.

17 "Electric utility" has the same meaning as provided in  
18 Section 16-102 of this Act.

19 "Energy storage system" means a technology that is capable  
20 of absorbing zero-carbon energy, storing it for a period of  
21 time, and redelivering that energy after it has been stored in  
22 order to provide direct or indirect benefits to the broader  
23 electricity system. The term includes, but is not limited to,  
24 electrochemical, thermal, and electromechanical technologies.

25 "Nonwires alternatives solicitation" means a utility  
26 solicitation for third-party-owned or utility-owned

1 distributed energy resources that uses nontraditional  
2 solutions to defer or replace planned investment on the  
3 distribution or transmission system.

4 "Total peak demand" means the highest hourly electricity  
5 demand for an electric utility in a given year, measured in  
6 megawatts, from all of the electric utility's customers of  
7 distribution service.

8 (c) The Commission, in consultation with the Illinois  
9 Power Agency, shall initiate a proceeding to examine specific  
10 programs, mechanisms, and policies that could support the  
11 deployment of energy storage systems. The Illinois Commerce  
12 Commission shall engage a broad group of Illinois  
13 stakeholders, including electric utilities, the energy storage  
14 industry, the renewable energy industry, and others to inform  
15 the proceeding. The proceeding must, at minimum:

16 (1) develop a framework to identify and measure the  
17 potential costs, benefits, that deployment of energy  
18 storage could produce, as well as barriers to realizing  
19 such benefits, including, but not limited to:

20 (A) avoided cost and deferred investments in  
21 generation, transmission, and distribution facilities;

22 (B) reduced ancillary services costs;

23 (C) reduced transmission and distribution  
24 congestion;

25 (D) lower peak power costs and reduced capacity  
26 costs;

1 (E) reduced costs for emergency power supplies  
2 during outages;

3 (F) reduced curtailment of renewable energy  
4 generators;

5 (G) reduced greenhouse gas emissions and other  
6 criteria air pollutants;

7 (H) increased grid hosting capacity of renewable  
8 energy generators that produce energy on an  
9 intermittent basis;

10 (I) increased reliability and resilience of the  
11 electric grid;

12 (J) reduced line losses;

13 (K) increased resource diversification;

14 (L) increased economic development;

15 (2) analyze and estimate:

16 (A) the impact on the system's ability to  
17 integrate renewable resources;

18 (B) the benefits of addition of storage at  
19 specific locations, such as at existing peaking units  
20 or locations on the grid close to large load centers;

21 (C) the impact on grid reliability and power  
22 quality; and

23 (D) the effect on retail electric rates and supply  
24 rates over the useful life of a given energy storage  
25 system; and

26 (3) evaluate and identify cost-effective policies and

1 programs to support the deployment of energy storage  
2 systems, including, but not limited to:

3 (A) incentive programs;

4 (B) energy storage peak standards;

5 (C) nonwires alternative solicitation;

6 (D) peak demand reduction programs for  
7 behind-the-meter storage for all customer classes;

8 (E) value of distributed energy resources  
9 programs;

10 (F) tax incentives;

11 (G) time-varying rates;

12 (H) updating of interconnection processes and  
13 metering standards; and

14 (I) procurement by the Illinois Power Agency of  
15 energy storage resources.

16 (d) The Commission shall, no later than May 31, 2022,  
17 submit to the General Assembly and the Governor any  
18 recommendations for additional legislative, regulatory, or  
19 executive actions based on the findings of the proceeding.

20 (e) At the conclusion of the proceeding required under  
21 subsection (c), the Commission shall consider and recommend to  
22 the Governor and General Assembly energy storage deployment  
23 targets, if any, for each electric utility that serves more  
24 than 200,000 customers to be achieved by December 31, 2032,  
25 including recommended interim targets.

26 (f) In setting recommendations for energy storage

1 deployment targets, the Commission shall:

2 (1) take into account the costs and benefits of  
3 procuring energy storage according to the framework  
4 developed in the proceeding under subsection (c);

5 (2) consider establishing specific subcategories of  
6 deployment of systems by point of interconnection or  
7 application.

8 (g) The Commission, in its role as the relevant electric  
9 retail regulatory authority for Illinois, shall initiate a  
10 workshop process no later than February 1, 2025, for the  
11 purpose of facilitating the development of an initial forward  
12 storage procurement process and model contract for the  
13 procurement of utility-scale energy storage resources,  
14 hereafter "initial procurement". The workshops shall be  
15 coordinated by the staff of the Commission, or a facilitator  
16 or any other experts or consultants retained by the staff of  
17 the Commission, in consultation with the Illinois Power  
18 Agency. The workshop process shall be designed to develop an  
19 effective initial procurement of no more than 1,500 megawatts  
20 of utility-scale stand-alone energy storage resources whereby  
21 the Illinois Power Agency shall be positioned to have  
22 developed a confidential benchmark and solicited, received,  
23 and opened sealed bids for such initial procurement to  
24 conclude not later than August 26, 2025. The workshop process  
25 shall conclude no later than April 1, 2025. Following the  
26 workshop process, the staff of the Commission, or the

1 facilitator retained by the staff, shall prepare and submit a  
2 report to the Governor, the General Assembly, and the  
3 Commission no later than May 1, 2025, that summarizes the  
4 information obtained through the workshop process and  
5 recommends the most effective procurement process, structure,  
6 and contract terms that would result in a successful initial  
7 procurement.

8 Specifically, for the purposes of this initial procurement  
9 only, the report shall at a minimum include:

10 (1) a definition and key terms of contracting  
11 structures, including, but not limited to, tolling  
12 agreements and indexed credits, and whether they are used  
13 in other states;

14 (2) an assessment of changes to the contract  
15 structures, and the identification of appropriate  
16 signatories, used by other states necessary to fit the  
17 legal and regulatory structures of Illinois;

18 (3) commercial terms required for the contract to be  
19 financeable without creating contractual obligations on  
20 the utilities that are not contingent on full and timely  
21 cost recovery;

22 (4) contract structures that avoid a requirement that  
23 contracting utilities consider such agreement a lease  
24 under generally accepted accounting principles, or that  
25 such an agreement is reflected as debt on a contracting  
26 utility's balance sheet;

1           (5) necessary or appropriate roles for the owner of an  
2           energy storage system selected in a procurement to, either  
3           directly or through a third-party administrator which may  
4           be an affiliate, be responsible for operation,  
5           maintenance, dispatch, and other operational functions of  
6           the energy storage system;

7           (6) other allocations of rights and responsibilities  
8           between the winning bidder, the electric utility, and, if  
9           applicable, the third-party administrator;

10           (7) an assessment of whether a contract length  
11           different from 20 years is financeable, and whether other  
12           contract lengths would impact the net benefits of the  
13           storage procurement;

14           (8) a model of a standard contract, including contract  
15           terms and conditions, to be used by the Illinois Power  
16           Agency and its procurement administrator for the initial  
17           procurement;

18           (9) an analysis of whether 1,500 megawatts is the  
19           appropriate size for the initial procurement and whether  
20           additional procurements beyond August 2025 are valuable to  
21           Illinois taking into consideration the amount of projects  
22           in advanced stages of development and Illinois' need for  
23           storage energy systems in order to ensure it can meet its  
24           clean energy goals and to prevent or minimize any  
25           anticipated resource adequacy shortfalls;

26           (10) an assessment of the appropriate cost recovery

1 and allocation structure that ensures electric utilities  
2 can recover all of the costs associated with the  
3 procurement of energy storage resources and any other  
4 costs associated with proposed utility participation;

5 (11) an assessment of the appropriate geographic  
6 location for the battery storage systems, including, but  
7 not limited to:

8 (A) the geographic split of the megawatts of  
9 capacity of the energy storage resources procured  
10 pursuant to this initial procurement between those  
11 interconnected to the Midcontinent ISO, Inc. and PJM  
12 Interconnection, LLC; and

13 (B) the potential benefits of procuring one or  
14 more projects within an area designated as an area of  
15 the State certified by the Department of Commerce and  
16 Economic Opportunity as an Enterprise zone or Energy  
17 Transition Grant Community;

18 (12) an assessment of minimum application  
19 requirements, such as having achieved interconnection  
20 milestones, including, but not limited to:

21 (A) projects that have applied for approval for  
22 surplus interconnection service or to transfer  
23 existing capacity interconnection rights to the  
24 relevant regional transmission organization and have  
25 received a completeness determination following  
26 completion of the initial review process and whether

1 it is beneficial if such projects are also colocated  
2 with a renewable energy resource;

3 (B) for projects interconnected to MISO, projects  
4 that have signed an interconnection agreement, or are  
5 in the MISO Generating Facility Replacement Process,  
6 or have provided the most current deposit in the MISO  
7 definitive planning phase (DPP) cycle 2021 or an  
8 earlier definitive planning phase cycle; or

9 (C) for projects interconnected to PJM  
10 Interconnection, LLC, projects that have received a  
11 Phase 2 study;

12 (13) an assessment of the impact of the costs and  
13 benefits to Illinois ratepayers of these issues related to  
14 this initial procurement; and

15 (14) recommendations for the inclusion, or adaptation,  
16 of minimum equity standards and an equity accountability  
17 system to the procurement process.

18 Given the rapid actions required pursuant to this Section,  
19 the procurement of any facilitator, expert, or consultant  
20 pursuant to this subsection is exempt from the requirements of  
21 Section 20-10 of the Illinois Procurement Code.

22 (Source: P.A. 102-662, eff. 9-15-21.)

23 Section 70. The Prevailing Wage Act is amended by changing  
24 Section 2 as follows:

1 (820 ILCS 130/2)

2 Sec. 2. This Act applies to the wages of laborers,  
3 mechanics and other workers employed in any public works, as  
4 hereinafter defined, by any public body and to anyone under  
5 contracts for public works. This includes any maintenance,  
6 repair, assembly, or disassembly work performed on equipment  
7 whether owned, leased, or rented.

8 As used in this Act, unless the context indicates  
9 otherwise:

10 "Public works" means all fixed works constructed or  
11 demolished by any public body, or paid for wholly or in part  
12 out of public funds. "Public works" as defined herein includes  
13 all projects financed in whole or in part with bonds, grants,  
14 loans, or other funds made available by or through the State or  
15 any of its political subdivisions, including but not limited  
16 to: bonds issued under the Industrial Project Revenue Bond Act  
17 (Article 11, Division 74 of the Illinois Municipal Code), the  
18 Industrial Building Revenue Bond Act, the Illinois Finance  
19 Authority Act, the Illinois Sports Facilities Authority Act,  
20 or the Build Illinois Bond Act; loans or other funds made  
21 available pursuant to the Build Illinois Act; loans or other  
22 funds made available pursuant to the Riverfront Development  
23 Fund under Section 10-15 of the River Edge Redevelopment Zone  
24 Act; or funds from the Fund for Illinois' Future under Section  
25 6z-47 of the State Finance Act, funds for school construction  
26 under Section 5 of the General Obligation Bond Act, funds

1 authorized under Section 3 of the School Construction Bond  
2 Act, funds for school infrastructure under Section 6z-45 of  
3 the State Finance Act, and funds for transportation purposes  
4 under Section 4 of the General Obligation Bond Act. "Public  
5 works" also includes (i) all projects financed in whole or in  
6 part with funds from the Environmental Protection Agency under  
7 the Illinois Renewable Fuels Development Program Act for which  
8 there is no project labor agreement; (ii) all work performed  
9 pursuant to a public private agreement under the Public  
10 Private Agreements for the Illiana Expressway Act or the  
11 Public-Private Agreements for the South Suburban Airport Act;  
12 (iii) all projects undertaken under a public-private agreement  
13 under the Public-Private Partnerships for Transportation Act  
14 or the Department of Natural Resources World Shooting and  
15 Recreational Complex Act; and (iv) all transportation  
16 facilities undertaken under a design-build contract or a  
17 Construction Manager/General Contractor contract under the  
18 Innovations for Transportation Infrastructure Act. "Public  
19 works" also includes all projects at leased facility property  
20 used for airport purposes under Section 35 of the Local  
21 Government Facility Lease Act. "Public works" also includes  
22 the construction of a new wind power facility by a business  
23 designated as a High Impact Business under Section  
24 5.5(a)(3)(E) of the Illinois Enterprise Zone Act, ~~and~~ the  
25 construction of a new utility-scale solar power facility by a  
26 business designated as a High Impact Business under Section

1 5.5(a)(3)(E-5) of the Illinois Enterprise Zone Act, the  
2 construction of a new battery energy storage solution facility  
3 by a business designated as a High Impact Business under  
4 Section 5.5(a)(3)(I) of the Illinois Enterprise Zone Act, and  
5 the construction of a high voltage direct current converter  
6 station by a business designated as a High Impact Business  
7 under Section 5.5(a)(3)(J) of the Illinois Enterprise Zone  
8 Act. "Public works" also includes electric vehicle charging  
9 station projects financed pursuant to the Electric Vehicle Act  
10 and renewable energy projects required to pay the prevailing  
11 wage pursuant to the Illinois Power Agency Act. "Public works"  
12 also includes power washing projects by a public body or paid  
13 for wholly or in part out of public funds in which steam or  
14 pressurized water, with or without added abrasives or  
15 chemicals, is used to remove paint or other coatings, oils or  
16 grease, corrosion, or debris from a surface or to prepare a  
17 surface for a coating. "Public works" also includes all  
18 electric transmission systems projects subject to the Electric  
19 Transmission Systems Construction Standards Act. "Public  
20 works" does not include work done directly by any public  
21 utility company, whether or not done under public supervision  
22 or direction, or paid for wholly or in part out of public  
23 funds. "Public works" also includes construction projects  
24 performed by a third party contracted by any public utility,  
25 as described in subsection (a) of Section 2.1, in public  
26 rights-of-way, as defined in Section 21-201 of the Public

1 Utilities Act, whether or not done under public supervision or  
2 direction, or paid for wholly or in part out of public funds.  
3 "Public works" also includes construction projects that exceed  
4 15 aggregate miles of new fiber optic cable, performed by a  
5 third party contracted by any public utility, as described in  
6 subsection (b) of Section 2.1, in public rights-of-way, as  
7 defined in Section 21-201 of the Public Utilities Act, whether  
8 or not done under public supervision or direction, or paid for  
9 wholly or in part out of public funds. "Public works" also  
10 includes any corrective action performed pursuant to Title XVI  
11 of the Environmental Protection Act for which payment from the  
12 Underground Storage Tank Fund is requested. "Public works"  
13 also includes all construction projects involving fixtures or  
14 permanent attachments affixed to light poles that are owned by  
15 a public body, including street light poles, traffic light  
16 poles, and other lighting fixtures, whether or not done under  
17 public supervision or direction, or paid for wholly or in part  
18 out of public funds, unless the project is performed by  
19 employees employed directly by the public body. "Public works"  
20 also includes work performed subject to the Mechanical  
21 Insulation Energy and Safety Assessment Act. "Public works"  
22 also includes the removal, hauling, and transportation of  
23 biosolids, lime sludge, and lime residue from a water  
24 treatment plant or facility and the disposal of biosolids,  
25 lime sludge, and lime residue removed from a water treatment  
26 plant or facility at a landfill. "Public works" does not

1 include projects undertaken by the owner at an owner-occupied  
2 single-family residence or at an owner-occupied unit of a  
3 multi-family residence. "Public works" does not include work  
4 performed for soil and water conservation purposes on  
5 agricultural lands, whether or not done under public  
6 supervision or paid for wholly or in part out of public funds,  
7 done directly by an owner or person who has legal control of  
8 those lands.

9 "Construction" means all work on public works involving  
10 laborers, workers or mechanics. This includes any maintenance,  
11 repair, assembly, or disassembly work performed on equipment  
12 whether owned, leased, or rented.

13 "Locality" means the county where the physical work upon  
14 public works is performed, except (1) that if there is not  
15 available in the county a sufficient number of competent  
16 skilled laborers, workers and mechanics to construct the  
17 public works efficiently and properly, "locality" includes any  
18 other county nearest the one in which the work or construction  
19 is to be performed and from which such persons may be obtained  
20 in sufficient numbers to perform the work and (2) that, with  
21 respect to contracts for highway work with the Department of  
22 Transportation of this State, "locality" may at the discretion  
23 of the Secretary of the Department of Transportation be  
24 construed to include two or more adjacent counties from which  
25 workers may be accessible for work on such construction.

26 "Public body" means the State or any officer, board or

1 commission of the State or any political subdivision or  
2 department thereof, or any institution supported in whole or  
3 in part by public funds, and includes every county, city,  
4 town, village, township, school district, irrigation, utility,  
5 reclamation improvement or other district and every other  
6 political subdivision, district or municipality of the state  
7 whether such political subdivision, municipality or district  
8 operates under a special charter or not.

9 "Labor organization" means an organization that is the  
10 exclusive representative of an employer's employees recognized  
11 or certified pursuant to the National Labor Relations Act.

12 The terms "general prevailing rate of hourly wages",  
13 "general prevailing rate of wages" or "prevailing rate of  
14 wages" when used in this Act mean the hourly cash wages plus  
15 annualized fringe benefits for training and apprenticeship  
16 programs approved by the U.S. Department of Labor, Bureau of  
17 Apprenticeship and Training, health and welfare, insurance,  
18 vacations and pensions paid generally, in the locality in  
19 which the work is being performed, to employees engaged in  
20 work of a similar character on public works.

21 (Source: P.A. 102-9, eff. 1-1-22; 102-444, eff. 8-20-21;  
22 102-673, eff. 11-30-21; 102-813, eff. 5-13-22; 102-1094, eff.  
23 6-15-22; 103-8, eff. 6-7-23; 103-327, eff. 1-1-24; 103-346,  
24 eff. 1-1-24; 103-359, eff. 7-28-23; 103-447, eff. 8-4-23;  
25 103-605, eff. 7-1-24.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.