



Sen. Bill Cunningham

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10300HB0587sam002

LRB103 04172 AAS 77120 a

1 AMENDMENT TO HOUSE BILL 587

2 AMENDMENT NO. _____. Amend House Bill 587, AS AMENDED, by
3 replacing everything after the enacting clause with the
4 following:

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

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

8 "Commission" means the Illinois Commerce Commission.

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

12 "Electric transmission systems" means an electrical
13 transmission system designed and constructed with the
14 capability of being safely and reliably energized at 69
15 kilovolts or more, including transmission lines, transmission
16 towers, conductors, insulators, foundations, grounding

1 systems, access roads, and all associated transmission
2 facilities, including transmission substations. "Electric
3 transmission systems" does not include projects located on the
4 electric generating facility's side of the facility's point of
5 interconnection.

6 "OSHA" means Occupational Safety and Health
7 Administration.

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

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

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

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

18 Section 15. Requirements for contractors.

19 (a) Prevailing wage compliance. All utilities and
20 construction contractors responsible for the construction,
21 installation, maintenance, or repair of electric transmission
22 systems shall pay employees performing the construction,
23 installation, maintenance, or repair work of such systems
24 wages and benefits consistent with the Prevailing Wage Act.

1 (b) Training and competence requirement. To ensure safety
2 and reliability in the construction, installation,
3 maintenance, and repair of electric transmission systems, each
4 electric utility and construction contractor must demonstrate
5 the competence of their employees who are performing the work
6 of construction, installation, maintenance, or repair of
7 electric transmission systems, which shall be consistent with
8 the standards required by Illinois utilities as of January 1,
9 2007, or greater. Competence must include, at a minimum: (1)
10 completion, or active participation with ultimate completion,
11 in an accredited or recognized apprenticeship program for the
12 relevant craft, trade, or skill; or (2) a minimum of 2 years of
13 direct employment in the specific work function.

14 The Commission shall oversee compliance to ensure
15 employees meet these standards.

16 (c) Safety training. All employees engaged in the
17 construction, installation, maintenance, or repair of electric
18 transmission systems must successfully complete OSHA-certified
19 safety training required for their specific roles on the
20 project site.

21 (d) Diversity Plan.

22 (1) All construction contractors engaged in the
23 construction, installation, maintenance, or repair of
24 electric transmission systems shall develop a Diversity
25 Plan that sets forth:

26 (A) the goals for apprenticeship hours to be

1 performed by minorities and women;

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

4 (C) spending for women-owned, minority-owned,
5 veteran-owned, and small business enterprises in the
6 previous calendar year.

7 (2) These goals shall be expressed as a percentage of
8 the total work performed by the construction contractor
9 submitting the plan and the actual spending for all
10 women-owned, minority-owned, veteran-owned, and small
11 business enterprises shall also be expressed as a
12 percentage of the total work performed by the construction
13 contractor submitting the Diversity Plan.

14 (3) For purposes of the Diversity Plan, minorities and
15 women shall have the same definition as defined in the
16 Business Enterprise for Minorities, Women, and Persons
17 with Disabilities Act.

18 (4) The construction contractor shall submit the
19 Diversity Plan to the Commission.

20 Section 20. Rulemaking authority. The Commission shall
21 adopt rules to implement and enforce this Act, including
22 investigation procedures, penalties, and reporting
23 requirements.

24 Section 50. The Illinois Enterprise Zone Act is amended by

1 changing Section 5.5 as follows:

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

3 Sec. 5.5. High Impact Business.

4 (a) In order to respond to unique opportunities to assist
5 in the encouragement, development, growth, and expansion of
6 the private sector through large scale investment and
7 development projects, the Department is authorized to receive
8 and approve applications for the designation of "High Impact
9 Businesses" in Illinois, for an initial term of 20 years with
10 an option for renewal for a term not to exceed 20 years,
11 subject to the following conditions:

12 (1) such applications may be submitted at any time
13 during the year;

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

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

22 (A) the business intends to make a minimum
23 investment of \$12,000,000 which will be placed in
24 service in qualified property and intends to create
25 500 full-time equivalent jobs at a designated location

1 in Illinois or intends to make a minimum investment of
2 \$30,000,000 which will be placed in service in
3 qualified property and intends to retain 1,500
4 full-time retained jobs at a designated location in
5 Illinois. The terms "placed in service" and "qualified
6 property" have the same meanings as described in
7 subsection (h) of Section 201 of the Illinois Income
8 Tax Act; or

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

1 aggregate rated generating capacity of at least 400
2 megawatts for all new units at one site if it uses coal
3 or gases derived from coal as its primary fuel and
4 shall support the creation of at least 150 new
5 Illinois coal mining jobs, or (ii) shall be funded
6 through a federal Department of Energy grant before
7 December 31, 2010 and shall support the creation of
8 Illinois coal mining jobs, or (iii) shall use coal
9 gasification or integrated gasification-combined cycle
10 units that generate electricity or chemicals, or both,
11 and shall support the creation of Illinois coal mining
12 jobs. The term "placed in service" has the same
13 meaning as described in subsection (h) of Section 201
14 of the Illinois Income Tax Act; or

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

1 Jefferson County or within a county adjacent to
2 Jefferson County for synthetic natural gas from coal;
3 or

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

17 (D) the business intends to construct new
18 transmission facilities or upgrade existing
19 transmission facilities at designated locations in
20 Illinois, for which construction commenced not sooner
21 than July 1, 2001. For the purposes of this Section,
22 "transmission facilities" means transmission lines
23 with a voltage rating of 115 kilovolts or above,
24 including associated equipment, that transfer
25 electricity from points of supply to points of
26 delivery and that transmit a majority of the

1 electricity generated by a new electric generating
2 facility designated as a High Impact Business in
3 accordance with this Section. The term "placed in
4 service" has the same meaning as described in
5 subsection (h) of Section 201 of the Illinois Income
6 Tax Act; or

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

1 the wind to generate electricity; or

2 (E-5) the business intends to establish a new
3 utility-scale solar facility at a designated location
4 in Illinois. For purposes of this Section, "new
5 utility-scale solar power facility" means a newly
6 constructed electric generation facility, or a newly
7 constructed expansion of an existing electric
8 generation facility, placed in service on or after
9 July 1, 2021, that (i) generates electricity using
10 photovoltaic cells and (ii) has a nameplate capacity
11 that is greater than 5,000 kilowatts, and such
12 facility shall be deemed to include all associated
13 transmission lines, substations, energy storage
14 facilities, and other equipment related to the
15 generation and storage of electricity from
16 photovoltaic cells; or

17 (F) the business commits to (i) make a minimum
18 investment of \$500,000,000, which will be placed in
19 service in a qualified property, (ii) create 125
20 full-time equivalent jobs at a designated location in
21 Illinois, (iii) establish a fertilizer plant at a
22 designated location in Illinois that complies with the
23 set-back standards as described in Table 1: Initial
24 Isolation and Protective Action Distances in the 2012
25 Emergency Response Guidebook published by the United
26 States Department of Transportation, (iv) pay a

1 prevailing wage for employees at that location who are
2 engaged in construction activities, and (v) secure an
3 appropriate level of general liability insurance to
4 protect against catastrophic failure of the fertilizer
5 plant or any of its constituent systems; in addition,
6 the business must agree to enter into a construction
7 project labor agreement including provisions
8 establishing wages, benefits, and other compensation
9 for employees performing work under the project labor
10 agreement at that location; for the purposes of this
11 Section, "fertilizer plant" means a newly constructed
12 or upgraded plant utilizing gas used in the production
13 of anhydrous ammonia and downstream nitrogen
14 fertilizer products for resale; for the purposes of
15 this Section, "prevailing wage" means the hourly cash
16 wages plus fringe benefits for training and
17 apprenticeship programs approved by the U.S.
18 Department of Labor, Bureau of Apprenticeship and
19 Training, health and welfare, insurance, vacations and
20 pensions paid generally, in the locality in which the
21 work is being performed, to employees engaged in work
22 of a similar character on public works; this paragraph
23 (F) applies only to businesses that submit an
24 application to the Department within 60 days after
25 July 25, 2013 (the effective date of Public Act
26 98-109); or

1 (G) the business intends to establish a new
2 cultured cell material food production facility at a
3 designated location in Illinois. As used in this
4 paragraph (G):

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

21 "New cultured cell material food production
22 facility" means a newly constructed cultured cell
23 material food production facility that is placed in
24 service on or after June 7, 2023 (the effective date of
25 Public Act 103-9) or a newly constructed expansion of
26 an existing cultured cell material food production

1 facility, in a controlled environment, when the
2 improvements are placed in service on or after June 7,
3 2023 (the effective date of Public Act 103-9); ~~or~~

4 (H) the business is an existing or planned grocery
5 store, as that term is defined in Section 5 of the
6 Grocery Initiative Act, and receives financial support
7 under that Act within the 10 years before submitting
8 its application under this Act; or and

9 (I) the business intends to establish a new
10 battery energy storage solution facility at a
11 designated location in Illinois. As used in this
12 paragraph (I):

13 "New battery energy storage solution facility"
14 means a newly constructed battery energy storage
15 facility, a newly constructed expansion of an existing
16 battery energy storage facility, or the replacement of
17 an existing battery energy storage facility that
18 stores electricity using battery devices and other
19 means. "New battery energy storage solution facility"
20 includes any permanent structures associated with the
21 new battery energy storage facility and all associated
22 transmission lines, substations, and other equipment
23 that is related to the storage and transmission of
24 electric power and that has a capacity of not less than
25 20 megawatt and storage capability of not less than 40
26 megawatt hours of energy; or

1 (J) the business intends to construct a new high
2 voltage direct current converter station at a
3 designated location in Illinois. As used in this
4 paragraph, "high voltage direct current converter
5 station" has the same meaning given to that term in
6 Section 1-10 of the Illinois Power Act; and

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

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

1 qualify for the exemption described in Section 51 of the
2 Retailers' Occupation Tax Act. The credit provided in
3 subsection (h) of Section 201 of the Illinois Income Tax Act
4 shall be applicable to investments in qualified property as
5 set forth in subdivision (a) (3) (A) of this Section.

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

25 (b-6) Businesses designated as High Impact Businesses
26 pursuant to subdivision (a) (3) (E), ~~or~~ (a) (3) (E-5), (A) (3) (I),

1 or (a) (3) (J) of this Section shall qualify for the exemptions
2 described in Section 51 of the Retailers' Occupation Tax Act;
3 any business so designated as a High Impact Business being,
4 for purposes of this Section, a "Wind Energy Business".

5 (b-7) Beginning on January 1, 2021, businesses designated
6 as High Impact Businesses by the Department shall qualify for
7 the High Impact Business construction jobs credit under
8 subsection (h-5) of Section 201 of the Illinois Income Tax Act
9 if the business meets the criteria set forth in subsection (i)
10 of this Section. The total aggregate amount of credits awarded
11 under the Blue Collar Jobs Act (Article 20 of Public Act 101-9)
12 shall not exceed \$20,000,000 in any State fiscal year.

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

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

26 (e) Except for new businesses contemplated under

1 subdivision (a) (3) (E), subdivision (a) (3) (G), ~~or~~ subdivision
2 (a) (3) (H), or subdivision (a) (3) (J) of this Section, new
3 proposed facilities which apply for designation as High Impact
4 Business must provide the Department with proof of alternative
5 non-Illinois sites which would receive the proposed investment
6 and job creation in the event that the business is not
7 designated as a High Impact Business.

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

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

26 (h) Prior to designating a business, the Department shall

1 provide the members of the General Assembly and Commission on
2 Government Forecasting and Accountability with a report
3 setting forth the terms and conditions of the designation and
4 guarantees that have been received by the Department in
5 relation to the proposed business being designated.

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

19 The Department shall certify to the Department of Revenue:
20 (1) the identity of taxpayers that are eligible for the High
21 Impact Business construction jobs credit; and (2) the amount
22 of High Impact Business construction jobs credits that are
23 claimed pursuant to subsection (h-5) of Section 201 of the
24 Illinois Income Tax Act in each taxable year.

25 As used in this subsection (i):

26 "High Impact Business construction jobs credit" means an

1 amount equal to 50% (or 75% if the High Impact Business
2 construction project is located in an underserved area) of the
3 incremental income tax attributable to High Impact Business
4 construction job employees. The total aggregate amount of
5 credits awarded under the Blue Collar Jobs Act (Article 20 of
6 Public Act 101-9) shall not exceed \$20,000,000 in any State
7 fiscal year

8 "High Impact Business construction job employee" means a
9 laborer or worker who is employed by a contractor or
10 subcontractor in the actual construction work on the site of a
11 High Impact Business construction job project.

12 "High Impact Business construction jobs project" means
13 building a structure or building or making improvements of any
14 kind to real property, undertaken and commissioned by a
15 business that was designated as a High Impact Business by the
16 Department. The term "High Impact Business construction jobs
17 project" does not include the routine operation, routine
18 repair, or routine maintenance of existing structures,
19 buildings, or real property.

20 "Incremental income tax" means the total amount withheld
21 during the taxable year from the compensation of High Impact
22 Business construction job employees.

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

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

1 (2) 35% or more of the families with children in the
2 area are living below 130% of the poverty line, according
3 to the latest American Community Survey;

4 (3) at least 20% of the households in the area receive
5 assistance under the Supplemental Nutrition Assistance
6 Program (SNAP); or

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

13 (j) (Blank).

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

23 In order to receive credit for construction expenses, the
24 company must provide the Department with evidence that a
25 certified third-party executed an Agreed-Upon Procedure (AUP)
26 verifying the construction expenses or accept the standard

1 construction wage expense estimated by the Department.

2 Upon review of the final project scope, timeline, budget,
3 and AUP, the Department shall issue a tax credit certificate
4 reflecting a percentage of the total construction job wages
5 paid throughout the completion of the project.

6 (k) Upon 7 business days' notice, each taxpayer shall make
7 available to each State agency and to federal, State, or local
8 law enforcement agencies and prosecutors for inspection and
9 copying at a location within this State during reasonable
10 hours, the report under subsection (j-5).

11 (l) The changes made to this Section by Public Act
12 102-1125, other than the changes in subsection (a), apply to
13 High Impact Businesses that submit applications on or after
14 February 3, 2023 (the effective date of Public Act 102-1125).

15 (Source: P.A. 102-108, eff. 1-1-22; 102-558, eff. 8-20-21;
16 102-605, eff. 8-27-21; 102-662, eff. 9-15-21; 102-673, eff.
17 11-30-21; 102-813, eff. 5-13-22; 102-1125, eff. 2-3-23; 103-9,
18 eff. 6-7-23; 103-561, eff. 1-1-24; 103-595, eff. 6-26-24;
19 103-605, eff. 7-1-24.)

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

22 (20 ILCS 735/10-20)

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

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

1 (a) Subject to appropriation, the Department shall
2 establish an Energy Transition Community Grant Program to
3 award grants to promote economic development in eligible
4 communities.

5 (b) Funds shall be made available from the Energy
6 Transition Assistance Fund to the Department to provide these
7 grants.

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

10 (1) the area contains a fossil fuel or nuclear power
11 plant that was retired from service or has significantly
12 reduced service within 6 years before the application for
13 designation or will be retired or have service
14 significantly reduced within 6 years following the
15 application for designation;

16 (2) the area contains a coal mine that was closed or
17 had operations significantly reduced within 6 years before
18 the application for designation or is anticipated to be
19 closed or have operations significantly reduced within 6
20 years following the application for designation; or

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

24 (d) Local units of governments in eligible areas may join
25 with any other local unit of government, economic development
26 organization, local educational institutions, community-based

1 groups, or with any number or combination thereof to apply for
2 the Energy Transition Community Grant.

3 (e) To receive grant funds, an eligible community must
4 submit an application to the Department, using a form
5 developed by the Department.

6 (f) For grants awarded to counties or other entities that
7 are not the city that hosts or has hosted the investor-owned
8 electric generating plant, a resolution of support for the
9 project from the city or cities that hosts or has hosted the
10 investor-owned electric generating plant is required to be
11 submitted with the application.

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

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

22 (i) Grant costs are authorized to procure third-party
23 vendors for grant writing and implementation costs, including
24 for guidance and opportunities to apply for additional
25 federal, State, local, and private funding resources. If the
26 application is approved for pre-award, one-time reimbursable

1 costs to apply for the Energy Transition Community Grant are
2 authorized up to 3% of the award.

3 (j) Units of local government that are taxing authorities
4 for a nuclear plant that was decommissioned before January 1,
5 2021 shall receive grants in proportional shares of \$15 per
6 kilogram of spent nuclear fuel stored at such a facility, less
7 any payments made to such communities from the federal
8 government based on the amount of waste stored at a
9 decommissioned nuclear plant and any property tax payments.
10 75% of grant funds received by taxing authorities must be used
11 for property tax abatement purposes.

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

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

15 (20 ILCS 3855/1-56)

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

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

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

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

5 (2) The Illinois Power Agency Renewable Energy
6 Resources Fund shall also be used to create the Illinois
7 Solar for All Program, which provides incentives for
8 low-income distributed generation and community solar
9 projects, and other associated approved expenditures. The
10 objectives of the Illinois Solar for All Program are to
11 bring photovoltaics to low-income communities in this
12 State in a manner that maximizes the development of new
13 photovoltaic generating facilities, to create a long-term,
14 low-income solar marketplace throughout this State, to
15 integrate, through interaction with stakeholders, with
16 existing energy efficiency initiatives, and to minimize
17 administrative costs. The Illinois Solar for All Program
18 shall be implemented in a manner that seeks to minimize
19 administrative costs, and maximize efficiencies and
20 synergies available through coordination with similar
21 initiatives, including the Adjustable Block program
22 described in subparagraphs (K) through (M) of paragraph
23 (1) of subsection (c) of Section 1-75, energy efficiency
24 programs, job training programs, and community action
25 agencies. The Agency shall strive to ensure that renewable
26 energy credits procured through the Illinois Solar for All

1 Program and each of its subprograms are purchased from
2 projects across the breadth of low-income and
3 environmental justice communities in Illinois, including
4 both urban and rural communities, are not concentrated in
5 a few communities, and do not exclude particular
6 low-income or environmental justice communities. The
7 Agency shall include a description of its proposed
8 approach to the design, administration, implementation and
9 evaluation of the Illinois Solar for All Program, as part
10 of the long-term renewable resources procurement plan
11 authorized by subsection (c) of Section 1-75 of this Act,
12 and the program shall be designed to grow the low-income
13 solar market. The Agency or utility, as applicable, shall
14 purchase renewable energy credits from the (i)
15 photovoltaic distributed renewable energy generation
16 projects and (ii) community solar projects that are
17 procured under procurement processes authorized by the
18 long-term renewable resources procurement plans approved
19 by the Commission.

20 The Illinois Solar for All Program shall include the
21 program offerings described in subparagraphs (A) through
22 (E) of this paragraph (2), which the Agency shall
23 implement through contracts with third-party providers
24 and, subject to appropriation, pay the approximate amounts
25 identified using monies available in the Illinois Power
26 Agency Renewable Energy Resources Fund. Each contract that

1 provides for the installation of solar facilities shall
2 provide that the solar facilities will produce energy and
3 economic benefits, at a level determined by the Agency to
4 be reasonable, for the participating low-income customers.
5 The monies available in the Illinois Power Agency
6 Renewable Energy Resources Fund and not otherwise
7 committed to contracts executed under subsection (i) of
8 this Section, as well as, in the case of the programs
9 described under subparagraphs (A) through (E) of this
10 paragraph (2), funding authorized pursuant to subparagraph
11 (O) of paragraph (1) of subsection (c) of Section 1-75 of
12 this Act, shall initially be allocated among the programs
13 described in this paragraph (2), as follows: 35% of these
14 funds shall be allocated to programs described in
15 subparagraphs (A) and (E) of this paragraph (2), 40% of
16 these funds shall be allocated to programs described in
17 subparagraph (B) of this paragraph (2), and 25% of these
18 funds shall be allocated to programs described in
19 subparagraph (C) of this paragraph (2). The allocation of
20 funds among subparagraphs (A), (B), (C), and (E) of this
21 paragraph (2) may be changed if the Agency, after
22 receiving input through a stakeholder process, determines
23 incentives in subparagraphs (A), (B), (C), or (E) of this
24 paragraph (2) have not been adequately subscribed to fully
25 utilize available Illinois Solar for All Program funds.

26 Contracts that will be paid with funds in the Illinois

1 Power Agency Renewable Energy Resources Fund shall be
2 executed by the Agency. Contracts that will be paid with
3 funds collected by an electric utility shall be executed
4 by the electric utility.

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

1 The Agency shall make every effort to ensure that
2 small and emerging businesses, particularly those located
3 in low-income and environmental justice communities, are
4 able to participate in the Illinois Solar for All Program.
5 These efforts may include, but shall not be limited to,
6 proactive support from the program administrator,
7 different or preferred access to subprograms and
8 administrator-identified customers or grassroots
9 education provider-identified customers, and different
10 incentive levels. The Agency shall report on progress and
11 barriers to participation of small and emerging businesses
12 in the Illinois Solar for All Program at least once a year.
13 The report shall be made available on the Agency's website
14 and, in years when the Agency is updating its long-term
15 renewable resources procurement plan, included in that
16 Plan.

17 (A) Low-income single-family and small multifamily
18 solar incentive. This program will provide incentives
19 to low-income customers, either directly or through
20 solar providers, to increase the participation of
21 low-income households in photovoltaic on-site
22 distributed generation at residential buildings
23 containing one to 4 units. Companies participating in
24 this program that install solar panels shall commit to
25 hiring job trainees for a portion of their low-income
26 installations, and an administrator shall facilitate

1 partnering the companies that install solar panels
2 with entities that provide solar panel installation
3 job training. It is a goal of this program that a
4 minimum of 25% of the incentives for this program be
5 allocated to projects located within environmental
6 justice communities. Contracts entered into under this
7 paragraph may be entered into with an entity that will
8 develop and administer the program and shall also
9 include contracts for renewable energy credits from
10 the photovoltaic distributed generation that is the
11 subject of the program, as set forth in the long-term
12 renewable resources procurement plan. Additionally:

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

1 project ownership by communities, as promoting
2 energy sovereignty. Incentives for projects that
3 promote energy sovereignty may be higher than
4 incentives for equivalent projects that do not
5 promote energy sovereignty under this same
6 program.

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

1 outreach to companies participating in one program
2 but not the other. The Agency shall report on
3 efforts made to encourage this cross-participation
4 in its long-term renewable resources procurement
5 plan.

6 (B) Low-Income Community Solar Project Initiative.
7 Incentives shall be offered to low-income customers,
8 either directly or through developers, to increase the
9 participation of low-income subscribers of community
10 solar projects. The developer of each project shall
11 identify its partnership with community stakeholders
12 regarding the location, development, and participation
13 in the project, provided that nothing shall preclude a
14 project from including an anchor tenant that does not
15 qualify as low-income. Companies participating in this
16 program that develop or install solar projects shall
17 commit to hiring job trainees for a portion of their
18 low-income installations, and an administrator shall
19 facilitate partnering the companies that install solar
20 projects with entities that provide solar installation
21 and related job training. It is a goal of this program
22 that a minimum of 25% of the incentives for this
23 program be allocated to community photovoltaic
24 projects in environmental justice communities. The
25 Agency shall reserve a portion of this program for
26 projects that promote energy sovereignty through

1 ownership of projects by low-income households,
2 not-for-profit organizations providing services to
3 low-income households, affordable housing owners, or
4 community-based limited liability companies providing
5 services to low-income households. Projects that
6 feature energy ownership should ensure that local
7 people have control of the project and reap benefits
8 from the project over and above energy bill savings.
9 The Agency may consider the inclusion of projects that
10 promote ownership over time or that involve partial
11 project ownership by communities, as promoting energy
12 sovereignty. Incentives for projects that promote
13 energy sovereignty may be higher than incentives for
14 equivalent projects that do not promote energy
15 sovereignty under this same program. Contracts entered
16 into under this paragraph may be entered into with
17 developers and shall also include contracts for
18 renewable energy credits related to the program.

19 (C) Incentives for non-profits and public
20 facilities. Under this program funds shall be used to
21 support on-site photovoltaic distributed renewable
22 energy generation devices to serve the load associated
23 with not-for-profit customers and to support
24 photovoltaic distributed renewable energy generation
25 that uses photovoltaic technology to serve the load
26 associated with public sector customers taking service

1 at public buildings. Companies participating in this
2 program that develop or install solar projects shall
3 commit to hiring job trainees for a portion of their
4 low-income installations, and an administrator shall
5 facilitate partnering the companies that install solar
6 projects with entities that provide solar installation
7 and related job training. Through its long-term
8 renewable resources procurement plan, the Agency shall
9 consider additional program and contract requirements
10 to ensure faithful compliance by applicants benefiting
11 from preferences for projects designated to promote
12 energy sovereignty. It is a goal of this program that
13 at least 25% of the incentives for this program be
14 allocated to projects located in environmental justice
15 communities. Contracts entered into under this
16 paragraph may be entered into with an entity that will
17 develop and administer the program or with developers
18 and shall also include contracts for renewable energy
19 credits related to the program.

20 (D) (Blank).

21 (E) Low-income large multifamily solar incentive.
22 This program shall provide incentives to low-income
23 customers, either directly or through solar providers,
24 to increase the participation of low-income households
25 in photovoltaic on-site distributed generation at
26 residential buildings with 5 or more units. Companies

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

1 sovereignty under this same program.

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

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

21 (3) Costs associated with the Illinois Solar for All
22 Program and its components described in paragraph (2) of
23 this subsection (b), including, but not limited to, costs
24 associated with procuring experts, consultants, and the
25 program administrator referenced in this subsection (b)
26 and related incremental costs, costs related to income

1 verification and facilitating customer participation in
2 the program, and costs related to the evaluation of the
3 Illinois Solar for All Program, may be paid for using
4 monies in the Illinois Power Agency Renewable Energy
5 Resources Fund, and funds allocated pursuant to
6 subparagraph (O) of paragraph (1) of subsection (c) of
7 Section 1-75, but the Agency or program administrator
8 shall strive to minimize costs in the implementation of
9 the program. The Agency or contracting electric utility
10 shall purchase renewable energy credits from generation
11 that is the subject of a contract under subparagraphs (A)
12 through (E) of paragraph (2) of this subsection (b), and
13 may pay for such renewable energy credits through an
14 upfront payment per installed kilowatt of nameplate
15 capacity paid once the device is interconnected at the
16 distribution system level of the interconnecting utility
17 and verified as energized. Payments for renewable energy
18 credits shall be in exchange for all renewable energy
19 credits generated by the system during the first 15 years
20 of operation and shall be structured to overcome barriers
21 to participation in the solar market by the low-income
22 community. The incentives provided for in this Section may
23 be implemented through the pricing of renewable energy
24 credits where the prices paid for the credits are higher
25 than the prices from programs offered under subsection (c)
26 of Section 1-75 of this Act to account for the additional

1 capital necessary to successfully access targeted market
2 segments. The Agency or contracting electric utility shall
3 retire any renewable energy credits purchased under this
4 program and the credits shall count toward the obligation
5 under subsection (c) of Section 1-75 of this Act for the
6 electric utility to which the project is interconnected,
7 if applicable.

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

19 (4) The Agency shall, consistent with the requirements
20 of this subsection (b), propose the Illinois Solar for All
21 Program terms, conditions, and requirements, including the
22 prices to be paid for renewable energy credits, and which
23 prices may be determined through a formula, through the
24 development, review, and approval of the Agency's
25 long-term renewable resources procurement plan described
26 in subsection (c) of Section 1-75 of this Act and Section

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

22 (5) The Agency shall issue a request for
23 qualifications for a third-party program administrator or
24 administrators to administer all or a portion of the
25 Illinois Solar for All Program. The third-party program
26 administrator shall be chosen through a competitive bid

1 process based on selection criteria and requirements
2 developed by the Agency, including, but not limited to,
3 experience in administering low-income energy programs and
4 overseeing statewide clean energy or energy efficiency
5 services. If the Agency retains a program administrator or
6 administrators to implement all or a portion of the
7 Illinois Solar for All Program, each administrator shall
8 periodically submit reports to the Agency and Commission
9 for each program that it administers, at appropriate
10 intervals to be identified by the Agency in its long-term
11 renewable resources procurement plan, provided that the
12 reporting interval is at least quarterly. The third-party
13 program administrator may be, but need not be, the same
14 administrator as for the Adjustable Block program
15 described in subparagraphs (K) through (M) of paragraph
16 (1) of subsection (c) of Section 1-75. The Agency, through
17 its long-term renewable resources procurement plan
18 approval process, shall also determine if individual
19 subprograms of the Illinois Solar for All Program are
20 better served by a different or separate Program
21 Administrator.

22 The third-party administrator's responsibilities
23 shall also include facilitating placement for graduates of
24 Illinois-based renewable energy-specific job training
25 programs, including the Clean Jobs Workforce Network
26 Program and the Illinois Climate Works Preapprenticeship

1 Program administered by the Department of Commerce and
2 Economic Opportunity and programs administered under
3 Section 16-108.12 of the Public Utilities Act. To increase
4 the uptake of trainees by participating firms, the
5 administrator shall also develop a web-based clearinghouse
6 for information available to both job training program
7 graduates and firms participating, directly or indirectly,
8 in Illinois solar incentive programs. The program
9 administrator shall also coordinate its activities with
10 entities implementing electric and natural gas
11 income-qualified energy efficiency programs, including
12 customer referrals to and from such programs, and connect
13 prospective low-income solar customers with any existing
14 deferred maintenance programs where applicable.

15 (6) The long-term renewable resources procurement plan
16 shall also provide for an independent evaluation of the
17 Illinois Solar for All Program. At least every 2 years,
18 the Agency shall select an independent evaluator to review
19 and report on the Illinois Solar for All Program and the
20 performance of the third-party program administrator of
21 the Illinois Solar for All Program. The evaluation shall
22 be based on objective criteria developed through a public
23 stakeholder process. The process shall include feedback
24 and participation from Illinois Solar for All Program
25 stakeholders, including participants and organizations in
26 environmental justice and historically underserved

1 communities. The report shall include a summary of the
2 evaluation of the Illinois Solar for All Program based on
3 the stakeholder developed objective criteria. The report
4 shall include the number of projects installed; the total
5 installed capacity in kilowatts; the average cost per
6 kilowatt of installed capacity to the extent reasonably
7 obtainable by the Agency; the number of jobs or job
8 opportunities created; economic, social, and environmental
9 benefits created; and the total administrative costs
10 expended by the Agency and program administrator to
11 implement and evaluate the program. The report shall be
12 delivered to the Commission and posted on the Agency's
13 website, and shall be used, as needed, to revise the
14 Illinois Solar for All Program. The Commission shall also
15 consider the results of the evaluation as part of its
16 review of the long-term renewable resources procurement
17 plan under subsection (c) of Section 1-75 of this Act.

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

1 (8) As part of the development and update of the
2 long-term renewable resources procurement plan authorized
3 by subsection (c) of Section 1-75 of this Act, the Agency
4 shall plan for: (A) actions to refer customers from the
5 Illinois Solar for All Program to electric and natural gas
6 income-qualified energy efficiency programs, and vice
7 versa, with the goal of increasing participation in both
8 of these programs; (B) effective procedures for data
9 sharing, as needed, to effectuate referrals between the
10 Illinois Solar for All Program and both electric and
11 natural gas income-qualified energy efficiency programs,
12 including sharing customer information directly with the
13 utilities, as needed and appropriate; and (C) efforts to
14 identify any existing deferred maintenance programs for
15 which prospective Solar for All Program customers may be
16 eligible and connect prospective customers for whom
17 deferred maintenance is or may be a barrier to solar
18 installation to those programs.

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

23 For the purposes of this subsection (b), the Agency shall
24 define "environmental justice community" based on the
25 methodologies and findings established by the Agency and the
26 Administrator for the Illinois Solar for All Program in its

1 initial long-term renewable resources procurement plan and as
2 updated by the Agency and the Administrator for the Illinois
3 Solar for All Program as part of the long-term renewable
4 resources procurement plan update.

5 (b-5) After the receipt of all payments required by
6 Section 16-115D of the Public Utilities Act, no additional
7 funds shall be deposited into the Illinois Power Agency
8 Renewable Energy Resources Fund unless directed by order of
9 the Commission.

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

20 (b-15) The prevailing wage requirements set forth in the
21 Prevailing Wage Act apply to each project that is undertaken
22 pursuant to one or more of the programs of incentives and
23 initiatives described in subsection (b) of this Section and
24 for which a project application is submitted to the program
25 after the effective date of this amendatory Act of the 103rd
26 General Assembly, except (i) projects that serve single-family

1 or multi-family residential buildings and (ii) projects with
2 an aggregate capacity of less than 100 kilowatts that serve
3 houses of worship. The Agency shall require verification that
4 all construction performed on a project by the renewable
5 energy credit delivery contract holder, its contractors, or
6 its subcontractors relating to the construction of the
7 facility is performed by workers receiving an amount for that
8 work that is greater than or equal to the general prevailing
9 rate of wages as that term is defined in the Prevailing Wage
10 Act, and the Agency may adjust renewable energy credit prices
11 to account for increased labor costs.

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

15 (c) (Blank).

16 (d) (Blank).

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

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

25 (g) All disbursements from the Illinois Power Agency
26 Renewable Energy Resources Fund shall be made only upon

1 warrants of the Comptroller drawn upon the Treasurer as
2 custodian of the Fund upon vouchers signed by the Director or
3 by the person or persons designated by the Director for that
4 purpose. The Comptroller is authorized to draw the warrant
5 upon vouchers so signed. The Treasurer shall accept all
6 warrants so signed and shall be released from liability for
7 all payments made on those warrants.

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

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

20 (i) Supplemental procurement process.

21 (1) Within 90 days after June 30, 2014 (the effective
22 date of Public Act 98-672), the Agency shall develop a
23 one-time supplemental procurement plan limited to the
24 procurement of renewable energy credits, if available,
25 from new or existing photovoltaics, including, but not
26 limited to, distributed photovoltaic generation. Nothing

1 in this subsection (i) requires procurement of wind
2 generation through the supplemental procurement.

3 Renewable energy credits procured from new
4 photovoltaics, including, but not limited to, distributed
5 photovoltaic generation, under this subsection (i) must be
6 procured from devices installed by a qualified person. In
7 its supplemental procurement plan, the Agency shall
8 establish contractually enforceable mechanisms for
9 ensuring that the installation of new photovoltaics is
10 performed by a qualified person.

11 For the purposes of this paragraph (1), "qualified
12 person" means a person who performs installations of
13 photovoltaics, including, but not limited to, distributed
14 photovoltaic generation, and who: (A) has completed an
15 apprenticeship as a journeyman electrician from a United
16 States Department of Labor registered electrical
17 apprenticeship and training program and received a
18 certification of satisfactory completion; or (B) does not
19 currently meet the criteria under clause (A) of this
20 paragraph (1), but is enrolled in a United States
21 Department of Labor registered electrical apprenticeship
22 program, provided that the person is directly supervised
23 by a person who meets the criteria under clause (A) of this
24 paragraph (1); or (C) has obtained one of the following
25 credentials in addition to attesting to satisfactory
26 completion of at least 5 years or 8,000 hours of

1 documented hands-on electrical experience: (i) a North
2 American Board of Certified Energy Practitioners (NABCEP)
3 Installer Certificate for Solar PV; (ii) an Underwriters
4 Laboratories (UL) PV Systems Installer Certificate; (iii)
5 an Electronics Technicians Association, International
6 (ETAI) Level 3 PV Installer Certificate; or (iv) an
7 Associate in Applied Science degree from an Illinois
8 Community College Board approved community college program
9 in renewable energy or a distributed generation
10 technology.

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

20 For the purposes of this paragraph (1), "install"
21 means the major activities and actions required to
22 connect, in accordance with applicable building and
23 electrical codes, the conductors, connectors, and all
24 associated fittings, devices, power outlets, or
25 apparatuses mounted at the premises that are directly
26 involved in delivering energy to the premises' electrical

1 wiring from the photovoltaics, including, but not limited
2 to, to distributed photovoltaic generation.

3 The renewable energy credits procured pursuant to the
4 supplemental procurement plan shall be procured using up
5 to \$30,000,000 from the Illinois Power Agency Renewable
6 Energy Resources Fund. The Agency shall not plan to use
7 funds from the Illinois Power Agency Renewable Energy
8 Resources Fund in excess of the monies on deposit in such
9 fund or projected to be deposited into such fund. The
10 supplemental procurement plan shall ensure adequate,
11 reliable, affordable, efficient, and environmentally
12 sustainable renewable energy resources (including credits)
13 at the lowest total cost over time, taking into account
14 any benefits of price stability.

15 To the extent available, 50% of the renewable energy
16 credits procured from distributed renewable energy
17 generation shall come from devices of less than 25
18 kilowatts in nameplate capacity. Procurement of renewable
19 energy credits from distributed renewable energy
20 generation devices shall be done through multi-year
21 contracts of no less than 5 years. The Agency shall create
22 credit requirements for counterparties. In order to
23 minimize the administrative burden on contracting
24 entities, the Agency shall solicit the use of third
25 parties to aggregate distributed renewable energy. These
26 third parties shall enter into and administer contracts

1 with individual distributed renewable energy generation
2 device owners. An individual distributed renewable energy
3 generation device owner shall have the ability to measure
4 the output of his or her distributed renewable energy
5 generation device.

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

1 for approval.

2 (2) Within 5 days after the filing of the supplemental
3 procurement plan at the Commission, any person objecting
4 to the supplemental procurement plan shall file an
5 objection with the Commission. Within 10 days after the
6 filing, the Commission shall determine whether a hearing
7 is necessary. The Commission shall enter its order
8 confirming or modifying the supplemental procurement plan
9 within 90 days after the filing of the supplemental
10 procurement plan by the Agency.

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

20 (4) The supplemental procurement process under this
21 subsection (i) shall include each of the following
22 components:

23 (A) Procurement administrator. The Agency may
24 retain a procurement administrator in the manner set
25 forth in item (2) of subsection (a) of Section 1-75 of
26 this Act to conduct the supplemental procurement or

1 may elect to use the same procurement administrator
2 administering the Agency's annual procurement under
3 Section 1-75.

4 (B) Procurement monitor. The procurement monitor
5 retained by the Commission pursuant to Section
6 16-111.5 of the Public Utilities Act shall:

7 (i) monitor interactions among the procurement
8 administrator and bidders and suppliers;

9 (ii) monitor and report to the Commission on
10 the progress of the supplemental procurement
11 process;

12 (iii) provide an independent confidential
13 report to the Commission regarding the results of
14 the procurement events;

15 (iv) assess compliance with the procurement
16 plan approved by the Commission for the
17 supplemental procurement process;

18 (v) preserve the confidentiality of supplier
19 and bidding information in a manner consistent
20 with all applicable laws, rules, regulations, and
21 tariffs;

22 (vi) provide expert advice to the Commission
23 and consult with the procurement administrator
24 regarding issues related to procurement process
25 design, rules, protocols, and policy-related
26 matters;

1 (vii) consult with the procurement
2 administrator regarding the development and use of
3 benchmark criteria, standard form contracts,
4 credit policies, and bid documents; and

5 (viii) perform, with respect to the
6 supplemental procurement process, any other
7 procurement monitor duties specifically delineated
8 within subsection (i) of this Section.

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

1 register bidders to participate in the procurement
2 event.

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

1 shall not be subject to negotiation by winning
2 bidders, and the bidders must agree to the terms of the
3 contract in advance so that winning bids are selected
4 solely on the basis of price.

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

17 (F) Benchmarks. Benchmarks for each product to be
18 procured shall be developed by the procurement
19 administrator in consultation with Commission staff,
20 the Agency, and the procurement monitor for use in
21 this supplemental procurement.

22 (G) A plan for implementing contingencies in the
23 event of supplier default, Commission rejection of
24 results, or any other cause.

25 (5) Within 2 business days after opening the sealed
26 bids, the procurement administrator shall submit a

1 confidential report to the Commission. The report shall
2 contain the results of the bidding for each of the
3 products along with the procurement administrator's
4 recommendation for the acceptance and rejection of bids
5 based on the price benchmark criteria and other factors
6 observed in the process. The procurement monitor also
7 shall submit a confidential report to the Commission
8 within 2 business days after opening the sealed bids. The
9 report shall contain the procurement monitor's assessment
10 of bidder behavior in the process as well as an assessment
11 of the procurement administrator's compliance with the
12 procurement process and rules. The Commission shall review
13 the confidential reports submitted by the procurement
14 administrator and procurement monitor and shall accept or
15 reject the recommendations of the procurement
16 administrator within 2 business days after receipt of the
17 reports.

18 (6) Within 3 business days after the Commission
19 decision approving the results of a procurement event, the
20 Agency shall enter into binding contractual arrangements
21 with the winning suppliers using the standard form
22 contracts.

23 (7) The names of the successful bidders and the
24 average of the winning bid prices for each contract type
25 and for each contract term shall be made available to the
26 public within 2 days after the supplemental procurement

1 event. The Commission, the procurement monitor, the
2 procurement administrator, the Agency, and all
3 participants in the procurement process shall maintain the
4 confidentiality of all other supplier and bidding
5 information in a manner consistent with all applicable
6 laws, rules, regulations, and tariffs. Confidential
7 information, including the confidential reports submitted
8 by the procurement administrator and procurement monitor
9 pursuant to this Section, shall not be made publicly
10 available and shall not be discoverable by any party in
11 any proceeding, absent a compelling demonstration of need,
12 nor shall those reports be admissible in any proceeding
13 other than one for law enforcement purposes.

14 (8) The supplemental procurement provided in this
15 subsection (i) shall not be subject to the requirements
16 and limitations of subsections (c) and (d) of this
17 Section.

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

1 Commission to reimburse the Commission for its costs
2 associated with the procurement monitor for the
3 supplemental procurement process.

4 (Source: P.A. 102-662, eff. 9-15-21; 103-188, eff. 6-30-23;
5 103-605, eff. 7-1-24.)

6 (20 ILCS 3855/1-75)

7 Sec. 1-75. Planning and Procurement Bureau. The Planning
8 and Procurement Bureau has the following duties and
9 responsibilities:

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

1 subsection (d-10) of this Section. The Planning and
2 Procurement Bureau shall also develop procurement plans and
3 conduct competitive procurement processes in accordance with
4 the requirements of Section 16-111.5 of the Public Utilities
5 Act for the eligible retail customers of small
6 multi-jurisdictional electric utilities that (i) on December
7 31, 2005 served less than 100,000 customers in Illinois and
8 (ii) request a procurement plan for their Illinois
9 jurisdictional load. This Section shall not apply to a small
10 multi-jurisdictional utility until such time as a small
11 multi-jurisdictional utility requests the Agency to prepare a
12 procurement plan for their Illinois jurisdictional load. For
13 the purposes of this Section, the term "eligible retail
14 customers" has the same definition as found in Section
15 16-111.5(a) of the Public Utilities Act.

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

25 In accordance with subsection (c-5) of this Section, the
26 Planning and Procurement Bureau shall oversee the procurement

1 by electric utilities that served more than 300,000 retail
2 customers in this State as of January 1, 2019 of renewable
3 energy credits from new utility-scale solar projects to be
4 installed, along with energy storage facilities, at or
5 adjacent to the sites of electric generating facilities that,
6 as of January 1, 2016, burned coal as their primary fuel
7 source.

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

14 (A) direct previous experience assembling
15 large-scale power supply plans or portfolios for
16 end-use customers;

17 (B) an advanced degree in economics, mathematics,
18 engineering, risk management, or a related area of
19 study;

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

22 (D) expertise in wholesale electricity market
23 rules, including those established by the Federal
24 Energy Regulatory Commission and regional transmission
25 organizations;

26 (E) expertise in credit protocols and familiarity

1 with contract protocols;

2 (F) adequate resources to perform and fulfill the
3 required functions and responsibilities; and

4 (G) the absence of a conflict of interest and
5 inappropriate bias for or against potential bidders or
6 the affected electric utilities.

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

13 (A) direct previous experience administering a
14 large-scale competitive procurement process;

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

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

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

23 (E) expertise in credit and contract protocols;

24 (F) adequate resources to perform and fulfill the
25 required functions and responsibilities; and

26 (G) the absence of a conflict of interest and

1 inappropriate bias for or against potential bidders or
2 the affected electric utilities.

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

18 (A) failure to satisfy qualification criteria;

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

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

22 The Agency shall remove experts or expert consulting
23 firms from the lists within 10 days if there is a
24 reasonable basis for an objection and provide the updated
25 lists to the affected utilities and other interested
26 parties. If the Agency fails to remove an expert or expert

1 consulting firm from a list, an objecting party may seek
2 review by the Commission within 5 days thereafter by
3 filing a petition, and the Commission shall render a
4 ruling on the petition within 10 days. There is no right of
5 appeal of the Commission's ruling.

6 (4) The Agency shall issue requests for proposals to
7 the qualified experts or expert consulting firms to
8 develop a procurement plan for the affected utilities and
9 to serve as procurement administrator.

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

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

23 (b) The experts or expert consulting firms retained by the
24 Agency shall, as appropriate, prepare procurement plans, and
25 conduct a competitive procurement process as prescribed in
26 Section 16-111.5 of the Public Utilities Act, to ensure

1 adequate, reliable, affordable, efficient, and environmentally
2 sustainable electric service at the lowest total cost over
3 time, taking into account any benefits of price stability, for
4 eligible retail customers of electric utilities that on
5 December 31, 2005 provided electric service to at least
6 100,000 customers in the State of Illinois, and for eligible
7 Illinois retail customers of small multi-jurisdictional
8 electric utilities that (i) on December 31, 2005 served less
9 than 100,000 customers in Illinois and (ii) request a
10 procurement plan for their Illinois jurisdictional load.

11 (c) Renewable portfolio standard.

12 (1) (A) The Agency shall develop a long-term renewable
13 resources procurement plan that shall include procurement
14 programs and competitive procurement events necessary to
15 meet the goals set forth in this subsection (c). The
16 initial long-term renewable resources procurement plan
17 shall be released for comment no later than 160 days after
18 June 1, 2017 (the effective date of Public Act 99-906).
19 The Agency shall review, and may revise on an expedited
20 basis, the long-term renewable resources procurement plan
21 at least every 2 years, which shall be conducted in
22 conjunction with the procurement plan under Section
23 16-111.5 of the Public Utilities Act to the extent
24 practicable to minimize administrative expense. No later
25 than 120 days after the effective date of this amendatory
26 Act of the 103rd General Assembly, the Agency shall

1 release for comment a revision to the long-term renewable
2 resources procurement plan, updating elements of the most
3 recently approved plan as needed to comply with this
4 amendatory Act of the 103rd General Assembly, and any
5 long-term renewable resources procurement plan update
6 published by the Agency but not yet approved by the
7 Illinois Commerce Commission shall be withdrawn. The
8 long-term renewable resources procurement plans shall be
9 subject to review and approval by the Commission under
10 Section 16-111.5 of the Public Utilities Act.

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

1 requirements described in items (i) through (iii) of
2 subparagraph (C) of this paragraph (1), the long-term plan
3 shall prioritize compliance with the new wind, new
4 photovoltaic, and hydropower procurement requirements
5 described in items (i) through (iii) of subparagraph (C)
6 of this paragraph (1) over the annual percentage targets
7 described in this subparagraph (B). The Agency shall not
8 comply with the annual percentage targets described in
9 this subparagraph (B) by procuring renewable energy
10 credits that are unlikely to lead to the development of
11 new renewable resources or new, modernized, or retooled
12 hydropower facilities.

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

23 For the delivery year beginning June 1, 2018, the
24 procurement plan shall attempt to include, subject to the
25 prioritization outlined in this subparagraph (B),
26 cost-effective renewable energy resources equal to at

1 least 14.5% of each utility's load for eligible retail
2 customers and 14.5% of the applicable portion of each
3 utility's load for retail customers who are not eligible
4 retail customers, which applicable portion shall equal 75%
5 of the utility's load for retail customers who are not
6 eligible retail customers on February 28, 2017.

7 For the delivery year beginning June 1, 2019, and for
8 each year thereafter, the procurement plans shall attempt
9 to include, subject to the prioritization outlined in this
10 subparagraph (B), cost-effective renewable energy
11 resources equal to a minimum percentage of each utility's
12 load for all retail customers as follows: 16% by June 1,
13 2019; increasing by 1.5% each year thereafter to 25% by
14 June 1, 2025; and 25% by June 1, 2026; increasing by at
15 least 3% each delivery year thereafter to at least 40% by
16 the 2030 delivery year, and continuing at no less than 40%
17 for each delivery year thereafter. The Agency shall
18 attempt to procure 50% by delivery year 2040. The Agency
19 shall determine the annual increase between delivery year
20 2030 and delivery year 2040, if any, taking into account
21 energy demand, other energy resources, and other public
22 policy goals.

23 For each delivery year, the Agency shall first
24 recognize each utility's obligations for that delivery
25 year under existing contracts. Any renewable energy
26 credits under existing contracts, including renewable

1 energy credits as part of renewable energy resources,
2 shall be used to meet the goals set forth in this
3 subsection (c) for the delivery year.

4 (C) The long-term renewable resources procurement plan
5 described in subparagraph (A) of this paragraph (1) shall
6 include the procurement of renewable energy credits from
7 new projects pursuant to the following terms:

8 (i) At least 10,000,000 renewable energy credits
9 delivered annually by the end of the 2021 delivery
10 year, and increasing ratably to reach 45,000,000
11 renewable energy credits delivered annually from new
12 wind and solar projects, from repowered wind projects,
13 or from retooled hydropower facilities by the end of
14 delivery year 2030 such that the goals in subparagraph
15 (B) of this paragraph (1) are met entirely by
16 procurements of renewable energy credits from new wind
17 and photovoltaic projects. Of that amount, to the
18 extent possible, the Agency shall endeavor to procure
19 45% from new and repowered wind and hydropower
20 projects and shall procure at least 55% from
21 photovoltaic projects. Of the amount to be procured
22 from photovoltaic projects, the Agency shall procure:
23 at least 50% from solar photovoltaic projects using
24 the program outlined in subparagraph (K) of this
25 paragraph (1) from distributed renewable energy
26 generation devices or community renewable generation

1 projects; at least 47% from utility-scale solar
2 projects; at least 3% from brownfield site
3 photovoltaic projects that are not community renewable
4 generation projects. The Agency may propose
5 adjustments to these percentages, including
6 establishing percentage-based goals for the
7 procurement of renewable energy credits from
8 modernized or retooled hydropower facilities and
9 repowered wind projects, through its long-term
10 renewable resources plan described in subparagraph (A)
11 of this paragraph (1) as necessary based on developer
12 interest, market conditions, budget considerations,
13 resource adequacy needs, or other factors.

14 In developing the long-term renewable resources
15 procurement plan, the Agency shall consider other
16 approaches, in addition to competitive procurements,
17 that can be used to procure renewable energy credits
18 from brownfield site photovoltaic projects and thereby
19 help return blighted or contaminated land to
20 productive use while enhancing public health and the
21 well-being of Illinois residents, including those in
22 environmental justice communities, as defined using
23 existing methodologies and findings used by the Agency
24 and its Administrator in its Illinois Solar for All
25 Program. The Agency shall also consider other
26 approaches, in addition to competitive procurements,

1 to procure renewable energy credits from new and
2 existing hydropower facilities to support the
3 development and maintenance of these facilities. The
4 Agency shall explore options to convert existing dams
5 but shall not consider approaches to develop new dams
6 where they do not already exist. To encourage the
7 continued operation of utility-scale wind projects,
8 the Agency shall consider and may propose other
9 approaches in addition to competitive procurements to
10 procure renewable energy credits from repowered wind
11 projects.

12 (ii) In any given delivery year, if forecasted
13 expenses are less than the maximum budget available
14 under subparagraph (E) of this paragraph (1), the
15 Agency shall continue to procure new renewable energy
16 credits until that budget is exhausted in the manner
17 outlined in item (i) of this subparagraph (C).

18 (iii) For purposes of this Section:

19 "New wind projects" means wind renewable energy
20 facilities that are energized after June 1, 2017 for
21 the delivery year commencing June 1, 2017.

22 "New photovoltaic projects" means photovoltaic
23 renewable energy facilities that are energized after
24 June 1, 2017. Photovoltaic projects developed under
25 Section 1-56 of this Act shall not apply towards the
26 new photovoltaic project requirements in this

1 subparagraph (C).

2 "Repowered wind projects" means utility-scale wind
3 projects featuring the removal, replacement, or
4 expansion of turbines at an existing project site, as
5 defined in the long-term renewable resources
6 procurement plan, after the effective date of this
7 amendatory Act of the 103rd General Assembly.
8 Renewable energy credit contract awards used to
9 support repowered wind projects shall only cover the
10 incremental increase in facility electricity
11 production resultant from repowering.

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

24 (D) Renewable energy credits shall be cost effective.

25 For purposes of this subsection (c), "cost effective"
26 means that the costs of procuring renewable energy

1 resources do not cause the limit stated in subparagraph
2 (E) of this paragraph (1) to be exceeded and, for
3 renewable energy credits procured through a competitive
4 procurement event, do not exceed benchmarks based on
5 market prices for like products in the region. For
6 purposes of this subsection (c), "like products" means
7 contracts for renewable energy credits from the same or
8 substantially similar technology, same or substantially
9 similar vintage (new or existing), the same or
10 substantially similar quantity, and the same or
11 substantially similar contract length and structure.
12 Benchmarks shall reflect development, financing, or
13 related costs resulting from requirements imposed through
14 other provisions of State law, including, but not limited
15 to, requirements in subparagraphs (P) and (Q) of this
16 paragraph (1) and the Renewable Energy Facilities
17 Agricultural Impact Mitigation Act. Confidential
18 benchmarks shall be developed by the procurement
19 administrator, in consultation with the Commission staff,
20 Agency staff, and the procurement monitor and shall be
21 subject to Commission review and approval. If price
22 benchmarks for like products in the region are not
23 available, the procurement administrator shall establish
24 price benchmarks based on publicly available data on
25 regional technology costs and expected current and future
26 regional energy prices. The benchmarks in this Section

1 shall not be used to curtail or otherwise reduce
2 contractual obligations entered into by or through the
3 Agency prior to June 1, 2017 (the effective date of Public
4 Act 99-906).

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

26 Notwithstanding the requirements of this subsection

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

1 contracts procuring those amounts are executed between the
2 seller and applicable electric utility, no subsequent rate
3 impact determinations shall be made and no adjustments to
4 those contract amounts shall be allowed. As provided in
5 subparagraph (E-5) of paragraph (1) of this subsection
6 (c), the seller shall be entitled to full, prompt, and
7 uninterrupted payment under the applicable contract
8 notwithstanding the application of this subparagraph (E),
9 and all ~~All~~ costs incurred under such contracts shall be
10 fully recoverable by the electric utility as provided in
11 this Section.

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

21 (i) If the electric utility has retained unspent
22 funds in an interest-bearing account as prescribed in
23 subsection (k) of Section 16-108 of the Public
24 Utilities Act, then the utility shall use those funds
25 to remit full payment to the sellers to ensure prompt
26 and uninterrupted payment of existing contractual

1 obligation.

2 (ii) If the funds described in item (i) of this
3 subparagraph (E-5) are insufficient to satisfy all
4 existing contractual obligations, then the electric
5 utility shall, nonetheless, remit full payment to the
6 sellers to ensure prompt and uninterrupted payment of
7 existing contractual obligations, provided that the
8 full costs shall be recoverable by the utility in
9 accordance with part (ee) of item (iv) of this
10 subsection (E-5).

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

26 (iv) The Agency shall suspend or reduce new

1 contract awards for the procurement of renewable
2 energy credits until an Agency determination is made
3 under subparagraph (E) that additional procurements
4 would not cause the rate impact limitation of
5 subparagraph (E) to be exceeded. At least once
6 annually after the notice provided for in item (iii)
7 of this subparagraph (E-5) is made, the Agency shall
8 analyze existing contract obligations, projected
9 prices for indexed renewable energy credit contracts
10 executed under item (v) of subparagraph (G) of
11 paragraph (1) of subsection (c) of Section 1-75 of
12 this Act, and expected collections authorized under
13 subparagraph (E) to determine whether and to what
14 extent the limitations of subparagraph (E) would be
15 exceeded by additional renewable energy credit
16 procurement contract awards.

17 (aa) If the Agency determines that additional
18 renewable energy credit procurement contract
19 awards could be made without exceeding the
20 limitations of subparagraph (E), then the
21 procurements shall be authorized at a scale
22 determined not to exceed the limitations of
23 subparagraph (E) in a manner consistent with the
24 priorities of this Section.

25 (bb) If the Agency determines that additional
26 renewable energy credit procurement contract

1 awards cannot be made without exceeding the
2 limitations of subparagraph (E), then the Agency
3 shall suspend any new contract awards for the
4 procurement of renewable energy credits until a
5 new rate impact determination is made under
6 subparagraph (E).

7 (cc) Agency determinations made under this
8 item (iv) shall be detailed and comprehensive and,
9 if not made through the Agency's Long-Term
10 Renewable Resources Procurement Plan, shall be
11 filed as a compliance filing in the most recent
12 docketed proceeding approving the Agency's
13 Long-Term Renewable Resources Procurement Plan.

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

25 (ee) The contract shall provide that, so long
26 as at least one of: (i) the cost recovery

1 mechanisms referenced in subsection (k) of Section
2 16-108 and subsection (l) of Section 16-111.5 of
3 the Public Utilities Act remains in full force
4 without limitation or (ii) the utility is
5 otherwise authorized and or entitled to full,
6 prompt, and uninterrupted recovery of its costs
7 through any other mechanism, then such seller
8 shall be entitled to full, prompt, and
9 uninterrupted payment under the applicable
10 contract notwithstanding the application of this
11 subparagraph (E).

12 (F) If the limitation on the amount of renewable
13 energy resources procured in subparagraph (E) of this
14 paragraph (1) prevents the Agency from meeting all of the
15 goals in this subsection (c), the Agency's long-term plan
16 shall prioritize compliance with the requirements of this
17 subsection (c) regarding renewable energy credits in the
18 following order:

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

21 (i-5) funding for the Illinois Solar for All
22 Program, as described in subparagraph (O) of this
23 paragraph (1);

24 (ii) renewable energy credits necessary to comply
25 with the new wind and new photovoltaic procurement
26 requirements described in items (i) through (iii) of

1 subparagraph (C) of this paragraph (1); and

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

4 (G) The following provisions shall apply to the
5 Agency's procurement of renewable energy credits under
6 this subsection (c):

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

1 this initial procurement shall be included in the
2 Agency's long-term plan and shall apply to all
3 renewable energy goals in this subsection (c).

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

1 Renewable energy credits procured under this initial
2 procurement shall be included in the Agency's
3 long-term plan and shall apply to all renewable energy
4 goals in this subsection (c).

5 (iii) Notwithstanding whether the Commission has
6 approved the periodic long-term renewable resources
7 procurement plan revision described in Section
8 16-111.5 of the Public Utilities Act, the Agency shall
9 conduct at least one subsequent forward procurement
10 for renewable energy credits from new utility-scale
11 wind projects, new utility-scale solar projects, and
12 new brownfield site photovoltaic projects within 240
13 days after the effective date of this amendatory Act
14 of the 102nd General Assembly in quantities necessary
15 to meet the requirements of subparagraph (C) of this
16 paragraph (1) through the delivery year beginning June
17 1, 2021.

18 (iv) Notwithstanding whether the Commission has
19 approved the periodic long-term renewable resources
20 procurement plan revision described in Section
21 16-111.5 of the Public Utilities Act, the Agency shall
22 open capacity for each category in the Adjustable
23 Block program within 90 days after the effective date
24 of this amendatory Act of the 102nd General Assembly
25 manner:

26 (1) The Agency shall open the first block of

1 annual capacity for the category described in item
2 (i) of subparagraph (K) of this paragraph (1). The
3 first block of annual capacity for item (i) shall
4 be for at least 75 megawatts of total nameplate
5 capacity. The price of the renewable energy credit
6 for this block of capacity shall be 4% less than
7 the price of the last open block in this category.
8 Projects on a waitlist shall be awarded contracts
9 first in the order in which they appear on the
10 waitlist. Notwithstanding anything to the
11 contrary, for those renewable energy credits that
12 qualify and are procured under this subitem (1) of
13 this item (iv), the renewable energy credit
14 delivery contract value shall be paid in full,
15 based on the estimated generation during the first
16 15 years of operation, by the contracting
17 utilities at the time that the facility producing
18 the renewable energy credits is interconnected at
19 the distribution system level of the utility and
20 verified as energized and in compliance by the
21 Program Administrator. The electric utility shall
22 receive and retire all renewable energy credits
23 generated by the project for the first 15 years of
24 operation. Renewable energy credits generated by
25 the project thereafter shall not be transferred
26 under the renewable energy credit delivery

1 contract with the counterparty electric utility.

2 (2) The Agency shall open the first block of
3 annual capacity for the category described in item
4 (ii) of subparagraph (K) of this paragraph (1).
5 The first block of annual capacity for item (ii)
6 shall be for at least 75 megawatts of total
7 nameplate capacity.

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

1 the waitlist for this category before the
2 opening of this block 20% of the renewable
3 energy credit delivery contract value, based
4 on the estimated generation during the first
5 15 years of operation, shall be paid by the
6 contracting utilities at the time that the
7 facility producing the renewable energy
8 credits is interconnected at the distribution
9 system level of the utility and verified as
10 energized by the Program Administrator. The
11 remaining portion shall be paid ratably over
12 the subsequent 4-year period. The electric
13 utility shall receive and retire all renewable
14 energy credits generated by the project during
15 the first 15 years of operation. Renewable
16 energy credits generated by the project
17 thereafter shall not be transferred under the
18 renewable energy credit delivery contract with
19 the counterparty electric utility.

20 (B) The price of renewable energy credits
21 for any project not on the waitlist for this
22 category before the opening of the block shall
23 be determined and published by the Agency.
24 Projects not on a waitlist as of the opening
25 of this block shall be subject to the
26 requirements of subparagraph (Q) of this

1 paragraph (1), as applicable. Projects not on
2 a waitlist as of the opening of this block
3 shall be subject to the contract provisions
4 outlined in item (iii) of subparagraph (L) of
5 this paragraph (1). The Agency shall strive to
6 publish updated prices and an updated
7 renewable energy credit delivery contract as
8 quickly as possible.

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

20 The first 2 blocks of annual capacity for item
21 (iii) shall be for 250 megawatts of total
22 nameplate capacity, with both blocks opening
23 simultaneously under the schedule outlined in the
24 paragraphs below. Projects shall be selected as
25 follows:

26 (A) The geographic balance of selected

1 projects shall follow the Group classification
2 found in the Agency's Revised Long-Term
3 Renewable Resources Procurement Plan, with 70%
4 of capacity allocated to projects on the Group
5 B waitlist and 30% of capacity allocated to
6 projects on the Group A waitlist.

7 (B) Contract awards for waitlisted
8 projects shall be allocated proportionate to
9 the total nameplate capacity amount across
10 both ordinal waitlists associated with that
11 applicant firm or its affiliates, subject to
12 the following conditions.

13 (i) Each applicant firm having a
14 waitlisted project eligible for selection
15 shall receive no less than 500 kilowatts
16 in awarded capacity across all groups, and
17 no approved vendor may receive more than
18 20% of each Group's waitlist allocation.

19 (ii) Each applicant firm, upon
20 receiving an award of program capacity
21 proportionate to its waitlisted capacity,
22 may then determine which waitlisted
23 projects it chooses to be selected for a
24 contract award up to that capacity amount.

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

1 adjust the nameplate capacity of applicant
2 projects without losing waitlist
3 eligibility, so long as no project is
4 greater than 2,000 kilowatts in size.

5 (iv) Assuming all other program
6 requirements are met, applicant firms may
7 adjust the expected production associated
8 with applicant projects, subject to
9 verification by the Program Administrator.

10 (C) After a review of affiliate
11 information and the current ordinal waitlists,
12 the Agency shall announce the nameplate
13 capacity award amounts associated with
14 applicant firms no later than 90 days after
15 the effective date of this amendatory Act of
16 the 102nd General Assembly.

17 (D) Applicant firms shall submit their
18 portfolio of projects used to satisfy those
19 contract awards no less than 90 days after the
20 Agency's announcement. The total nameplate
21 capacity of all projects used to satisfy that
22 portfolio shall be no greater than the
23 Agency's nameplate capacity award amount
24 associated with that applicant firm. An
25 applicant firm may decline, in whole or in
26 part, its nameplate capacity award without

1 penalty, with such unmet capacity rolled over
2 to the next block opening for project
3 selection under item (iii) of subparagraph (K)
4 of this subsection (c). Any projects not
5 included in an applicant firm's portfolio may
6 reapply without prejudice upon the next block
7 reopening for project selection under item
8 (iii) of subparagraph (K) of this subsection
9 (c).

10 (E) The renewable energy credit delivery
11 contract shall be subject to the contract and
12 payment terms outlined in item (iv) of
13 subparagraph (L) of this subsection (c).
14 Contract instruments used for this
15 subparagraph shall contain the following
16 terms:

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

1 below 25 kilowatts in size;

2 (ii) A requirement that a minimum of
3 50% of subscribers to the project's
4 nameplate capacity be residential or small
5 commercial customers with subscriptions of
6 below 25 kilowatts in size;

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

22 The Agency shall publish a finalized
23 updated renewable energy credit delivery
24 contract developed consistent with these terms
25 and conditions no less than 30 days before
26 applicant firms must submit their portfolio of

1 projects pursuant to item (D).

2 (F) To be eligible for an award, the
3 applicant firm shall certify that not less
4 than prevailing wage, as determined pursuant
5 to the Illinois Prevailing Wage Act, was or
6 will be paid to employees who are engaged in
7 construction activities associated with a
8 selected project.

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

26 (5) The Agency shall open the equivalent of 2

1 years of annual capacity for the category
2 described in item (v) of subparagraph (K) of this
3 paragraph (1). The first block of annual capacity
4 for item (v) shall be for at least 10 megawatts of
5 total nameplate capacity. Notwithstanding the
6 provisions of item (v) of subparagraph (K) of this
7 paragraph (1), for the purpose of this initial
8 block, the agency shall accept new project
9 applications intended to increase the diversity of
10 areas hosting community solar projects, the
11 business models of projects, and the size of
12 projects, as described by the Agency in its
13 long-term renewable resources procurement plan
14 that is approved as of the effective date of this
15 amendatory Act of the 102nd General Assembly.
16 Projects in this category shall be subject to the
17 contract terms outlined in item (iii) of
18 subsection (L) of this paragraph (1).

19 (6) The Agency shall open the first blocks of
20 annual capacity for the category described in item
21 (vi) of subparagraph (K) of this paragraph (1),
22 with allocations of capacity within the block
23 generally matching the historical share of block
24 capacity allocated between the category described
25 in items (i) and (ii) of subparagraph (K) of this
26 paragraph (1). The first two blocks of annual

1 capacity for item (vi) shall be for at least 75
2 megawatts of total nameplate capacity. The price
3 of renewable energy credits for the blocks of
4 capacity shall be 4% less than the price of the
5 last open blocks in the categories described in
6 items (i) and (ii) of subparagraph (K) of this
7 paragraph (1). Pricing for future blocks of annual
8 capacity for this category may be adjusted in the
9 Agency's second revision to its Long-Term
10 Renewable Resources Procurement Plan. Projects in
11 this category shall be subject to the applicable
12 contract terms outlined in items (ii) and (iii) of
13 subparagraph (L) of this paragraph (1).

14 (v) Upon the effective date of this amendatory Act
15 of the 102nd General Assembly, for all competitive
16 procurements and any procurements of renewable energy
17 credit from new utility-scale wind and new
18 utility-scale photovoltaic projects, the Agency shall
19 procure indexed renewable energy credits and direct
20 respondents to offer a strike price.

21 (1) The purchase price of the indexed
22 renewable energy credit payment shall be
23 calculated for each settlement period. That
24 payment, for any settlement period, shall be equal
25 to the difference resulting from subtracting the
26 strike price from the index price for that

1 settlement period. If this difference results in a
2 negative number, the indexed REC counterparty
3 shall owe the seller the absolute value multiplied
4 by the quantity of energy produced in the relevant
5 settlement period. If this difference results in a
6 positive number, the seller shall owe the indexed
7 REC counterparty this amount multiplied by the
8 quantity of energy produced in the relevant
9 settlement period.

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

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

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

1 available price forecast data and additional
2 budget dollars shall be obligated or reobligated
3 as appropriate.

4 (4) To ensure that indexed renewable energy
5 credit prices remain predictable and affordable,
6 the Agency may consider the institution of a price
7 collar on REC prices paid under indexed renewable
8 energy credit procurements establishing floor and
9 ceiling REC prices applicable to indexed REC
10 contract prices. Any price collars applicable to
11 indexed REC procurements shall be proposed by the
12 Agency through its long-term renewable resources
13 procurement plan.

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

24 (vii) On and after the effective date of this
25 amendatory Act of the 103rd General Assembly, for all
26 procurements of renewable energy credits from

1 hydropower facilities, the Agency shall establish
2 contract terms designed to optimize existing
3 hydropower facilities through modernization or
4 retooling and establish new hydropower facilities at
5 existing dams. Procurements made under this item (vii)
6 shall prioritize projects located in designated
7 environmental justice communities, as defined in
8 subsection (b) of Section 1-56 of this Act, or in
9 projects located in units of local government with
10 median incomes that do not exceed 82% of the median
11 income of the State.

12 (H) The procurement of renewable energy resources for
13 a given delivery year shall be reduced as described in
14 this subparagraph (H) if an alternative retail electric
15 supplier meets the requirements described in this
16 subparagraph (H).

17 (i) Within 45 days after June 1, 2017 (the
18 effective date of Public Act 99-906), an alternative
19 retail electric supplier or its successor shall submit
20 an informational filing to the Illinois Commerce
21 Commission certifying that, as of December 31, 2015,
22 the alternative retail electric supplier owned one or
23 more electric generating facilities that generates
24 renewable energy resources as defined in Section 1-10
25 of this Act, provided that such facilities are not
26 powered by wind or photovoltaics, and the facilities

1 generate one renewable energy credit for each
2 megawatthour of energy produced from the facility.

3 The informational filing shall identify each
4 facility that was eligible to satisfy the alternative
5 retail electric supplier's obligations under Section
6 16-115D of the Public Utilities Act as described in
7 this item (i).

8 (ii) For a given delivery year, the alternative
9 retail electric supplier may elect to supply its
10 retail customers with renewable energy credits from
11 the facility or facilities described in item (i) of
12 this subparagraph (H) that continue to be owned by the
13 alternative retail electric supplier.

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

1 subparagraph (H), subject to the following
2 limitations:

3 For the delivery year beginning June 1, 2018,
4 the maximum amount of renewable energy credits to
5 be supplied by an alternative retail electric
6 supplier under this subparagraph (H) shall be 68%
7 multiplied by 25% multiplied by 14.5% multiplied
8 by the amount of metered electricity
9 (megawatt-hours) delivered by the alternative
10 retail electric supplier to Illinois retail
11 customers during the delivery year ending May 31,
12 2016.

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

1 For each delivery year, the total amount of
2 renewable energy credits supplied by all alternative
3 retail electric suppliers under this subparagraph (H)
4 shall not exceed 9% of the Illinois target renewable
5 energy credit quantity. The Illinois target renewable
6 energy credit quantity for the delivery year beginning
7 June 1, 2018 is 14.5% multiplied by the total amount of
8 metered electricity (megawatt-hours) delivered in the
9 delivery year immediately preceding that delivery
10 year, provided that the 14.5% shall increase by 1.5%
11 each delivery year thereafter to 25% by the delivery
12 year beginning June 1, 2025, and thereafter the 25%
13 value shall apply to each delivery year.

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

1 alternative retail supplier in that delivery year,
2 provided that the 14.5% shall increase by 1.5% each
3 delivery year thereafter to 25% by the delivery year
4 beginning June 1, 2025, and thereafter the 25% value
5 shall apply to each delivery year.

6 On or before April 1 of each year, the Agency shall
7 annually publish a report on its website that
8 identifies the aggregate amount of renewable energy
9 credits supplied by alternative retail electric
10 suppliers under this subparagraph (H).

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

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

1 the high voltage direct current transmission line was
2 energized after June 1, 2023. To ensure that the public
3 interest criteria are applied to the procurement and given
4 full effect, the Agency's long-term procurement plan shall
5 describe in detail how each public interest factor shall
6 be considered and weighted for facilities located in
7 states adjacent to Illinois.

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

1 procurement of additional renewable energy credits from
2 new wind or new photovoltaic resources as defined in this
3 subsection (c). The long-term plan shall provide that
4 these renewable energy credits shall be procured in the
5 next procurement event.

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

21 (K) The long-term renewable resources procurement plan
22 developed by the Agency in accordance with subparagraph
23 (A) of this paragraph (1) shall include an Adjustable
24 Block program for the procurement of renewable energy
25 credits from new photovoltaic projects that are
26 distributed renewable energy generation devices or new

1 photovoltaic community renewable generation projects. The
2 Adjustable Block program shall be generally designed to
3 provide for the steady, predictable, and sustainable
4 growth of new solar photovoltaic development in Illinois.
5 To this end, the Adjustable Block program shall provide a
6 transparent annual schedule of prices and quantities to
7 enable the photovoltaic market to scale up and for
8 renewable energy credit prices to adjust at a predictable
9 rate over time. The prices set by the Adjustable Block
10 program can be reflected as a set value or as the product
11 of a formula.

12 The Adjustable Block program shall include for each
13 category of eligible projects for each delivery year: a
14 single block of nameplate capacity, a price for renewable
15 energy credits within that block, and the terms and
16 conditions for securing a spot on a waitlist once the
17 block is fully committed or reserved. Except as outlined
18 below, the waitlist of projects in a given year will carry
19 over to apply to the subsequent year when another block is
20 opened. Only projects energized on or after June 1, 2017
21 shall be eligible for the Adjustable Block program. For
22 each category for each delivery year the Agency shall
23 determine the amount of generation capacity in each block,
24 and the purchase price for each block, provided that the
25 purchase price provided and the total amount of generation
26 in all blocks for all categories shall be sufficient to

1 meet the goals in this subsection (c). The Agency shall
2 strive to issue a single block sized to provide for
3 stability and market growth. The Agency shall establish
4 program eligibility requirements that ensure that projects
5 that enter the program are sufficiently mature to indicate
6 a demonstrable path to completion. The Agency may
7 periodically review its prior decisions establishing the
8 amount of generation capacity in each block, and the
9 purchase price for each block, and may propose, on an
10 expedited basis, changes to these previously set values,
11 including but not limited to redistributing these amounts
12 and the available funds as necessary and appropriate,
13 subject to Commission approval as part of the periodic
14 plan revision process described in Section 16-111.5 of the
15 Public Utilities Act. The Agency may define different
16 block sizes, purchase prices, or other distinct terms and
17 conditions for projects located in different utility
18 service territories if the Agency deems it necessary to
19 meet the goals in this subsection (c).

20 The Adjustable Block program shall include the
21 following categories in at least the following amounts:

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

25 (ii) At least 20% from distributed renewable
26 energy generation devices with a nameplate capacity of

1 more than 25 kilowatts and no more than 5,000
2 kilowatts. The Agency may create sub-categories within
3 this category to account for the differences between
4 projects for small commercial customers, large
5 commercial customers, and public or non-profit
6 customers.

7 (iii) At least 30% from photovoltaic community
8 renewable generation projects. Capacity for this
9 category for the first 2 delivery years after the
10 effective date of this amendatory Act of the 102nd
11 General Assembly shall be allocated to waitlist
12 projects as provided in paragraph (3) of item (iv) of
13 subparagraph (G). Starting in the third delivery year
14 after the effective date of this amendatory Act of the
15 102nd General Assembly or earlier if the Agency
16 determines there is additional capacity needed for to
17 meet previous delivery year requirements, the
18 following shall apply:

19 (1) the Agency shall select projects on a
20 first-come, first-serve basis, however the Agency
21 may suggest additional methods to prioritize
22 projects that are submitted at the same time;

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

1 (3) projects shall not be colocated with one
2 or more other community renewable generation
3 projects, as defined in the Agency's first revised
4 long-term renewable resources procurement plan
5 approved by the Commission on February 18, 2020,
6 such that the aggregate nameplate capacity exceeds
7 5,000 kilowatts; and

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

13 (iv) At least 15% from distributed renewable
14 generation devices or photovoltaic community renewable
15 generation projects installed on public school land.
16 The Agency may create subcategories within this
17 category to account for the differences between
18 project size or location. Projects located within
19 environmental justice communities or within
20 Organizational Units that fall within Tier 1 or Tier 2
21 shall be given priority. Each of the Agency's periodic
22 updates to its long-term renewable resources
23 procurement plan to incorporate the procurement
24 described in this subparagraph (iv) shall also include
25 the proposed quantities or blocks, pricing, and
26 contract terms applicable to the procurement as

1 indicated herein. In each such update and procurement,
2 the Agency shall set the renewable energy credit price
3 and establish payment terms for the renewable energy
4 credits procured pursuant to this subparagraph (iv)
5 that make it feasible and affordable for public
6 schools to install photovoltaic distributed renewable
7 energy devices on their premises, including, but not
8 limited to, those public schools subject to the
9 prioritization provisions of this subparagraph. For
10 the purposes of this item (iv):

11 "Environmental Justice Community" shall have the
12 same meaning set forth in the Agency's long-term
13 renewable resources procurement plan;

14 "Organization Unit", "Tier 1" and "Tier 2" shall
15 have the meanings set for in Section 18-8.15 of the
16 School Code;

17 "Public schools" shall have the meaning set forth
18 in Section 1-3 of the School Code and includes public
19 institutions of higher education, as defined in the
20 Board of Higher Education Act.

21 (v) At least 5% from community-driven community
22 solar projects intended to provide more direct and
23 tangible connection and benefits to the communities
24 which they serve or in which they operate and,
25 additionally, to increase the variety of community
26 solar locations, models, and options in Illinois. As

1 part of its long-term renewable resources procurement
2 plan, the Agency shall develop selection criteria for
3 projects participating in this category. Nothing in
4 this Section shall preclude the Agency from creating a
5 selection process that maximizes community ownership
6 and community benefits in selecting projects to
7 receive renewable energy credits. Selection criteria
8 shall include:

9 (1) community ownership or community
10 wealth-building;

11 (2) additional direct and indirect community
12 benefit, beyond project participation as a
13 subscriber, including, but not limited to,
14 economic, environmental, social, cultural, and
15 physical benefits;

16 (3) meaningful involvement in project
17 organization and development by community members
18 or nonprofit organizations or public entities
19 located in or serving the community;

20 (4) engagement in project operations and
21 management by nonprofit organizations, public
22 entities, or community members; and

23 (5) whether a project is developed in response
24 to a site-specific RFP developed by community
25 members or a nonprofit organization or public
26 entity located in or serving the community.

1 Selection criteria may also prioritize projects
2 that:

3 (1) are developed in collaboration with or to
4 provide complementary opportunities for the Clean
5 Jobs Workforce Network Program, the Illinois
6 Climate Works Preapprenticeship Program, the
7 Returning Residents Clean Jobs Training Program,
8 the Clean Energy Contractor Incubator Program, or
9 the Clean Energy Primes Contractor Accelerator
10 Program;

11 (2) increase the diversity of locations of
12 community solar projects in Illinois, including by
13 locating in urban areas and population centers;

14 (3) are located in Equity Investment Eligible
15 Communities;

16 (4) are not greenfield projects;

17 (5) serve only local subscribers;

18 (6) have a nameplate capacity that does not
19 exceed 500 kW;

20 (7) are developed by an equity eligible
21 contractor; or

22 (8) otherwise meaningfully advance the goals
23 of providing more direct and tangible connection
24 and benefits to the communities which they serve
25 or in which they operate and increasing the
26 variety of community solar locations, models, and

1 options in Illinois.

2 For the purposes of this item (v):

3 "Community" means a social unit in which people
4 come together regularly to effect change; a social
5 unit in which participants are marked by a cooperative
6 spirit, a common purpose, or shared interests or
7 characteristics; or a space understood by its
8 residents to be delineated through geographic
9 boundaries or landmarks.

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

19 "Community ownership" means an arrangement in
20 which an electric generating facility is, or over time
21 will be, in significant part, owned collectively by
22 members of the community to which an electric
23 generating facility provides benefits; members of that
24 community participate in decisions regarding the
25 governance, operation, maintenance, and upgrades of
26 and to that facility; and members of that community

1 benefit from regular use of that facility.

2 Terms and guidance within these criteria that are
3 not defined in this item (v) shall be defined by the
4 Agency, with stakeholder input, during the development
5 of the Agency's long-term renewable resources
6 procurement plan. The Agency shall develop regular
7 opportunities for projects to submit applications for
8 projects under this category, and develop selection
9 criteria that gives preference to projects that better
10 meet individual criteria as well as projects that
11 address a higher number of criteria.

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

25 The Agency shall propose a payment structure for
26 contracts executed pursuant to this paragraph under

1 which, upon a demonstration of qualification or need,
2 applicant firms are advanced capital disbursed after
3 contract execution but before the contracted project's
4 energization. The amount or percentage of capital
5 advanced prior to project energization shall be
6 sufficient to both cover any increase in development
7 costs resulting from prevailing wage requirements or
8 project-labor agreements, and designed to overcome
9 barriers in access to capital faced by equity eligible
10 contractors. The amount or percentage of advanced
11 capital may vary by subcategory within this category
12 and by an applicant's demonstration of need, with such
13 levels to be established through the Long-Term
14 Renewable Resources Procurement Plan authorized under
15 subparagraph (A) of paragraph (1) of subsection (c) of
16 this Section.

17 Contracts developed featuring capital advanced
18 prior to a project's energization shall feature
19 provisions to ensure both the successful development
20 of applicant projects and the delivery of the
21 renewable energy credits for the full term of the
22 contract, including ongoing collateral requirements
23 and other provisions deemed necessary by the Agency,
24 and may include energization timelines longer than for
25 comparable project types. The percentage or amount of
26 capital advanced prior to project energization shall

1 not operate to increase the overall contract value,
2 however contracts executed under this subparagraph may
3 feature renewable energy credit prices higher than
4 those offered to similar projects participating in
5 other categories. Capital advanced prior to
6 energization shall serve to reduce the ratable
7 payments made after energization under items (ii) and
8 (iii) of subparagraph (L) or payments made for each
9 renewable energy credit delivery under item (iv) of
10 subparagraph (L).

11 (vii) The remaining capacity shall be allocated by
12 the Agency in order to respond to market demand. The
13 Agency shall allocate any discretionary capacity prior
14 to the beginning of each delivery year.

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

26 Notwithstanding anything to the contrary, as the

1 Agency increases the capacity in item (vi) to 40% over
2 time, the Agency may reduce the capacity of items (i)
3 through (v) proportionate to the capacity of the
4 categories of projects in item (vi), to achieve a balance
5 of project types.

6 The Adjustable Block program shall be designed to
7 ensure that renewable energy credits are procured from
8 projects in diverse locations and are not concentrated in
9 a few regional areas.

10 (L) Notwithstanding provisions for advancing capital
11 prior to project energization found in item (vi) of
12 subparagraph (K), the procurement of photovoltaic
13 renewable energy credits under items (i) through (vi) of
14 subparagraph (K) of this paragraph (1) shall otherwise be
15 subject to the following contract and payment terms:

16 (i) (Blank).

17 (ii) For those renewable energy credits that
18 qualify and are procured under item (i) of
19 subparagraph (K) of this paragraph (1), and any
20 similar category projects that are procured under item
21 (vi) of subparagraph (K) of this paragraph (1) that
22 qualify and are procured under item (vi), the contract
23 length shall be 15 years. The renewable energy credit
24 delivery contract value shall be paid in full, based
25 on the estimated generation during the first 15 years
26 of operation, by the contracting utilities at the time

1 that the facility producing the renewable energy
2 credits is interconnected at the distribution system
3 level of the utility and verified as energized and
4 compliant by the Program Administrator. The electric
5 utility shall receive and retire all renewable energy
6 credits generated by the project for the first 15
7 years of operation. Renewable energy credits generated
8 by the project thereafter shall not be transferred
9 under the renewable energy credit delivery contract
10 with the counterparty electric utility.

11 (iii) For those renewable energy credits that
12 qualify and are procured under item (ii) and (v) of
13 subparagraph (K) of this paragraph (1) and any like
14 projects similar category that qualify and are
15 procured under item (vi), the contract length shall be
16 15 years. 15% of the renewable energy credit delivery
17 contract value, based on the estimated generation
18 during the first 15 years of operation, shall be paid
19 by the contracting utilities at the time that the
20 facility producing the renewable energy credits is
21 interconnected at the distribution system level of the
22 utility and verified as energized and compliant by the
23 Program Administrator. The remaining portion shall be
24 paid ratably over the subsequent 6-year period. The
25 electric utility shall receive and retire all
26 renewable energy credits generated by the project for

1 the first 15 years of operation. Renewable energy
2 credits generated by the project thereafter shall not
3 be transferred under the renewable energy credit
4 delivery contract with the counterparty electric
5 utility.

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

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

26 (v) Each contract shall include provisions to

1 ensure the delivery of the estimated quantity of
2 renewable energy credits and ongoing collateral
3 requirements and other provisions deemed appropriate
4 by the Agency.

5 (vi) The utility shall be the counterparty to the
6 contracts executed under this subparagraph (L) that
7 are approved by the Commission under the process
8 described in Section 16-111.5 of the Public Utilities
9 Act. No contract shall be executed for an amount that
10 is less than one renewable energy credit per year.

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

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

1 ~~executed under this Section shall expressly~~
2 ~~incorporate this limitation.~~

3 (ix) Notwithstanding other requirements of this
4 subparagraph (L), no modification shall be required to
5 Adjustable Block program contracts if they were
6 already executed prior to the establishment, approval,
7 and implementation of new contract forms as a result
8 of this amendatory Act of the 102nd General Assembly.

9 (x) Contracts may be assignable, but only to
10 entities first deemed by the Agency to have met
11 program terms and requirements applicable to direct
12 program participation. In developing contracts for the
13 delivery of renewable energy credits, the Agency shall
14 be permitted to establish fees applicable to each
15 contract assignment.

16 (M) The Agency shall be authorized to retain one or
17 more experts or expert consulting firms to develop,
18 administer, implement, operate, and evaluate the
19 Adjustable Block program described in subparagraph (K) of
20 this paragraph (1), and the Agency shall retain the
21 consultant or consultants in the same manner, to the
22 extent practicable, as the Agency retains others to
23 administer provisions of this Act, including, but not
24 limited to, the procurement administrator. The selection
25 of experts and expert consulting firms and the procurement
26 process described in this subparagraph (M) are exempt from

1 the requirements of Section 20-10 of the Illinois
2 Procurement Code, under Section 20-10 of that Code. The
3 Agency shall strive to minimize administrative expenses in
4 the implementation of the Adjustable Block program.

5 The Program Administrator may charge application fees
6 to participating firms to cover the cost of program
7 administration. Any application fee amounts shall
8 initially be determined through the long-term renewable
9 resources procurement plan, and modifications to any
10 application fee that deviate more than 25% from the
11 Commission's approved value must be approved by the
12 Commission as a long-term plan revision under Section
13 16-111.5 of the Public Utilities Act. The Agency shall
14 consider stakeholder feedback when making adjustments to
15 application fees and shall notify stakeholders in advance
16 of any planned changes.

17 In addition to covering the costs of program
18 administration, the Agency, in conjunction with its
19 Program Administrator, may also use the proceeds of such
20 fees charged to participating firms to support public
21 education and ongoing regional and national coordination
22 with nonprofit organizations, public bodies, and others
23 engaged in the implementation of renewable energy
24 incentive programs or similar initiatives. This work may
25 include developing papers and reports, hosting regional
26 and national conferences, and other work deemed necessary

1 by the Agency to position the State of Illinois as a
2 national leader in renewable energy incentive program
3 development and administration.

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

23 The Agency and its program administrators for both the
24 Adjustable Block program and the Illinois Solar for All
25 Program, consistent with the requirements of this
26 subsection (c) and subsection (b) of Section 1-56 of this

1 Act, shall propose the Adjustable Block program terms,
2 conditions, and requirements, including the prices to be
3 paid for renewable energy credits, where applicable, and
4 requirements applicable to participating entities and
5 project applications, through the development, review, and
6 approval of the Agency's long-term renewable resources
7 procurement plan described in this subsection (c) and
8 paragraph (5) of subsection (b) of Section 16-111.5 of the
9 Public Utilities Act. Terms, conditions, and requirements
10 for program participation shall include the following:

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

21 (ii) The Agency shall establish program
22 requirements and minimum contract terms to ensure
23 projects are properly installed and produce their
24 expected amounts of energy. Program requirements may
25 include on-site inspections and photo documentation of
26 projects under construction. The Agency may require

1 repairs, alterations, or additions to remedy any
2 material deficiencies discovered. Vendors who have a
3 disproportionately high number of deficient systems
4 may lose their eligibility to continue to receive
5 State-administered incentive funding through Agency
6 programs and procurements.

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

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

23 (v) Through a filing in the proceeding for the
24 approval of its long-term renewable energy resources
25 procurement plan, the Agency shall provide an annual
26 written report to the Illinois Commerce Commission

1 documenting the frequency and nature of complaints and
2 any enforcement actions taken in response to those
3 complaints.

4 (vi) The Agency shall schedule regular meetings
5 with representatives of the Office of the Attorney
6 General, the Illinois Commerce Commission, consumer
7 protection groups, and other interested stakeholders
8 to share relevant information about consumer
9 protection, project compliance, and complaints
10 received.

11 (vii) To the extent that complaints received
12 implicate the jurisdiction of the Office of the
13 Attorney General, the Illinois Commerce Commission, or
14 local, State, or federal law enforcement, the Agency
15 shall also refer complaints to those entities as
16 appropriate.

17 (N) The Agency shall establish the terms, conditions,
18 and program requirements for photovoltaic community
19 renewable generation projects with a goal to expand access
20 to a broader group of energy consumers, to ensure robust
21 participation opportunities for residential and small
22 commercial customers and those who cannot install
23 renewable energy on their own properties. Subject to
24 reasonable limitations, any plan approved by the
25 Commission shall allow subscriptions to community
26 renewable generation projects to be portable and

1 transferable. For purposes of this subparagraph (N),
2 "portable" means that subscriptions may be retained by the
3 subscriber even if the subscriber relocates or changes its
4 address within the same utility service territory; and
5 "transferable" means that a subscriber may assign or sell
6 subscriptions to another person within the same utility
7 service territory.

8 Through the development of its long-term renewable
9 resources procurement plan, the Agency may consider
10 whether community renewable generation projects utilizing
11 technologies other than photovoltaics should be supported
12 through State-administered incentive funding, and may
13 issue requests for information to gauge market demand.

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

19 The Agency shall purchase renewable energy credits
20 from subscribed shares of photovoltaic community renewable
21 generation projects through the Adjustable Block program
22 described in subparagraph (K) of this paragraph (1) or
23 through the Illinois Solar for All Program described in
24 Section 1-56 of this Act. The electric utility shall
25 purchase any unsubscribed energy from community renewable
26 generation projects that are Qualifying Facilities ("QF")

1 under the electric utility's tariff for purchasing the
2 output from QFs under Public Utilities Regulatory Policies
3 Act of 1978.

4 The owners of and any subscribers to a community
5 renewable generation project shall not be considered
6 public utilities or alternative retail electricity
7 suppliers under the Public Utilities Act solely as a
8 result of their interest in or subscription to a community
9 renewable generation project and shall not be required to
10 become an alternative retail electric supplier by
11 participating in a community renewable generation project
12 with a public utility.

13 (O) For the delivery year beginning June 1, 2018, the
14 long-term renewable resources procurement plan required by
15 this subsection (c) shall provide for the Agency to
16 procure contracts to continue offering the Illinois Solar
17 for All Program described in subsection (b) of Section
18 1-56 of this Act, and the contracts approved by the
19 Commission shall be executed by the utilities that are
20 subject to this subsection (c). The long-term renewable
21 resources procurement plan shall allocate up to
22 \$50,000,000 per delivery year to fund the programs, and
23 the plan shall determine the amount of funding to be
24 apportioned to the programs identified in subsection (b)
25 of Section 1-56 of this Act; provided that for the
26 delivery years beginning June 1, 2021, June 1, 2022, and

1 June 1, 2023, the long-term renewable resources
2 procurement plan may average the annual budgets over a
3 3-year period to account for program ramp-up. For the
4 delivery years beginning June 1, 2021, June 1, 2024, June
5 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
6 be provided to the Department of Commerce and Economic
7 Opportunity to implement the workforce development
8 programs and reporting as outlined in Section 16-108.12 of
9 the Public Utilities Act. In making the determinations
10 required under this subparagraph (O), the Commission shall
11 consider the experience and performance under the programs
12 and any evaluation reports. The Commission shall also
13 provide for an independent evaluation of those programs on
14 a periodic basis that are funded under this subparagraph
15 (O).

16 (P) All programs and procurements under this
17 subsection (c) shall be designed to encourage
18 participating projects to use a diverse and equitable
19 workforce and a diverse set of contractors, including
20 minority-owned businesses, disadvantaged businesses,
21 trade unions, graduates of any workforce training programs
22 administered under this Act, and small businesses.

23 The Agency shall develop a method to optimize
24 procurement of renewable energy credits from proposed
25 utility-scale projects that are located in communities
26 eligible to receive Energy Transition Community Grants

1 pursuant to Section 10-20 of the Energy Community
2 Reinvestment Act. If this requirement conflicts with other
3 provisions of law or the Agency determines that full
4 compliance with the requirements of this subparagraph (P)
5 would be unreasonably costly or administratively
6 impractical, the Agency is to propose alternative
7 approaches to achieve development of renewable energy
8 resources in communities eligible to receive Energy
9 Transition Community Grants pursuant to Section 10-20 of
10 the Energy Community Reinvestment Act or seek an exemption
11 from this requirement from the Commission.

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

19 (1) Each facility shall be subject to the
20 prevailing wage requirements included in the
21 Prevailing Wage Act. The Agency shall require
22 verification that all construction performed on the
23 facility by the renewable energy credit delivery
24 contract holder, its contractors, or its
25 subcontractors relating to construction of the
26 facility is performed by construction employees

1 receiving an amount for that work equal to or greater
2 than the general prevailing rate, as that term is
3 defined in Section 3 of the Prevailing Wage Act. For
4 purposes of this item (1), "house of worship" means
5 property that is both (1) used exclusively by a
6 religious society or body of persons as a place for
7 religious exercise or religious worship and (2)
8 recognized as exempt from taxation pursuant to Section
9 15-40 of the Property Tax Code. This item (1) shall
10 apply to any the following:

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

12 (ii) all new utility-scale photovoltaic
13 projects and repowered wind projects;

14 (iii) all new brownfield photovoltaic
15 projects;

16 (iv) all new photovoltaic community renewable
17 energy facilities that qualify for item (iii) of
18 subparagraph (K) of this paragraph (1);

19 (v) all new community driven community
20 photovoltaic projects that qualify for item (v) of
21 subparagraph (K) of this paragraph (1);

22 (vi) all new photovoltaic projects on public
23 school land that qualify for item (iv) of
24 subparagraph (K) of this paragraph (1);

25 (vii) all new photovoltaic distributed
26 renewable energy generation devices that (1)

1 qualify for item (i) of subparagraph (K) of this
2 paragraph (1); (2) are not projects that serve
3 single-family or multi-family residential
4 buildings; and (3) are not houses of worship where
5 the aggregate capacity including collocated
6 projects would not exceed 100 kilowatts;

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

15 (ix) all new, modernized, or retooled
16 hydropower facilities.

17 (2) Renewable energy credits procured from new
18 utility-scale wind projects, new utility-scale solar
19 projects, ~~and~~ new brownfield solar projects, repowered
20 wind projects, and retooled hydropower facilities
21 pursuant to Agency procurement events occurring after
22 the effective date of this amendatory Act of the 102nd
23 General Assembly must be from facilities built by
24 general contractors that must enter into a project
25 labor agreement, as defined by this Act, prior to
26 construction. The project labor agreement shall be

1 filed with the Director in accordance with procedures
2 established by the Agency through its long-term
3 renewable resources procurement plan. Any information
4 submitted to the Agency in this item (2) shall be
5 considered commercially sensitive information. At a
6 minimum, the project labor agreement must provide the
7 names, addresses, and occupations of the owner of the
8 plant and the individuals representing the labor
9 organization employees participating in the project
10 labor agreement consistent with the Project Labor
11 Agreements Act. The agreement must also specify the
12 terms and conditions as defined by this Act.

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

1 development, financing, or construction of projects.
2 The Agency shall periodically review the assumptions
3 in these costs and may adjust prices, in compliance
4 with subparagraph (M) of this paragraph (1).

5 (R) In its long-term renewable resources procurement
6 plan, the Agency shall establish a self-direct renewable
7 portfolio standard compliance program for eligible
8 self-direct customers that purchase renewable energy
9 credits from utility-scale wind and solar projects through
10 long-term agreements for purchase of renewable energy
11 credits as described in this Section. Such long-term
12 agreements may include the purchase of energy or other
13 products on a physical or financial basis and may involve
14 an alternative retail electric supplier as defined in
15 Section 16-102 of the Public Utilities Act. This program
16 shall take effect in the delivery year commencing June 1,
17 2023.

18 (1) For the purposes of this subparagraph:

19 "Eligible self-direct customer" means any retail
20 customers of an electric utility that serves 3,000,000
21 or more retail customers in the State and whose total
22 highest 30-minute demand was more than 10,000
23 kilowatts, or any retail customers of an electric
24 utility that serves less than 3,000,000 retail
25 customers but more than 500,000 retail customers in
26 the State and whose total highest 15-minute demand was

1 more than 10,000 kilowatts.

2 "Retail customer" has the meaning set forth in
3 Section 16-102 of the Public Utilities Act and
4 multiple retail customer accounts under the same
5 corporate parent may aggregate their account demands
6 to meet the 10,000 kilowatt threshold. The criteria
7 for determining whether this subparagraph is
8 applicable to a retail customer shall be based on the
9 12 consecutive billing periods prior to the start of
10 the year in which the application is filed.

11 (2) For renewable energy credits to count toward
12 the self-direct renewable portfolio standard
13 compliance program, they must:

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

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

1 (iii) be procured through long-term contracts
2 with term lengths of at least 10 years either
3 directly with the renewable energy generating
4 facility or through a bundled power purchase
5 agreement, a virtual power purchase agreement, an
6 agreement between the renewable generating
7 facility, an alternative retail electric supplier,
8 and the customer, or such other structure as is
9 permissible under this subparagraph (R);

10 (iv) be equivalent in volume to at least 40%
11 of the eligible self-direct customer's usage,
12 determined annually by the eligible self-direct
13 customer's usage during the previous delivery
14 year, measured to the nearest megawatt-hour;

15 (v) be retired by or on behalf of the large
16 energy customer;

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

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

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

1 contracting utilities where the eligible self-direct
2 customer is located. The self-direct customer shall
3 file an annual compliance report with the Agency
4 pursuant to terms established by the Agency through
5 its long-term renewable resources procurement plan to
6 be eligible for participation in this program.
7 Customers must provide the Agency with their most
8 recent electricity billing statements or other
9 information deemed necessary by the Agency to
10 demonstrate they are an eligible self-direct customer.

11 (4) The Commission shall approve a reduction in
12 the volumetric charges collected pursuant to Section
13 16-108 of the Public Utilities Act for approved
14 eligible self-direct customers equivalent to the
15 anticipated cost of renewable energy credit deliveries
16 under contracts for new utility-scale wind and new
17 utility-scale solar entered for each delivery year
18 after the large energy customer begins retiring
19 eligible new utility scale renewable energy credits
20 for self-compliance. The self-direct credit amount
21 shall be determined annually and is equal to the
22 estimated portion of the cost authorized by
23 subparagraph (E) of paragraph (1) of this subsection
24 (c) that supported the annual procurement of
25 utility-scale renewable energy credits in the prior
26 delivery year using a methodology described in the

1 long-term renewable resources procurement plan,
2 expressed on a per kilowatthour basis, and does not
3 include (i) costs associated with any contracts
4 entered into before the delivery year in which the
5 customer files the initial compliance report to be
6 eligible for participation in the self-direct program,
7 and (ii) costs associated with procuring renewable
8 energy credits through existing and future contracts
9 through the Adjustable Block Program, subsection (c-5)
10 of this Section 1-75, and the Solar for All Program.
11 The Agency shall assist the Commission in determining
12 the current and future costs. The Agency must
13 determine the self-direct credit amount for new and
14 existing eligible self-direct customers and submit
15 this to the Commission in an annual compliance filing.
16 The Commission must approve the self-direct credit
17 amount by June 1, 2023 and June 1 of each delivery year
18 thereafter.

19 (5) Customers described in this subparagraph (R)
20 shall apply, on a form developed by the Agency, to the
21 Agency to be designated as a self-direct eligible
22 customer. Once the Agency determines that a
23 self-direct customer is eligible for participation in
24 the program, the self-direct customer will remain
25 eligible until the end of the term of the contract.
26 Thereafter, application may be made not less than 12

1 months before the filing date of the long-term
2 renewable resources procurement plan described in this
3 Act. At a minimum, such application shall contain the
4 following:

5 (i) the customer's certification that, at the
6 time of the customer's application, the customer
7 qualifies to be a self-direct eligible customer,
8 including documents demonstrating that
9 qualification;

10 (ii) the customer's certification that the
11 customer has entered into or will enter into by
12 the beginning of the applicable procurement year,
13 one or more bilateral contracts for new wind
14 projects or new photovoltaic projects, including
15 supporting documentation;

16 (iii) certification that the contract or
17 contracts for new renewable energy resources are
18 long-term contracts with term lengths of at least
19 10 years, including supporting documentation;

20 (iv) certification of the quantities of
21 renewable energy credits that the customer will
22 purchase each year under such contract or
23 contracts, including supporting documentation;

24 (v) proof that the contract is sufficient to
25 produce renewable energy credits to be equivalent
26 in volume to at least 40% of the large energy

1 customer's usage from the previous delivery year,
2 measured to the nearest megawatt-hour; and

3 (vi) certification that the customer intends
4 to maintain the contract for the duration of the
5 length of the contract.

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

20 (2) (Blank).

21 (3) (Blank).

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

24 (5) Beginning with the 2010 delivery year and ending
25 June 1, 2017, an electric utility subject to this
26 subsection (c) shall apply the lesser of the maximum

1 alternative compliance payment rate or the most recent
2 estimated alternative compliance payment rate for its
3 service territory for the corresponding compliance period,
4 established pursuant to subsection (d) of Section 16-115D
5 of the Public Utilities Act to its retail customers that
6 take service pursuant to the electric utility's hourly
7 pricing tariff or tariffs. The electric utility shall
8 retain all amounts collected as a result of the
9 application of the alternative compliance payment rate or
10 rates to such customers, and, beginning in 2011, the
11 utility shall include in the information provided under
12 item (1) of subsection (d) of Section 16-111.5 of the
13 Public Utilities Act the amounts collected under the
14 alternative compliance payment rate or rates for the prior
15 year ending May 31. Notwithstanding any limitation on the
16 procurement of renewable energy resources imposed by item
17 (2) of this subsection (c), the Agency shall increase its
18 spending on the purchase of renewable energy resources to
19 be procured by the electric utility for the next plan year
20 by an amount equal to the amounts collected by the utility
21 under the alternative compliance payment rate or rates in
22 the prior year ending May 31.

23 (6) The electric utility shall be entitled to recover
24 all of its costs associated with the procurement of
25 renewable energy credits under plans approved under this
26 Section and Section 16-111.5 of the Public Utilities Act.

1 These costs shall include associated reasonable expenses
2 for implementing the procurement programs, including, but
3 not limited to, the costs of administering and evaluating
4 the Adjustable Block program, through an automatic
5 adjustment clause tariff in accordance with subsection (k)
6 of Section 16-108 of the Public Utilities Act.

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

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

25 (c-5) Procurement of renewable energy credits from new
26 renewable energy facilities installed at or adjacent to the

1 sites of electric generating facilities that burn or burned
2 coal as their primary fuel source.

3 (1) In addition to the procurement of renewable energy
4 credits pursuant to long-term renewable resources
5 procurement plans in accordance with subsection (c) of
6 this Section and Section 16-111.5 of the Public Utilities
7 Act, the Agency shall conduct procurement events in
8 accordance with this subsection (c-5) for the procurement
9 by electric utilities that served more than 300,000 retail
10 customers in this State as of January 1, 2019 of renewable
11 energy credits from new renewable energy facilities to be
12 installed at or adjacent to the sites of electric
13 generating facilities that, as of January 1, 2016, burned
14 coal as their primary fuel source and meet the other
15 criteria specified in this subsection (c-5). For purposes
16 of this subsection (c-5), "new renewable energy facility"
17 means a new utility-scale solar project as defined in this
18 Section 1-75. The renewable energy credits procured
19 pursuant to this subsection (c-5) may be included or
20 counted for purposes of compliance with the amounts of
21 renewable energy credits required to be procured pursuant
22 to subsection (c) of this Section to the extent that there
23 are otherwise shortfalls in compliance with such
24 requirements. The procurement of renewable energy credits
25 by electric utilities pursuant to this subsection (c-5)
26 shall be funded solely by revenues collected from the Coal

1 to Solar and Energy Storage Initiative Charge provided for
2 in this subsection (c-5) and subsection (i-5) of Section
3 16-108 of the Public Utilities Act, shall not be funded by
4 revenues collected through any of the other funding
5 mechanisms provided for in subsection (c) of this Section,
6 and shall not be subject to the limitation imposed by
7 subsection (c) on charges to retail customers for costs to
8 procure renewable energy resources pursuant to subsection
9 (c), and shall not be subject to any other requirements or
10 limitations of subsection (c).

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

1 facilities located anywhere in this State that meet the
2 eligibility criteria specified in this subsection (c-5).
3 The Agency shall establish and announce a time period,
4 which shall begin no later than 30 days prior to the
5 scheduled date for the procurement event, during which
6 applicants may submit applications to be selected as
7 suppliers of renewable energy credits pursuant to this
8 subsection (c-5). The eligibility criteria for selection
9 as a supplier of renewable energy credits pursuant to this
10 subsection (c-5) shall be as follows:

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

20 (B) The applicant is not (i) an electric
21 cooperative as defined in Section 3-119 of the Public
22 Utilities Act, or (ii) an entity described in
23 subsection (b)(1) of Section 3-105 of the Public
24 Utilities Act, or an association or consortium of or
25 an entity owned by entities described in (i) or (ii);
26 and the coal-fueled electric generating facility was

1 at one time owned, in whole or in part, by a public
2 utility as defined in Section 3-105 of the Public
3 Utilities Act.

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

25 (D) The applicant agrees that the new renewable
26 energy facility and the energy storage facility will

1 be constructed or installed by a qualified entity or
2 entities in compliance with the requirements of
3 subsection (g) of Section 16-128A of the Public
4 Utilities Act and any rules adopted thereunder.

5 (E) The applicant agrees that personnel operating
6 the new renewable energy facility and the energy
7 storage facility will have the requisite skills,
8 knowledge, training, experience, and competence, which
9 may be demonstrated by completion or current
10 participation and ultimate completion by employees of
11 an accredited or otherwise recognized apprenticeship
12 program for the employee's particular craft, trade, or
13 skill, including through training and education
14 courses and opportunities offered by the owner to
15 employees of the coal-fueled electric generating
16 facility or by previous employment experience
17 performing the employee's particular work skill or
18 function.

19 (F) The applicant commits that not less than the
20 prevailing wage, as determined pursuant to the
21 Prevailing Wage Act, will be paid to the applicant's
22 employees engaged in construction activities
23 associated with the new renewable energy facility and
24 the new energy storage facility and to the employees
25 of applicant's contractors engaged in construction
26 activities associated with the new renewable energy

1 facility and the new energy storage facility, and
2 that, on or before the commercial operation date of
3 the new renewable energy facility, the applicant shall
4 file a report with the Agency certifying that the
5 requirements of this subparagraph (F) have been met.

6 (G) The applicant commits that if selected, it
7 will negotiate a project labor agreement for the
8 construction of the new renewable energy facility and
9 associated energy storage facility that includes
10 provisions requiring the parties to the agreement to
11 work together to establish diversity threshold
12 requirements and to ensure best efforts to meet
13 diversity targets, improve diversity at the applicable
14 job site, create diverse apprenticeship opportunities,
15 and create opportunities to employ former coal-fired
16 power plant workers.

17 (H) The applicant commits to enter into a contract
18 or contracts for the applicable duration to provide
19 specified numbers of renewable energy credits each
20 year from the new renewable energy facility to
21 electric utilities that served more than 300,000
22 retail customers in this State as of January 1, 2019,
23 at a price of \$30 per renewable energy credit. The
24 price per renewable energy credit shall be fixed at
25 \$30 for the applicable duration and the renewable
26 energy credits shall not be indexed renewable energy

1 credits as provided for in item (v) of subparagraph
2 (G) of paragraph (1) of subsection (c) of Section 1-75
3 of this Act. The applicable duration of each contract
4 shall be 20 years, unless the applicant is physically
5 interconnected to the PJM Interconnection, LLC
6 transmission grid and had a generating capacity of at
7 least 1,200 megawatts as of January 1, 2021, in which
8 case the applicable duration of the contract shall be
9 15 years.

10 (I) The applicant's application is certified by an
11 officer of the applicant and by an officer of the
12 applicant's ultimate parent company, if any.

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

23 (4) The Agency shall assess fees to each applicant to
24 recover the Agency's costs incurred in receiving and
25 evaluating applications, conducting the procurement event,
26 developing contracts for sale, delivery and purchase of

1 renewable energy credits, and monitoring the
2 administration of such contracts, as provided for in this
3 subsection (c-5), including fees paid to a procurement
4 administrator retained by the Agency for one or more of
5 these purposes.

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

1 procured as specified in this paragraph (5) shall not be
2 reduced based on renewable energy credits procured in the
3 self-direct renewable energy credit compliance program
4 established pursuant to subparagraph (R) of paragraph (1)
5 of subsection (c) of Section 1-75.

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

24 (7) The Agency shall submit its proposed selection of
25 applicants, new renewable energy facilities to be
26 constructed, and renewable energy credit amounts for each

1 procurement event to the Commission for approval. The
2 Commission shall, within 2 business days after receipt of
3 the Agency's proposed selections, approve the proposed
4 selections if it determines that the applicants and the
5 new renewable energy facilities to be constructed meet the
6 selection criteria set forth in this subsection (c-5) and
7 that the Agency seeks approval for contracts of applicable
8 durations aggregating to no more than the maximum amount
9 of renewable energy credits per year authorized by this
10 subsection (c-5) for the procurement event, at a price of
11 \$30 per renewable energy credit.

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

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

1 contract at least 30 days before the date of the first
2 procurement event.

3 (9) Coal to Solar and Energy Storage Initiative
4 Charge.

5 (A) By no later than July 1, 2022, each electric
6 utility that served more than 300,000 retail customers
7 in this State as of January 1, 2019 shall file a tariff
8 with the Commission for the billing and collection of
9 a Coal to Solar and Energy Storage Initiative Charge
10 in accordance with subsection (i-5) of Section 16-108
11 of the Public Utilities Act, with such tariff to be
12 effective, following review and approval or
13 modification by the Commission, beginning January 1,
14 2023. The tariff shall provide for the calculation and
15 setting of the electric utility's Coal to Solar and
16 Energy Storage Initiative Charge to collect revenues
17 estimated to be sufficient, in the aggregate, (i) to
18 enable the electric utility to pay for the renewable
19 energy credits it has contracted to purchase in the
20 delivery year beginning June 1, 2023 and each delivery
21 year thereafter from new renewable energy facilities
22 located at the sites of qualifying electric generating
23 facilities, and (ii) to fund the grant payments to be
24 made in each delivery year by the Department of
25 Commerce and Economic Opportunity, or any successor
26 department or agency, which shall be referred to in

1 this subsection (c-5) as the Department, pursuant to
2 paragraph (10) of this subsection (c-5). The electric
3 utility's tariff shall provide for the billing and
4 collection of the Coal to Solar and Energy Storage
5 Initiative Charge on each kilowatthour of electricity
6 delivered to its delivery services customers within
7 its service territory and shall provide for an annual
8 reconciliation of revenues collected with actual
9 costs, in accordance with subsection (i-5) of Section
10 16-108 of the Public Utilities Act.

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

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

21 (A) The Coal to Solar and Energy Storage
22 Initiative Fund is established as a special fund in
23 the State treasury. The Coal to Solar and Energy
24 Storage Initiative Fund is authorized to receive, by
25 statutory deposit, that portion specified in item (B)
26 of paragraph (9) of this subsection (c-5) of moneys

1 collected by electric utilities through imposition of
2 the Coal to Solar and Energy Storage Initiative Charge
3 required by this subsection (c-5). The Coal to Solar
4 and Energy Storage Initiative Fund shall be
5 administered by the Department to provide grants to
6 support the installation and operation of energy
7 storage facilities at the sites of qualifying electric
8 generating facilities meeting the criteria specified
9 in this paragraph (10).

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

20 (C) The Department shall utilize up to
21 \$280,500,000 in the Coal to Solar and Energy Storage
22 Initiative Fund for grants, assuming sufficient
23 qualifying applicants, to support installation of
24 energy storage facilities at the sites of up to 3
25 qualifying electric generating facilities located in
26 the Midcontinent Independent System Operator, Inc.,

1 region in Illinois and the sites of up to 2 qualifying
2 electric generating facilities located in the PJM
3 Interconnection, LLC region in Illinois that meet the
4 criteria set forth in this subparagraph (C). The
5 criteria for receipt of a grant pursuant to this
6 subparagraph (C) are as follows:

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

10 (2) the electric generating facility burns (or
11 burned prior to retirement) coal as its primary
12 source of fuel;

13 (3) if the electric generating facility is
14 retired, it was retired subsequent to January 1,
15 2016;

16 (4) the owner of the electric generating
17 facility has not been selected by the Agency
18 pursuant to this subsection (c-5) of this Section
19 to enter into a contract to sell renewable energy
20 credits to one or more electric utilities from a
21 new renewable energy facility located or to be
22 located at or adjacent to the site at which the
23 electric generating facility is located;

24 (5) the electric generating facility located
25 at the site was at one time owned, in whole or in
26 part, by a public utility as defined in Section

1 3-105 of the Public Utilities Act;

2 (6) the electric generating facility at the
3 site is not owned by (i) an electric cooperative
4 as defined in Section 3-119 of the Public
5 Utilities Act, or (ii) an entity described in
6 subsection (b)(1) of Section 3-105 of the Public
7 Utilities Act, or an association or consortium of
8 or an entity owned by entities described in items
9 (i) or (ii);

10 (7) the proposed energy storage facility at
11 the site will have energy storage capacity of at
12 least 37 megawatts;

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

22 (9) the owner agrees that the new energy
23 storage facility will be constructed or installed
24 by a qualified entity or entities consistent with
25 the requirements of subsection (g) of Section
26 16-128A of the Public Utilities Act and any rules

1 adopted under that Section;

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

16 (11) the owner commits that not less than the
17 prevailing wage, as determined pursuant to the
18 Prevailing Wage Act, will be paid to the owner's
19 employees engaged in construction activities
20 associated with the new energy storage facility
21 and to the employees of the owner's contractors
22 engaged in construction activities associated with
23 the new energy storage facility, and that, on or
24 before the commercial operation date of the new
25 energy storage facility, the owner shall file a
26 report with the Department certifying that the

1 requirements of this subparagraph (11) have been
2 met; and

3 (12) the owner commits that if selected to
4 receive a grant, it will negotiate a project labor
5 agreement for the construction of the new energy
6 storage facility that includes provisions
7 requiring the parties to the agreement to work
8 together to establish diversity threshold
9 requirements and to ensure best efforts to meet
10 diversity targets, improve diversity at the
11 applicable job site, create diverse apprenticeship
12 opportunities, and create opportunities to employ
13 former coal-fired power plant workers.

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

26 (D) Grants of funding for energy storage

1 facilities pursuant to subparagraph (C) of this
2 paragraph (10), from the Coal to Solar and Energy
3 Storage Initiative Fund, shall be memorialized in
4 grant contracts between the Department and the
5 recipient. The grant contracts shall specify the date
6 or dates in each year on which the annual grant
7 payments shall be paid.

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

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

20 (A) Each applicant selected in a procurement event
21 to contract to supply renewable energy credits in
22 accordance with this subsection (c-5) and each owner
23 selected by the Department to receive a grant or
24 grants to support the construction and operation of a
25 new energy storage facility or facilities in
26 accordance with this subsection (c-5) shall, within 60

1 days following the Commission's approval of the
2 applicant to contract to supply renewable energy
3 credits or within 60 days following execution of a
4 grant contract with the Department, as applicable,
5 submit to the Commission a diversity, equity, and
6 inclusion plan setting forth the applicant's or
7 owner's numeric goals for the diversity composition of
8 its supplier entities for the new renewable energy
9 facility or new energy storage facility, as
10 applicable, which shall be referred to for purposes of
11 this paragraph (11) as the project, and the
12 applicant's or owner's action plan and schedule for
13 achieving those goals.

14 (B) For purposes of this paragraph (11), diversity
15 composition shall be based on the percentage, which
16 shall be a minimum of 25%, of eligible expenditures
17 for contract awards for materials and services (which
18 shall be defined in the plan) to business enterprises
19 owned by minority persons, women, or persons with
20 disabilities as defined in Section 2 of the Business
21 Enterprise for Minorities, Women, and Persons with
22 Disabilities Act, to LGBTQ business enterprises, to
23 veteran-owned business enterprises, and to business
24 enterprises located in environmental justice
25 communities. The diversity composition goals of the
26 plan may include eligible expenditures in areas for

1 vendor or supplier opportunities in addition to
2 development and construction of the project, and may
3 exclude from eligible expenditures materials and
4 services with limited market availability, limited
5 production and availability from suppliers in the
6 United States, such as solar panels and storage
7 batteries, and material and services that are subject
8 to critical energy infrastructure or cybersecurity
9 requirements or restrictions. The plan may provide
10 that the diversity composition goals may be met
11 through Tier 1 Direct or Tier 2 subcontracting
12 expenditures or a combination thereof for the project.

13 (C) The plan shall provide for, but not be limited
14 to: (i) internal initiatives, including multi-tier
15 initiatives, by the applicant or owner, or by its
16 engineering, procurement and construction contractor
17 if one is used for the project, which for purposes of
18 this paragraph (11) shall be referred to as the EPC
19 contractor, to enable diverse businesses to be
20 considered fairly for selection to provide materials
21 and services; (ii) requirements for the applicant or
22 owner or its EPC contractor to proactively solicit and
23 utilize diverse businesses to provide materials and
24 services; and (iii) requirements for the applicant or
25 owner or its EPC contractor to hire a diverse
26 workforce for the project. The plan shall include a

1 description of the applicant's or owner's diversity
2 recruiting efforts both for the project and for other
3 areas of the applicant's or owner's business
4 operations. The plan shall provide for the imposition
5 of financial penalties on the applicant's or owner's
6 EPC contractor for failure to exercise best efforts to
7 comply with and execute the EPC contractor's diversity
8 obligations under the plan. The plan may provide for
9 the applicant or owner to set aside a portion of the
10 work on the project to serve as an incubation program
11 for qualified businesses, as specified in the plan,
12 owned by minority persons, women, persons with
13 disabilities, LGBTQ persons, and veterans, and
14 businesses located in environmental justice
15 communities, seeking to enter the renewable energy
16 industry.

17 (D) The applicant or owner may submit a revised or
18 updated plan to the Commission from time to time as
19 circumstances warrant. The applicant or owner shall
20 file annual reports with the Commission detailing the
21 applicant's or owner's progress in implementing its
22 plan and achieving its goals and any modifications the
23 applicant or owner has made to its plan to better
24 achieve its diversity, equity and inclusion goals. The
25 applicant or owner shall file a final report on the
26 fifth June 1 following the commercial operation date

1 of the new renewable energy resource or new energy
2 storage facility, but the applicant or owner shall
3 thereafter continue to be subject to applicable
4 reporting requirements of Section 5-117 of the Public
5 Utilities Act.

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

26 (1) Minimum equity standards. The Agency shall create

1 programs with the purpose of increasing access to and
2 development of equity eligible contractors, who are prime
3 contractors and subcontractors, across all of the programs
4 it manages. All applications for renewable energy credit
5 procurements shall comply with specific minimum equity
6 commitments. Starting in the delivery year immediately
7 following the next long-term renewable resources
8 procurement plan, at least 10% of the project workforce
9 for each entity participating in a procurement program
10 outlined in this subsection (c-10) must be done by equity
11 eligible persons or equity eligible contractors. The
12 Agency shall increase the minimum percentage each delivery
13 year thereafter by increments that ensure a statewide
14 average of 30% of the project workforce for each entity
15 participating in a procurement program is done by equity
16 eligible persons or equity eligible contractors by 2030.
17 The Agency shall propose a schedule of percentage
18 increases to the minimum equity standards in its draft
19 revised renewable energy resources procurement plan
20 submitted to the Commission for approval pursuant to
21 paragraph (5) of subsection (b) of Section 16-111.5 of the
22 Public Utilities Act. In determining these annual
23 increases, the Agency shall have the discretion to
24 establish different minimum equity standards for different
25 types of procurements and different regions of the State
26 if the Agency finds that doing so will further the

1 purposes of this subsection (c-10). The proposed schedule
2 of annual increases shall be revisited and updated on an
3 annual basis. Revisions shall be developed with
4 stakeholder input, including from equity eligible persons,
5 equity eligible contractors, clean energy industry
6 representatives, and community-based organizations that
7 work with such persons and contractors.

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

18 (B) Halfway through each delivery year, the Agency
19 shall require each entity participating in a
20 procurement program to confirm that it will achieve
21 compliance in that delivery year, when applicable. The
22 Agency may offer corrective action plans to entities
23 that are not on track to achieve compliance.

24 (C) At the end of each delivery year, each entity
25 participating and completing work in that delivery
26 year in a procurement program of subsection (c) shall

1 submit a report to the Agency that demonstrates how it
2 achieved compliance with the minimum equity standards
3 percentage for that delivery year.

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

19 (E) The Agency shall pursue efficiencies achieved
20 by combining with other approved vendor or designee
21 reporting.

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

26 (3) Equity accountability system within competitive

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

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

26 (A) The current status and number of equity

1 eligible contractors listed in the Energy Workforce
2 Equity Database designed in subsection (c-25),
3 including the number of equity eligible contractors
4 with current certifications as issued by the Agency.

5 (B) A mechanism for measuring, tracking, and
6 reporting project workforce at the approved vendor or
7 designee level, as applicable, which shall include a
8 measurement methodology and records to be made
9 available for audit by the Agency or the Program
10 Administrator.

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

18 (D) A process for certifying equity eligible
19 contractors and equity eligible persons. The
20 certification process shall coordinate with the Energy
21 Workforce Equity Database set forth in subsection
22 (c-25).

23 (E) An application for waiver of the minimum
24 equity standards of this subsection, which the Agency
25 shall have the discretion to grant in rare
26 circumstances. The Agency may grant such a waiver

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

26 (5) The Agency shall collect information about work on

1 projects or portfolios of projects subject to these
2 minimum equity standards to ensure compliance with this
3 subsection (c-10). Reporting in furtherance of this
4 requirement may be combined with other annual reporting
5 requirements. Such reporting shall include proof of
6 certification of each equity eligible contractor or equity
7 eligible person during the applicable time period.

8 (6) The Agency shall keep confidential all information
9 and communication that provides private or personal
10 information.

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

1 investment eligible persons and equity investment eligible
2 community; and (C) such other modifications necessary to
3 advance the goals of this amendatory Act of the 102nd
4 General Assembly effectively. Such revised criteria may
5 also establish distinct equity accountability systems for
6 different types of procurements or different regions of
7 the State if the Agency finds that doing so will further
8 the purposes of such programs. Revisions shall be
9 developed with stakeholder input, including from equity
10 eligible persons, equity eligible contractors, and
11 community-based organizations that work with such persons
12 and contractors.

13 (c-15) Racial discrimination elimination powers and
14 process.

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

22 (2) Racial disparity and discrimination review
23 process.

24 (A) Within one year after awarding contracts using
25 the equity actions processes established in this
26 Section, the Agency shall publish a report evaluating

1 the effectiveness of the equity actions point criteria
2 of this Section in increasing participation of equity
3 eligible persons and equity eligible contractors. The
4 report shall disaggregate participating workers and
5 contractors by race and ethnicity. The report shall be
6 forwarded to the Governor, the General Assembly, and
7 the Illinois Commerce Commission and be made available
8 to the public.

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

1 Agency, Department of Commerce and Economic
2 Opportunity, Department of Labor, Department of
3 Corrections, and other appropriate agencies shall take
4 appropriate remedial actions, including race-conscious
5 remedial actions as consistent with State and federal
6 law, to effectively remedy this discrimination. Such
7 remedies may include modification of the equity
8 accountability system as described in subsection
9 (c-10).

10 (c-20) Program data collection.

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

23 (2) Agency collection of program data. The Agency
24 shall collect demographic and geographic data for each
25 entity awarded contracts under any Agency-administered
26 program.

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

4 (A) demographic information, including racial or
5 ethnic identity for real persons employed, contracted,
6 or subcontracted through the program and owners of
7 businesses or entities that apply to receive renewable
8 energy credits from the Agency;

9 (B) geographic location of the residency of real
10 persons employed, contracted, or subcontracted through
11 the program and geographic location of the
12 headquarters of the business or entity that applies to
13 receive renewable energy credits from the Agency; and

14 (C) any other information the Agency determines is
15 necessary for the purpose of achieving the purpose of
16 this subsection.

17 (4) Publication of collected information. The Agency
18 shall publish, at least annually, information on the
19 demographics of program participants on an aggregate
20 basis.

21 (5) Nothing in this subsection shall be interpreted to
22 limit the authority of the Agency, or other agency or
23 department of the State, to require or collect demographic
24 information from applicants of other State programs.

25 (c-25) Energy Workforce Equity Database.

26 (1) The Agency, in consultation with the Department of

1 Commerce and Economic Opportunity, shall create an Energy
2 Workforce Equity Database, and may contract with a third
3 party to do so ("database program administrator"). If the
4 Department decides to contract with a third party, that
5 third party shall be exempt from the requirements of
6 Section 20-10 of the Illinois Procurement Code. The Energy
7 Workforce Equity Database shall be a searchable database
8 of suppliers, vendors, and subcontractors for clean energy
9 industries that is:

10 (A) publicly accessible;

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

12 (C) organized by company specialty or field;

13 (D) region-specific; and

14 (E) populated with information including, but not
15 limited to, contacts for suppliers, vendors, or
16 subcontractors who are minority and women-owned
17 business enterprise certified or who participate or
18 have participated in any of the programs described in
19 this Act.

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

23 (A) a map of environmental justice and equity
24 investment eligible communities;

25 (B) job postings and recruiting opportunities;

26 (C) a means by which recruiting clean energy

1 companies can find and interact with current or former
2 participants of clean energy workforce training
3 programs;

4 (D) information on workforce training service
5 providers and training opportunities available to
6 prospective workers;

7 (E) renewable energy company diversity reporting;

8 (F) a list of equity eligible contractors with
9 their contact information, types of work performed,
10 and locations worked in;

11 (G) reporting on outcomes of the programs
12 described in the workforce programs of the Energy
13 Transition Act, including information such as, but not
14 limited to, retention rate, graduation rate, and
15 placement rates of trainees; and

16 (H) information about the Jobs and Environmental
17 Justice Grant Program, the Clean Energy Jobs and
18 Justice Fund, and other sources of capital.

19 (3) The Agency shall ensure the database is regularly
20 updated to ensure information is current and shall
21 coordinate with the Department of Commerce and Economic
22 Opportunity to ensure that it includes information on
23 individuals and entities that are or have participated in
24 the Clean Jobs Workforce Network Program, Clean Energy
25 Contractor Incubator Program, Returning Residents Clean
26 Jobs Training Program, or Clean Energy Primes Contractor

1 Accelerator Program.

2 (c-30) Enforcement of minimum equity standards. All
3 entities seeking renewable energy credits must submit an
4 annual report to demonstrate compliance with each of the
5 equity commitments required under subsection (c-10). If the
6 Agency concludes the entity has not met or maintained its
7 minimum equity standards required under the applicable
8 subparagraphs under subsection (c-10), the Agency shall deny
9 the entity's ability to participate in procurement programs in
10 subsection (c), including by withholding approved vendor or
11 designee status. The Agency may require the entity to enter
12 into a corrective action plan. An entity that is not
13 recertified for failing to meet required equity actions in
14 subparagraph (c-10) may reapply once they have a corrective
15 action plan and achieve compliance with the minimum equity
16 standards.

17 (d) Clean coal portfolio standard.

18 (1) The procurement plans shall include electricity
19 generated using clean coal. Each utility shall enter into
20 one or more sourcing agreements with the initial clean
21 coal facility, as provided in paragraph (3) of this
22 subsection (d), covering electricity generated by the
23 initial clean coal facility representing at least 5% of
24 each utility's total supply to serve the load of eligible
25 retail customers in 2015 and each year thereafter, as
26 described in paragraph (3) of this subsection (d), subject

1 to the limits specified in paragraph (2) of this
2 subsection (d). It is the goal of the State that by January
3 1, 2025, 25% of the electricity used in the State shall be
4 generated by cost-effective clean coal facilities. For
5 purposes of this subsection (d), "cost-effective" means
6 that the expenditures pursuant to such sourcing agreements
7 do not cause the limit stated in paragraph (2) of this
8 subsection (d) to be exceeded and do not exceed cost-based
9 benchmarks, which shall be developed to assess all
10 expenditures pursuant to such sourcing agreements covering
11 electricity generated by clean coal facilities, other than
12 the initial clean coal facility, 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.

16 A utility party to a sourcing agreement shall
17 immediately retire any emission credits that it receives
18 in connection with the electricity covered by such
19 agreement.

20 Utilities shall maintain adequate records documenting
21 the purchases under the sourcing agreement to comply with
22 this subsection (d) and shall file an accounting with the
23 load forecast that must be filed with the Agency by July 15
24 of each year, in accordance with subsection (d) of Section
25 16-111.5 of the Public Utilities Act.

26 A utility shall be deemed to have complied with the

1 clean coal portfolio standard specified in this subsection
2 (d) if the utility enters into a sourcing agreement as
3 required by this subsection (d).

4 (2) For purposes of this subsection (d), the required
5 execution of sourcing agreements with the initial clean
6 coal facility for a particular year shall be measured as a
7 percentage of the actual amount of electricity
8 (megawatt-hours) supplied by the electric utility to
9 eligible retail customers in the planning year ending
10 immediately prior to the agreement's execution. For
11 purposes of this subsection (d), the amount paid per
12 kilowatthour means the total amount paid for electric
13 service expressed on a per kilowatthour basis. For
14 purposes of this subsection (d), the total amount paid for
15 electric service includes without limitation amounts paid
16 for supply, transmission, distribution, surcharges and
17 add-on taxes.

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

26 (A) in 2010, no more than 0.5% of the amount paid

1 per kilowatthour by those customers during the year
2 ending May 31, 2009;

3 (B) in 2011, the greater of an additional 0.5% of
4 the amount paid per kilowatthour by those customers
5 during the year ending May 31, 2010 or 1% of the amount
6 paid per kilowatthour by those customers during the
7 year ending May 31, 2009;

8 (C) in 2012, the greater of an additional 0.5% of
9 the amount paid per kilowatthour by those customers
10 during the year ending May 31, 2011 or 1.5% of the
11 amount paid per kilowatthour by those customers during
12 the year ending May 31, 2009;

13 (D) in 2013, the greater of an additional 0.5% of
14 the amount paid per kilowatthour by those customers
15 during the year ending May 31, 2012 or 2% of the amount
16 paid per kilowatthour by those customers during the
17 year ending May 31, 2009; and

18 (E) thereafter, the total amount paid under
19 sourcing agreements with clean coal facilities
20 pursuant to the procurement plan for any single year
21 shall be reduced by an amount necessary to limit the
22 estimated average net increase due to the cost of
23 these resources included in the amounts paid by
24 eligible retail customers in connection with electric
25 service to no more than the greater of (i) 2.015% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2009 or (ii) the
2 incremental amount per kilowatthour paid for these
3 resources in 2013. These requirements may be altered
4 only as provided by statute.

5 No later than June 30, 2015, the Commission shall
6 review the limitation on the total amount paid under
7 sourcing agreements, if any, with clean coal facilities
8 pursuant to this subsection (d) and report to the General
9 Assembly its findings as to whether that limitation unduly
10 constrains the amount of electricity generated by
11 cost-effective clean coal facilities that is covered by
12 sourcing agreements.

13 (3) Initial clean coal facility. In order to promote
14 development of clean coal facilities in Illinois, each
15 electric utility subject to this Section shall execute a
16 sourcing agreement to source electricity from a proposed
17 clean coal facility in Illinois (the "initial clean coal
18 facility") that will have a nameplate capacity of at least
19 500 MW when commercial operation commences, that has a
20 final Clean Air Act permit on June 1, 2009 (the effective
21 date of Public Act 95-1027), and that will meet the
22 definition of clean coal facility in Section 1-10 of this
23 Act when commercial operation commences. The sourcing
24 agreements with this initial clean coal facility shall be
25 subject to both approval of the initial clean coal
26 facility by the General Assembly and satisfaction of the

1 requirements of paragraph (4) of this subsection (d) and
2 shall be executed within 90 days after any such approval
3 by the General Assembly. The Agency and the Commission
4 shall have authority to inspect all books and records
5 associated with the initial clean coal facility during the
6 term of such a sourcing agreement. A utility's sourcing
7 agreement for electricity produced by the initial clean
8 coal facility shall include:

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

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

22 (ii) provide that all miscellaneous net
23 revenue, including but not limited to net revenue
24 from the sale of emission allowances, if any,
25 substitute natural gas, if any, grants or other
26 support provided by the State of Illinois or the

1 United States Government, firm transmission
2 rights, if any, by-products produced by the
3 facility, energy or capacity derived from the
4 facility and not covered by a sourcing agreement
5 pursuant to paragraph (3) of this subsection (d)
6 or item (5) of subsection (d) of Section 16-115 of
7 the Public Utilities Act, whether generated from
8 the synthesis gas derived from coal, from SNG, or
9 from natural gas, shall be credited against the
10 revenue requirement for this initial clean coal
11 facility;

12 (B) power purchase provisions, which shall:

13 (i) provide that the utility party to such
14 sourcing agreement shall pay the contract price
15 for electricity delivered under such sourcing
16 agreement;

17 (ii) require delivery of electricity to the
18 regional transmission organization market of the
19 utility that is party to such sourcing agreement;

20 (iii) require the utility party to such
21 sourcing agreement to buy from the initial clean
22 coal facility in each hour an amount of energy
23 equal to all clean coal energy made available from
24 the initial clean coal facility during such hour
25 times a fraction, the numerator of which is such
26 utility's retail market sales of electricity

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

15 (iv) be considered pre-existing contracts in
16 such utility's procurement plans for eligible
17 retail customers;

18 (C) contract for differences provisions, which
19 shall:

20 (i) require the utility party to such sourcing
21 agreement to contract with the initial clean coal
22 facility in each hour with respect to an amount of
23 energy equal to all clean coal energy made
24 available from the initial clean coal facility
25 during such hour times a fraction, the numerator
26 of which is such utility's retail market sales of

1 electricity (expressed in kilowatthours sold) in
2 the utility's service territory in the State
3 during the prior calendar month and the
4 denominator of which is the total retail market
5 sales of electricity (expressed in kilowatthours
6 sold) in the State by utilities during such prior
7 month and the sales of electricity (expressed in
8 kilowatthours sold) in the State by alternative
9 retail electric suppliers during such prior month
10 that are subject to the requirements of this
11 subsection (d) and paragraph (5) of subsection (d)
12 of Section 16-115 of the Public Utilities Act,
13 provided that the amount paid by the utility in
14 any year will be limited by paragraph (2) of this
15 subsection (d);

16 (ii) provide that the utility's payment
17 obligation in respect of the quantity of
18 electricity determined pursuant to the preceding
19 clause (i) shall be limited to an amount equal to
20 (1) the difference between the contract price
21 determined pursuant to subparagraph (A) of
22 paragraph (3) of this subsection (d) and the
23 day-ahead price for electricity delivered to the
24 regional transmission organization market of the
25 utility that is party to such sourcing agreement
26 (or any successor delivery point at which such

1 utility's supply obligations are financially
2 settled on an hourly basis) (the "reference
3 price") on the day preceding the day on which the
4 electricity is delivered to the initial clean coal
5 facility busbar, multiplied by (2) the quantity of
6 electricity determined pursuant to the preceding
7 clause (i); and

8 (iii) not require the utility to take physical
9 delivery of the electricity produced by the
10 facility;

11 (D) general provisions, which shall:

12 (i) specify a term of no more than 30 years,
13 commencing on the commercial operation date of the
14 facility;

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

23 (iii) provide that all costs associated with
24 the initial clean coal facility will be
25 periodically reported to the Federal Energy
26 Regulatory Commission and to purchasers in

1 accordance with applicable laws governing
2 cost-based wholesale power contracts;

3 (iv) permit the Illinois Power Agency to
4 assume ownership of the initial clean coal
5 facility, without monetary consideration and
6 otherwise on reasonable terms acceptable to the
7 Agency, if the Agency so requests no less than 3
8 years prior to the end of the stated contract
9 term;

10 (v) require the owner of the initial clean
11 coal facility to provide documentation to the
12 Commission each year, starting in the facility's
13 first year of commercial operation, accurately
14 reporting the quantity of carbon emissions from
15 the facility that have been captured and
16 sequestered and report any quantities of carbon
17 released from the site or sites at which carbon
18 emissions were sequestered in prior years, based
19 on continuous monitoring of such sites. If, in any
20 year after the first year of commercial operation,
21 the owner of the facility fails to demonstrate
22 that the initial clean coal facility captured and
23 sequestered at least 50% of the total carbon
24 emissions that the facility would otherwise emit
25 or that sequestration of emissions from prior
26 years has failed, resulting in the release of

1 carbon dioxide into the atmosphere, the owner of
2 the facility must offset excess emissions. Any
3 such carbon offsets must be permanent, additional,
4 verifiable, real, located within the State of
5 Illinois, and legally and practicably enforceable.
6 The cost of such offsets for the facility that are
7 not recoverable shall not exceed \$15 million in
8 any given year. No costs of any such purchases of
9 carbon offsets may be recovered from a utility or
10 its customers. All carbon offsets purchased for
11 this purpose and any carbon emission credits
12 associated with sequestration of carbon from the
13 facility must be permanently retired. The initial
14 clean coal facility shall not forfeit its
15 designation as a clean coal facility if the
16 facility fails to fully comply with the applicable
17 carbon sequestration requirements in any given
18 year, provided the requisite offsets are
19 purchased. However, the Attorney General, on
20 behalf of the People of the State of Illinois, may
21 specifically enforce the facility's sequestration
22 requirement and the other terms of this contract
23 provision. Compliance with the sequestration
24 requirements and offset purchase requirements
25 specified in paragraph (3) of this subsection (d)
26 shall be reviewed annually by an independent

1 expert retained by the owner of the initial clean
2 coal facility, with the advance written approval
3 of the Attorney General. The Commission may, in
4 the course of the review specified in item (vii),
5 reduce the allowable return on equity for the
6 facility if the facility willfully fails to comply
7 with the carbon capture and sequestration
8 requirements set forth in this item (v);

9 (vi) include limits on, and accordingly
10 provide for modification of, the amount the
11 utility is required to source under the sourcing
12 agreement consistent with paragraph (2) of this
13 subsection (d);

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

1 whether any adjustments have been proposed, and
2 shall be completed within 9 months;

3 (viii) limit the utility's obligation to such
4 amount as the utility is allowed to recover
5 through tariffs filed with the Commission,
6 provided that neither the clean coal facility nor
7 the utility waives any right to assert federal
8 pre-emption or any other argument in response to a
9 purported disallowance of recovery costs;

10 (ix) limit the utility's or alternative retail
11 electric supplier's obligation to incur any
12 liability until such time as the facility is in
13 commercial operation and generating power and
14 energy and such power and energy is being
15 delivered to the facility busbar;

16 (x) provide that the owner or owners of the
17 initial clean coal facility, which is the
18 counterparty to such sourcing agreement, shall
19 have the right from time to time to elect whether
20 the obligations of the utility party thereto shall
21 be governed by the power purchase provisions or
22 the contract for differences provisions;

23 (xi) append documentation showing that the
24 formula rate and contract, insofar as they relate
25 to the power purchase provisions, have been
26 approved by the Federal Energy Regulatory

1 Commission pursuant to Section 205 of the Federal
2 Power Act;

3 (xii) provide that any changes to the terms of
4 the contract, insofar as such changes relate to
5 the power purchase provisions, are subject to
6 review under the public interest standard applied
7 by the Federal Energy Regulatory Commission
8 pursuant to Sections 205 and 206 of the Federal
9 Power Act; and

10 (xiii) conform with customary lender
11 requirements in power purchase agreements used as
12 the basis for financing non-utility generators.

13 (4) Effective date of sourcing agreements with the
14 initial clean coal facility. Any proposed sourcing
15 agreement with the initial clean coal facility shall not
16 become effective unless the following reports are prepared
17 and submitted and authorizations and approvals obtained:

18 (i) Facility cost report. The owner of the initial
19 clean coal facility shall submit to the Commission,
20 the Agency, and the General Assembly a front-end
21 engineering and design study, a facility cost report,
22 method of financing (including but not limited to
23 structure and associated costs), and an operating and
24 maintenance cost quote for the facility (collectively
25 "facility cost report"), which shall be prepared in
26 accordance with the requirements of this paragraph (4)

1 of subsection (d) of this Section, and shall provide
2 the Commission and the Agency access to the work
3 papers, relied upon documents, and any other backup
4 documentation related to the facility cost report.

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

1 (iii) General Assembly approval. The proposed
2 sourcing agreements shall not take effect unless,
3 based on the facility cost report and the Commission's
4 report, the General Assembly enacts authorizing
5 legislation approving (A) the projected price, stated
6 in cents per kilowatthour, to be charged for
7 electricity generated by the initial clean coal
8 facility, (B) the projected impact on residential and
9 small business customers' bills over the life of the
10 sourcing agreements, and (C) the maximum allowable
11 return on equity for the project; and

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

24 (A) The facility cost report shall be prepared by
25 duly licensed engineering and construction firms
26 detailing the estimated capital costs payable to one

1 or more contractors or suppliers for the engineering,
2 procurement and construction of the components
3 comprising the initial clean coal facility and the
4 estimated costs of operation and maintenance of the
5 facility. The facility cost report shall include:

6 (i) an estimate of the capital cost of the
7 core plant based on one or more front end
8 engineering and design studies for the
9 gasification island and related facilities. The
10 core plant shall include all civil, structural,
11 mechanical, electrical, control, and safety
12 systems.

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

24 The quoted construction costs shall be expressed
25 in nominal dollars as of the date that the quote is
26 prepared and shall include capitalized financing costs

1 during construction, taxes, insurance, and other
2 owner's costs, and an assumed escalation in materials
3 and labor beyond the date as of which the construction
4 cost quote is expressed.

5 (B) The front end engineering and design study for
6 the gasification island and the cost study for the
7 balance of plant shall include sufficient design work
8 to permit quantification of major categories of
9 materials, commodities and labor hours, and receipt of
10 quotes from vendors of major equipment required to
11 construct and operate the clean coal facility.

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

1 operator or operators.

2 The operating and maintenance cost quote
3 (including the cost of the front end engineering and
4 design study) shall be expressed in nominal dollars as
5 of the date that the quote is prepared and shall
6 include taxes, insurance, and other owner's costs, and
7 an assumed escalation in materials and labor beyond
8 the date as of which the operating and maintenance
9 cost quote is expressed.

10 (D) The facility cost report shall also include an
11 analysis of the initial clean coal facility's ability
12 to deliver power and energy into the applicable
13 regional transmission organization markets and an
14 analysis of the expected capacity factor for the
15 initial clean coal facility.

16 (E) Amounts paid to third parties unrelated to the
17 owner or owners of the initial clean coal facility to
18 prepare the core plant construction cost quote,
19 including the front end engineering and design study,
20 and the operating and maintenance cost quote will be
21 reimbursed through Coal Development Bonds.

22 (5) Re-powering and retrofitting coal-fired power
23 plants previously owned by Illinois utilities to qualify
24 as clean coal facilities. During the 2009 procurement
25 planning process and thereafter, the Agency and the
26 Commission shall consider sourcing agreements covering

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

25 (6) Costs incurred under this subsection (d) or
26 pursuant to a contract entered into under this subsection

1 (d) shall be deemed prudently incurred and reasonable in
2 amount and the electric utility shall be entitled to full
3 cost recovery pursuant to the tariffs filed with the
4 Commission.

5 (d-5) Zero emission standard.

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

1 emission credits to be procured under the contracts shall
2 be all of the zero emission credits generated by the zero
3 emission facility in each delivery year; however, if the
4 zero emission facility is owned by more than one entity,
5 then the quantity of zero emission credits to be procured
6 under the contracts shall be the amount of zero emission
7 credits that are generated from the portion of the zero
8 emission facility that is owned by the winning supplier.

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

13 The procurement process shall be subject to the
14 following provisions:

15 (A) Those zero emission facilities that intend to
16 participate in the procurement shall submit to the
17 Agency the following eligibility information for each
18 zero emission facility on or before the date
19 established by the Agency:

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

22 (ii) the amount of power generated annually
23 for each of the years 2005 through 2015, and the
24 projected zero emission credits to be generated
25 over the remaining useful life of the zero
26 emission facility, which shall be used to

1 determine the capability of each facility;

2 (iii) the annual zero emission facility cost
3 projections, expressed on a per megawatthour
4 basis, over the next 6 delivery years, which shall
5 include the following: operation and maintenance
6 expenses; fully allocated overhead costs, which
7 shall be allocated using the methodology developed
8 by the Institute for Nuclear Power Operations;
9 fuel expenditures; non-fuel capital expenditures;
10 spent fuel expenditures; a return on working
11 capital; the cost of operational and market risks
12 that could be avoided by ceasing operation; and
13 any other costs necessary for continued
14 operations, provided that "necessary" means, for
15 purposes of this item (iii), that the costs could
16 reasonably be avoided only by ceasing operations
17 of the zero emission facility; and

18 (iv) a commitment to continue operating, for
19 the duration of the contract or contracts executed
20 under the procurement held under this subsection
21 (d-5), the zero emission facility that produces
22 the zero emission credits to be procured in the
23 procurement.

24 The information described in item (iii) of this
25 subparagraph (A) may be submitted on a confidential
26 basis and shall be treated and maintained by the

1 Agency, the procurement administrator, and the
2 Commission as confidential and proprietary and exempt
3 from disclosure under subparagraphs (a) and (g) of
4 paragraph (1) of Section 7 of the Freedom of
5 Information Act. The Office of Attorney General shall
6 have access to, and maintain the confidentiality of,
7 such information pursuant to Section 6.5 of the
8 Attorney General Act.

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

26 (i) Social Cost of Carbon: The Social Cost of

1 Carbon is \$16.50 per megawatthour, which is based
2 on the U.S. Interagency Working Group on Social
3 Cost of Carbon's price in the August 2016
4 Technical Update using a 3% discount rate,
5 adjusted for inflation for each year of the
6 program. Beginning with the delivery year
7 commencing June 1, 2023, the price per
8 megawatthour shall increase by \$1 per
9 megawatthour, and continue to increase by an
10 additional \$1 per megawatthour each delivery year
11 thereafter.

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

1 (iii) Market price index: The market price
2 index for a delivery year shall be the sum of
3 projected energy prices and projected capacity
4 prices determined as follows:

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

20 (bb) Projected capacity prices:

21 (I) For the delivery years commencing
22 June 1, 2017, June 1, 2018, and June 1,
23 2019, the projected capacity price shall
24 be equal to the sum of (1) 50% multiplied
25 by the Base Residual Auction, or its
26 successor, price for the rest of the RTO

1 zone group as determined by PJM
2 Interconnection LLC, divided by 24 hours
3 per day and, (2) 50% multiplied by the
4 resource auction price determined in the
5 resource auction administered by the
6 Midcontinent Independent System Operator,
7 Inc., in which the largest percentage of
8 load cleared for Local Resource Zone 4,
9 divided by 24 hours per day, and where
10 such price is determined by the
11 Midcontinent Independent System Operator,
12 Inc.

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

1 by 24 hours per day, and where such price
2 is determined by the Midcontinent
3 Independent System Operator, Inc.

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

5 "Rest of the RTO" and "ComEd Zone" shall have
6 the meaning ascribed to them by PJM
7 Interconnection, LLC.

8 "RTO" means regional transmission
9 organization.

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

1 held, including the preservation of zero emission
2 facilities. The plan shall also describe in detail how
3 each public interest factor shall be considered and
4 weighted in the bid selection process to ensure that
5 the public interest criteria are applied to the
6 procurement and given full effect.

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

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

1 If the Commission determines that the plan will
2 result in the procurement of cost-effective zero
3 emission credits, then the Commission shall, after
4 notice and hearing, but no later than 45 days after the
5 Agency filed the plan, approve the plan or approve
6 with modification. For purposes of this subsection
7 (d-5), "cost effective" means the projected costs of
8 procuring zero emission credits from zero emission
9 facilities do not cause the limit stated in paragraph
10 (2) of this subsection to be exceeded.

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

15 (i) identify how the winning bids satisfy the
16 public interest criteria described in subparagraph
17 (C) of this paragraph (1) of minimizing carbon
18 dioxide emissions that result from electricity
19 consumed in Illinois and minimizing sulfur
20 dioxide, nitrogen oxide, and particulate matter
21 emissions that adversely affect the citizens of
22 this State;

23 (ii) specifically address how the selection of
24 winning bids takes into account the incremental
25 environmental benefits resulting from the
26 procurement, including any existing environmental

1 benefits that are preserved by the procurements
2 held under Public Act 99-906 and would have ceased
3 to exist if the procurements had not been held,
4 such as the preservation of zero emission
5 facilities;

6 (iii) quantify the environmental benefit of
7 preserving the resources identified in item (ii)
8 of this subparagraph (C-5), including the
9 following:

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

20 (bb) the costs of replacement with other
21 zero carbon dioxide resources, including wind
22 and photovoltaic, based upon the simple
23 average of the following:

24 (I) the price, or if there is more
25 than one price, the average of the prices,
26 paid for renewable energy credits from new

1 utility-scale wind projects in the
2 procurement events specified in item (i)
3 of subparagraph (G) of paragraph (1) of
4 subsection (c) of this Section; and

5 (II) the price, or if there is more
6 than one price, the average of the prices,
7 paid for renewable energy credits from new
8 utility-scale solar projects and
9 brownfield site photovoltaic projects in
10 the procurement events specified in item
11 (ii) of subparagraph (G) of paragraph (1)
12 of subsection (c) of this Section and,
13 after January 1, 2015, renewable energy
14 credits from photovoltaic distributed
15 generation projects in procurement events
16 held under subsection (c) of this Section.

17 Each utility shall enter into binding contractual
18 arrangements with the winning suppliers.

19 The procurement described in this subsection
20 (d-5), including, but not limited to, the execution of
21 all contracts procured, shall be completed no later
22 than May 10, 2017. Based on the effective date of
23 Public Act 99-906, the Agency and Commission may, as
24 appropriate, modify the various dates and timelines
25 under this subparagraph and subparagraphs (C) and (D)
26 of this paragraph (1). The procurement and plan

1 approval processes required by this subsection (d-5)
2 shall be conducted in conjunction with the procurement
3 and plan approval processes required by subsection (c)
4 of this Section and Section 16-111.5 of the Public
5 Utilities Act, to the extent practicable.
6 Notwithstanding whether a procurement event is
7 conducted under Section 16-111.5 of the Public
8 Utilities Act, the Agency shall immediately initiate a
9 procurement process on June 1, 2017 (the effective
10 date of Public Act 99-906).

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

19 (E) Notwithstanding the requirements of this
20 subsection (d-5), the contracts executed under this
21 subsection (d-5) shall provide that the zero emission
22 facility may, as applicable, suspend or terminate
23 performance under the contracts in the following
24 instances:

25 (i) A zero emission facility shall be excused
26 from its performance under the contract for any

1 cause beyond the control of the resource,
2 including, but not restricted to, acts of God,
3 flood, drought, earthquake, storm, fire,
4 lightning, epidemic, war, riot, civil disturbance
5 or disobedience, labor dispute, labor or material
6 shortage, sabotage, acts of public enemy,
7 explosions, orders, regulations or restrictions
8 imposed by governmental, military, or lawfully
9 established civilian authorities, which, in any of
10 the foregoing cases, by exercise of commercially
11 reasonable efforts the zero emission facility
12 could not reasonably have been expected to avoid,
13 and which, by the exercise of commercially
14 reasonable efforts, it has been unable to
15 overcome. In such event, the zero emission
16 facility shall be excused from performance for the
17 duration of the event, including, but not limited
18 to, delivery of zero emission credits, and no
19 payment shall be due to the zero emission facility
20 during the duration of the event.

21 (ii) A zero emission facility shall be
22 permitted to terminate the contract if legislation
23 is enacted into law by the General Assembly that
24 imposes or authorizes a new tax, special
25 assessment, or fee on the generation of
26 electricity, the ownership or leasehold of a

1 generating unit, or the privilege or occupation of
2 such generation, ownership, or leasehold of
3 generation units by a zero emission facility.
4 However, the provisions of this item (ii) do not
5 apply to any generally applicable tax, special
6 assessment or fee, or requirements imposed by
7 federal law.

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

15 (iv) A zero emission facility shall be
16 permitted to terminate the contract in the event
17 the Nuclear Regulatory Commission terminates the
18 resource's license.

19 (F) If the zero emission facility elects to
20 terminate a contract under subparagraph (E) of this
21 paragraph (1), then the Commission shall reopen the
22 docket in which the Commission approved the zero
23 emission standard procurement plan under subparagraph
24 (C) of this paragraph (1) and, after notice and
25 hearing, enter an order acknowledging the contract
26 termination election if such termination is consistent

1 with the provisions of this subsection (d-5).

2 (2) For purposes of this subsection (d-5), the amount
3 paid per kilowatthour means the total amount paid for
4 electric service expressed on a per kilowatthour basis.
5 For purposes of this subsection (d-5), the total amount
6 paid for electric service includes, without limitation,
7 amounts paid for supply, transmission, distribution,
8 surcharges, and add-on taxes.

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

1 credits to be paid for the particular delivery year, the
2 resulting per kilowatthour amount shall be applied to the
3 actual amount of kilowatthours of electricity delivered by
4 the electric utility in the delivery year immediately
5 prior to the procurement, to all retail customers in its
6 service territory. Unpaid contractual volume for any
7 delivery year shall be paid in any subsequent delivery
8 year in which such payments can be made without exceeding
9 the amount specified in this paragraph (2). The
10 calculations required by this paragraph (2) shall be made
11 only once for each procurement plan year. Once the
12 determination as to the amount of zero emission credits to
13 be paid is made based on the calculations set forth in this
14 paragraph (2), no subsequent rate impact determinations
15 shall be made and no adjustments to those contract amounts
16 shall be allowed. All costs incurred under those contracts
17 and in implementing this subsection (d-5) shall be
18 recovered by the electric utility as provided in this
19 Section.

20 No later than June 30, 2019, the Commission shall
21 review the limitation on the amount of zero emission
22 credits procured under this subsection (d-5) and report to
23 the General Assembly its findings as to whether that
24 limitation unduly constrains the procurement of
25 cost-effective zero emission credits.

26 (3) Six years after the execution of a contract under

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

24 For purposes of this Section, the Average ZEC Payment
25 shall be calculated by multiplying the quantity of zero
26 emission credits delivered under the contract times the

1 average contract price. The average contract price shall
2 be determined by subtracting the amount calculated under
3 subparagraph (B) of this paragraph (3) from the amount
4 calculated under subparagraph (A) of this paragraph (3),
5 as follows:

6 (A) The average of the Social Cost of Carbon, as
7 defined in subparagraph (B) of paragraph (1) of this
8 subsection (d-5), during the term of the contract.

9 (B) The average of the market price indices, as
10 defined in subparagraph (B) of paragraph (1) of this
11 subsection (d-5), during the term of the contract,
12 minus the baseline market price index, as defined in
13 subparagraph (B) of paragraph (1) of this subsection
14 (d-5).

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

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

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

23 (6) Electric utilities shall be entitled to recover
24 all of the costs associated with the procurement of zero
25 emission credits through an automatic adjustment clause
26 tariff in accordance with subsection (k) and (m) of

1 Section 16-108 of the Public Utilities Act, and the
2 contracts executed under this subsection (d-5) shall
3 provide that the utilities' payment obligations under such
4 contracts shall be reduced if an adjustment is required
5 under subsection (m) of Section 16-108 of the Public
6 Utilities Act.

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

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

11 (1) The General Assembly finds:

12 (A) The health, welfare, and prosperity of all
13 Illinois citizens require that the State of Illinois act
14 to avoid and not increase carbon emissions from electric
15 generation sources while continuing to ensure affordable,
16 stable, and reliable electricity to all citizens.

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

25 (C) The General Assembly finds that nuclear power
26 generation is necessary for the State's transition to 100%

1 clean energy, and ensuring continued operation of nuclear
2 plants advances environmental and public health interests
3 through providing carbon-free electricity while reducing
4 the air pollution profile of the Illinois energy
5 generation fleet.

6 (D) The clean energy attributes of nuclear generation
7 facilities support the State in its efforts to achieve
8 100% clean energy.

9 (E) The State currently invests in various forms of
10 clean energy, including, but not limited to, renewable
11 energy, energy efficiency, and low-emission vehicles,
12 among others.

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

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

1 (H) The procurement of carbon mitigation credits
2 representing the environmental benefits of carbon-free
3 generation will further the State's efforts at achieving
4 100% clean energy and decarbonizing the electricity sector
5 in a safe, reliable, and affordable manner. Further, the
6 procurement of carbon emission credits will enhance the
7 health and welfare of Illinois residents through decreased
8 reliance on more highly polluting generation.

9 (I) The General Assembly therefore finds it necessary
10 to establish carbon mitigation credits to ensure decreased
11 reliance on more carbon-intensive energy resources, for
12 transitioning to a fully decarbonized electricity sector,
13 and to help ensure health and welfare of the State's
14 residents.

15 (2) As used in this subsection:

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

1 operations, provided that "necessary" means, for purposes of
2 this definition, that the costs could reasonably be avoided
3 only by ceasing operations of the carbon-free energy resource.

4 "Carbon mitigation credit" means a tradable credit that
5 represents the carbon emission reduction attributes of one
6 megawatt-hour of energy produced from a carbon-free energy
7 resource.

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

11 (3) Procurement.

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

24 (B) Each carbon-free energy resource that intends to
25 participate in a procurement shall be required to submit
26 to the Agency the following information for the resource

1 on or before the date established by the Agency:

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

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

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

17 (iv) financial need and the risk of loss of the
18 environmental benefits of such resource, which shall
19 include the following information:

20 (I) the carbon-free energy resource's cost
21 projections, expressed on a per megawatt-hour
22 basis, over the next 5 delivery years, which shall
23 include the following: operation and maintenance
24 expenses; fully allocated overhead costs, which
25 shall be allocated using the methodology developed
26 by the Institute for Nuclear Power Operations;

1 fuel expenditures; nonfuel capital expenditures;
2 spent fuel expenditures; a return on working
3 capital; the cost of operational and market risks
4 that could be avoided by ceasing operation; and
5 any other costs necessary for continued
6 operations, provided that "necessary" means, for
7 purposes of this subitem (I), that the costs could
8 reasonably be avoided only by ceasing operations
9 of the carbon-free energy resource; and

10 (II) the carbon-free energy resource's revenue
11 projections, including energy, capacity, ancillary
12 services, any other direct State support, known or
13 anticipated federal attribute credits, known or
14 anticipated tax credits, and any other direct
15 federal support.

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

26 (C) The Agency shall solicit bids for the contracts

1 described in this subsection (d-10) from carbon-free
2 energy resources that have satisfied the requirements of
3 subparagraph (B) of this paragraph (3). The contracts
4 procured pursuant to a procurement event shall reflect,
5 and be subject to, the following terms, requirements, and
6 limitations:

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

15 (ii) Contracts for carbon mitigation credits shall
16 commence with the delivery year beginning on June 1,
17 2022 and shall be for a term of 5 delivery years
18 concluding on May 31, 2027.

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

22 (I) one of the following energy price indices,
23 selected by the bidder at the time of the bid for
24 the term of the contract:

25 (aa) the weighted-average hourly day-ahead
26 price for the applicable delivery year at the

1 busbar of all resources procured pursuant to
2 this subsection (d-10), weighted by actual
3 production from the resources; or

4 (bb) the projected energy price for the
5 PJM Interconnection, LLC Northern Illinois Hub
6 for the applicable delivery year determined
7 according to subitem (aa) of item (iii) of
8 subparagraph (B) of paragraph (1) of
9 subsection (d-5).

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

25 (III) any value of monetized federal tax
26 credits, direct payments, or similar subsidy

1 provided to the carbon-free energy resource from
2 any unit of government that is not already
3 reflected in energy prices.

4 If the price-per-megawatt-hour calculation
5 performed under item (iii) of this subparagraph (C)
6 for a given delivery year results in a net positive
7 value, then the electric utility counterparty to the
8 contract shall multiply such net value by the
9 applicable contract quantity and remit the amount to
10 the supplier.

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

23 (iv) To ensure that retail customers in Northern
24 Illinois do not pay more for carbon mitigation credits
25 than the value such credits provide, and
26 notwithstanding the provisions of this subsection

1 (d-10), the Agency shall not accept bids for contracts
2 that exceed a customer protection cap equal to the
3 baseline costs of carbon-free energy resources.

4 The baseline costs for the applicable year shall
5 be the following:

6 (I) For the delivery year beginning June 1,
7 2022, the baseline costs shall be an amount equal
8 to \$30.30 per megawatt-hour.

9 (II) For the delivery year beginning June 1,
10 2023, the baseline costs shall be an amount equal
11 to \$32.50 per megawatt-hour.

12 (III) For the delivery year beginning June 1,
13 2024, the baseline costs shall be an amount equal
14 to \$33.43 per megawatt-hour.

15 (IV) For the delivery year beginning June 1,
16 2025, the baseline costs shall be an amount equal
17 to \$33.50 per megawatt-hour.

18 (V) For the delivery year beginning June 1,
19 2026, the baseline costs shall be an amount equal
20 to \$34.50 per megawatt-hour.

21 An Environmental Protection Agency consultant
22 forecast, included in a report issued April 14, 2021,
23 projects that a carbon-free energy resource has the
24 opportunity to earn on average approximately \$30.28
25 per megawatt-hour, for the sale of energy and capacity
26 during the time period between 2022 and 2027.

1 Therefore, the sale of carbon mitigation credits
2 provides the opportunity to receive an additional
3 amount per megawatt-hour in addition to the projected
4 prices for energy and capacity.

5 Although actual energy and capacity prices may
6 vary from year-to-year, the General Assembly finds
7 that this customer protection cap will help ensure
8 that the cost of carbon mitigation credits will be
9 less than its value, based upon the social cost of
10 carbon identified in the Technical Support Document
11 issued in February 2021 by the U.S. Interagency
12 Working Group on Social Cost of Greenhouse Gases and
13 the PJM Interconnection, LLC carbon dioxide marginal
14 emission rate for 2020, and that a carbon-free energy
15 resource receiving payment for carbon mitigation
16 credits receives no more than necessary to keep those
17 units in operation.

18 (D) No later than 7 days after the effective date of
19 this amendatory Act of the 102nd General Assembly, the
20 Agency shall publish its proposed carbon mitigation credit
21 procurement plan. The Plan shall provide that winning bids
22 shall be selected by taking into consideration which
23 resources best match public interest criteria that
24 include, but are not limited to, minimizing carbon dioxide
25 emissions that result from electricity consumed in
26 Illinois and minimizing sulfur dioxide, nitrogen oxide,

1 and particulate matter emissions that adversely affect the
2 citizens of this State. The selection of winning bids
3 shall also take into account the incremental environmental
4 benefits resulting from the procurement or procurements,
5 such as any existing environmental benefits that are
6 preserved by a procurement held under this subsection
7 (d-10) and would cease to exist if the procurement were
8 not held, including the preservation of carbon-free energy
9 resources. For those bidders having the same public
10 interest criteria score, the relative ranking of such
11 bidders shall be determined by price. The Plan shall
12 describe in detail how each public interest factor shall
13 be considered and weighted in the bid selection process to
14 ensure that the public interest criteria are applied to
15 the procurement. The Plan shall, to the extent practical
16 and permissible by federal law, ensure that successful
17 bidders make commercially reasonable efforts to apply for
18 federal tax credits, direct payments, or similar subsidy
19 programs that support carbon-free generation and for which
20 the successful bidder is eligible. Upon publishing of the
21 carbon mitigation credit procurement plan, copies of the
22 plan shall be posted and made publicly available on the
23 Agency's website. All interested parties shall have 7 days
24 following the date of posting to provide comment to the
25 Agency on the plan. All comments shall be posted to the
26 Agency's website. Following the end of the comment period,

1 but no more than 19 days later than the effective date of
2 this amendatory Act of the 102nd General Assembly, the
3 Agency shall revise the plan as necessary based on the
4 comments received and file its carbon mitigation credit
5 procurement plan with the Commission.

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

19 (i) identify how the selected carbon-free energy
20 resources satisfy the public interest criteria
21 described in this paragraph (3) of minimizing carbon
22 dioxide emissions that result from electricity
23 consumed in Illinois and minimizing sulfur dioxide,
24 nitrogen oxide, and particulate matter emissions that
25 adversely affect the citizens of this State;

26 (ii) specifically address how the selection of

1 carbon-free energy resources takes into account the
2 incremental environmental benefits resulting from the
3 procurement, including any existing environmental
4 benefits that are preserved by the procurements held
5 under this amendatory Act of the 102nd General
6 Assembly and would have ceased to exist if the
7 procurements had not been held, such as the
8 preservation of carbon-free energy resources;

9 (iii) quantify the environmental benefit of
10 preserving the carbon-free energy resources procured
11 pursuant to this subsection (d-10), including the
12 following:

13 (I) an assessment value of avoided greenhouse
14 gas emissions measured as the product of the
15 carbon-free energy resources' output over the
16 contract term, using generally accepted
17 methodologies for the valuation of avoided
18 emissions; and

19 (II) an assessment of costs of replacement
20 with other carbon-free energy resources and
21 renewable energy resources, including wind and
22 photovoltaic generation, based upon an assessment
23 of the prices paid for renewable energy credits
24 through programs and procurements conducted
25 pursuant to subsection (c) of Section 1-75 of this
26 Act, and the additional storage necessary to

1 produce the same or similar capability of matching
2 customer usage patterns.

3 (F) The procurements described in this paragraph (3),
4 including, but not limited to, the execution of all
5 contracts procured, shall be completed no later than
6 December 3, 2021. The procurement and plan approval
7 processes required by this paragraph (3) shall be
8 conducted in conjunction with the procurement and plan
9 approval processes required by Section 16-111.5 of the
10 Public Utilities Act, to the extent practicable. However,
11 the Agency and Commission may, as appropriate, modify the
12 various dates and timelines under this subparagraph and
13 subparagraphs (D) and (E) of this paragraph (3) to meet
14 the December 3, 2021 contract execution deadline.
15 Following the completion of such procurements, and
16 consistent with this paragraph (3), the Agency shall
17 calculate the payments to be made under each contract in a
18 timely fashion.

19 (F-1) Costs incurred by the electric utility pursuant
20 to a contract authorized by this subsection (d-10) shall
21 be deemed prudently incurred and reasonable in amount, and
22 the electric utility shall be entitled to full cost
23 recovery pursuant to a tariff or tariffs filed with the
24 Commission.

25 (G) The counterparty electric utility shall retire all
26 carbon mitigation credits used to comply with the

1 requirements of this subsection (d-10).

2 (H) If a carbon-free energy resource is sold to
3 another owner, the rights, obligations, and commitments
4 under this subsection (d-10) shall continue to the
5 subsequent owner.

6 (I) This subsection (d-10) shall become inoperative on
7 January 1, 2028.

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

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

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

18 (h) The Agency shall assess fees to each bidder to recover
19 the costs incurred in connection with a competitive
20 procurement process.

21 (i) A renewable energy credit, carbon emission credit,
22 zero emission credit, or carbon mitigation credit can only be
23 used once to comply with a single portfolio or other standard
24 as set forth in subsection (c), subsection (d), or subsection
25 (d-5) of this Section, respectively. A renewable energy
26 credit, carbon emission credit, zero emission credit, or

1 carbon mitigation credit cannot be used to satisfy the
2 requirements of more than one standard. If more than one type
3 of credit is issued for the same megawatt hour of energy, only
4 one credit can be used to satisfy the requirements of a single
5 standard. After such use, the credit must be retired together
6 with any other credits issued for the same megawatt hour of
7 energy.

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

10 Section 65. The Public Utilities Act is amended by
11 changing Sections 8-406, 8-406.1, 16-107.6, 16-108, 16-111.5,
12 and 16-135 as follows:

13 (220 ILCS 5/8-406) (from Ch. 111 2/3, par. 8-406)

14 Sec. 8-406. Certificate of public convenience and
15 necessity.

16 (a) No public utility not owning any city or village
17 franchise nor engaged in performing any public service or in
18 furnishing any product or commodity within this State as of
19 July 1, 1921 and not possessing a certificate of public
20 convenience and necessity from the Illinois Commerce
21 Commission, the State Public Utilities Commission, or the
22 Public Utilities Commission, at the time Public Act 84-617
23 goes into effect (January 1, 1986), shall transact any
24 business in this State until it shall have obtained a

1 certificate from the Commission that public convenience and
2 necessity require the transaction of such business. A
3 certificate of public convenience and necessity requiring the
4 transaction of public utility business in any area of this
5 State shall include authorization to the public utility
6 receiving the certificate of public convenience and necessity
7 to construct such plant, equipment, property, or facility as
8 is provided for under the terms and conditions of its tariff
9 and as is necessary to provide utility service and carry out
10 the transaction of public utility business by the public
11 utility in the designated area.

12 (b) No public utility shall begin the construction of any
13 new plant, equipment, property, or facility which is not in
14 substitution of any existing plant, equipment, property, or
15 facility, or any extension or alteration thereof or in
16 addition thereto, unless and until it shall have obtained from
17 the Commission a certificate that public convenience and
18 necessity require such construction. Whenever after a hearing
19 the Commission determines that any new construction or the
20 transaction of any business by a public utility will promote
21 the public convenience and is necessary thereto, it shall have
22 the power to issue certificates of public convenience and
23 necessity. The Commission shall determine that proposed
24 construction will promote the public convenience and necessity
25 only if the utility demonstrates: (1) that the proposed
26 construction is necessary to provide adequate, reliable, and

1 efficient service to its customers and is the least-cost means
2 of satisfying the service needs of its customers or that the
3 proposed construction will promote the development of an
4 effectively competitive electricity market that operates
5 efficiently, is equitable to all customers, and is the least
6 cost means of satisfying those objectives; (2) that the
7 utility is capable of efficiently managing and supervising the
8 construction process and has taken sufficient action to ensure
9 adequate and efficient construction and supervision thereof;
10 and (3) that the utility is capable of financing the proposed
11 construction without significant adverse financial
12 consequences for the utility or its customers.

13 (b-5) As used in this subsection (b-5):

14 "Qualifying direct current applicant" means an entity that
15 seeks to provide direct current bulk transmission service for
16 the purpose of transporting electric energy in interstate
17 commerce.

18 "Qualifying direct current project" means a high voltage
19 direct current electric service line that crosses at least one
20 Illinois border, the Illinois portion of which is physically
21 located within the region of the Midcontinent Independent
22 System Operator, Inc., or its successor organization, and runs
23 through the counties of Pike, Scott, Greene, Macoupin,
24 Montgomery, Christian, Shelby, Cumberland, and Clark, is
25 capable of transmitting electricity at voltages of 345
26 kilovolts or above, and may also include associated

1 interconnected alternating current interconnection facilities
2 in this State that are part of the proposed project and
3 reasonably necessary to connect the project with other
4 portions of the grid.

5 Notwithstanding any other provision of this Act, a
6 qualifying direct current applicant that does not own,
7 control, operate, or manage, within this State, any plant,
8 equipment, or property used or to be used for the transmission
9 of electricity at the time of its application or of the
10 Commission's order may file an application on or before
11 December 31, 2023 with the Commission pursuant to this Section
12 or Section 8-406.1 for, and the Commission may grant, a
13 certificate of public convenience and necessity to construct,
14 operate, and maintain a qualifying direct current project. The
15 qualifying direct current applicant may also include in the
16 application requests for authority under Section 8-503. The
17 Commission shall grant the application for a certificate of
18 public convenience and necessity and requests for authority
19 under Section 8-503 if it finds that the qualifying direct
20 current applicant and the proposed qualifying direct current
21 project satisfy the requirements of this subsection and
22 otherwise satisfy the criteria of this Section or Section
23 8-406.1 and the criteria of Section 8-503, as applicable to
24 the application and to the extent such criteria are not
25 superseded by the provisions of this subsection. The
26 Commission's order on the application for the certificate of

1 public convenience and necessity shall also include the
2 Commission's findings and determinations on the request or
3 requests for authority pursuant to Section 8-503. Prior to
4 filing its application under either this Section or Section
5 8-406.1, the qualifying direct current applicant shall conduct
6 3 public meetings in accordance with subsection (h) of this
7 Section. If the qualifying direct current applicant
8 demonstrates in its application that the proposed qualifying
9 direct current project is designed to deliver electricity to a
10 point or points on the electric transmission grid in either or
11 both the PJM Interconnection, LLC or the Midcontinent
12 Independent System Operator, Inc., or their respective
13 successor organizations, the proposed qualifying direct
14 current project shall be deemed to be, and the Commission
15 shall find it to be, for public use. If the qualifying direct
16 current applicant further demonstrates in its application that
17 the proposed transmission project has a capacity of 1,000
18 megawatts or larger and a voltage level of 345 kilovolts or
19 greater, the proposed transmission project shall be deemed to
20 satisfy, and the Commission shall find that it satisfies, the
21 criteria stated in item (1) of subsection (b) of this Section
22 or in paragraph (1) of subsection (f) of Section 8-406.1, as
23 applicable to the application, without the taking of
24 additional evidence on these criteria. Prior to the transfer
25 of functional control of any transmission assets to a regional
26 transmission organization, a qualifying direct current

1 applicant shall request Commission approval to join a regional
2 transmission organization in an application filed pursuant to
3 this subsection (b-5) or separately pursuant to Section 7-102
4 of this Act. The Commission may grant permission to a
5 qualifying direct current applicant to join a regional
6 transmission organization if it finds that the membership, and
7 associated transfer of functional control of transmission
8 assets, benefits Illinois customers in light of the attendant
9 costs and is otherwise in the public interest. Nothing in this
10 subsection (b-5) requires a qualifying direct current
11 applicant to join a regional transmission organization.
12 Nothing in this subsection (b-5) requires the owner or
13 operator of a high voltage direct current transmission line
14 that is not a qualifying direct current project to obtain a
15 certificate of public convenience and necessity to the extent
16 it is not otherwise required by this Section 8-406 or any other
17 provision of this Act.

18 (c) As used in this subsection (c):

19 "Decommissioning" has the meaning given to that term in
20 subsection (a) of Section 8-508.1.

21 "Nuclear power reactor" has the meaning given to that term
22 in Section 8 of the Nuclear Safety Law of 2004.

23 After the effective date of this amendatory Act of the
24 103rd General Assembly, no construction shall commence on any
25 new nuclear power reactor with a nameplate capacity of more
26 than 300 megawatts of electricity to be located within this

1 State, and no certificate of public convenience and necessity
2 or other authorization shall be issued therefor by the
3 Commission, until the Illinois Emergency Management Agency and
4 Office of Homeland Security, in consultation with the Illinois
5 Environmental Protection Agency and the Illinois Department of
6 Natural Resources, finds that the United States Government,
7 through its authorized agency, has identified and approved a
8 demonstrable technology or means for the disposal of high
9 level nuclear waste, or until such construction has been
10 specifically approved by a statute enacted by the General
11 Assembly. Beginning January 1, 2026, construction may commence
12 on a new nuclear power reactor with a nameplate capacity of 300
13 megawatts of electricity or less within this State if the
14 entity constructing the new nuclear power reactor has obtained
15 all permits, licenses, permissions, or approvals governing the
16 construction, operation, and funding of decommissioning of
17 such nuclear power reactors required by: (1) this Act; (2) any
18 rules adopted by the Illinois Emergency Management Agency and
19 Office of Homeland Security under the authority of this Act;
20 (3) any applicable federal statutes, including, but not
21 limited to, the Atomic Energy Act of 1954, the Energy
22 Reorganization Act of 1974, the Low-Level Radioactive Waste
23 Policy Amendments Act of 1985, and the Energy Policy Act of
24 1992; (4) any regulations promulgated or enforced by the U.S.
25 Nuclear Regulatory Commission, including, but not limited to,
26 those codified at Title X, Parts 20, 30, 40, 50, 70, and 72 of

1 the Code of Federal Regulations, as from time to time amended;
2 and (5) any other federal or State statute, rule, or
3 regulation governing the permitting, licensing, operation, or
4 decommissioning of such nuclear power reactors. None of the
5 rules developed by the Illinois Emergency Management Agency
6 and Office of Homeland Security or any other State agency,
7 board, or commission pursuant to this Act shall be construed
8 to supersede the authority of the U.S. Nuclear Regulatory
9 Commission. The changes made by this amendatory Act of the
10 103rd General Assembly shall not apply to the uprate, renewal,
11 or subsequent renewal of any license for an existing nuclear
12 power reactor that began operation prior to the effective date
13 of this amendatory Act of the 103rd General Assembly.

14 None of the changes made in this amendatory Act of the
15 103rd General Assembly are intended to authorize the
16 construction of nuclear power plants powered by nuclear power
17 reactors that are not either: (1) small modular nuclear
18 reactors; or (2) nuclear power reactors licensed by the U.S.
19 Nuclear Regulatory Commission to operate in this State prior
20 to the effective date of this amendatory Act of the 103rd
21 General Assembly.

22 (d) In making its determination under subsection (b) of
23 this Section, the Commission shall attach primary weight to
24 the cost or cost savings to the customers of the utility. The
25 Commission may consider any or all factors which will or may
26 affect such cost or cost savings, including the public

1 utility's engineering judgment regarding the materials used
2 for construction.

3 (e) The Commission may issue a temporary certificate which
4 shall remain in force not to exceed one year in cases of
5 emergency, to assure maintenance of adequate service or to
6 serve particular customers, without notice or hearing, pending
7 the determination of an application for a certificate, and may
8 by regulation exempt from the requirements of this Section
9 temporary acts or operations for which the issuance of a
10 certificate will not be required in the public interest.

11 A public utility shall not be required to obtain but may
12 apply for and obtain a certificate of public convenience and
13 necessity pursuant to this Section with respect to any matter
14 as to which it has received the authorization or order of the
15 Commission under the Electric Supplier Act, and any such
16 authorization or order granted a public utility by the
17 Commission under that Act shall as between public utilities be
18 deemed to be, and shall have except as provided in that Act the
19 same force and effect as, a certificate of public convenience
20 and necessity issued pursuant to this Section.

21 No electric cooperative shall be made or shall become a
22 party to or shall be entitled to be heard or to otherwise
23 appear or participate in any proceeding initiated under this
24 Section for authorization of power plant construction and as
25 to matters as to which a remedy is available under the Electric
26 Supplier Act.

1 (f) Such certificates may be altered or modified by the
2 Commission, upon its own motion or upon application by the
3 person or corporation affected. Unless exercised within a
4 period of 2 years from the grant thereof, authority conferred
5 by a certificate of convenience and necessity issued by the
6 Commission shall be null and void.

7 No certificate of public convenience and necessity shall
8 be construed as granting a monopoly or an exclusive privilege,
9 immunity or franchise.

10 (g) A public utility that undertakes any of the actions
11 described in items (1) through (3) of this subsection (g) or
12 that has obtained approval pursuant to Section 8-406.1 of this
13 Act shall not be required to comply with the requirements of
14 this Section to the extent such requirements otherwise would
15 apply. For purposes of this Section and Section 8-406.1 of
16 this Act, "high voltage electric service line" means an
17 electric line having a design voltage of 100,000 or more. For
18 purposes of this subsection (g), a public utility may do any of
19 the following:

20 (1) replace or upgrade any existing high voltage
21 electric service line and related facilities,
22 notwithstanding its length;

23 (2) relocate any existing high voltage electric
24 service line and related facilities, notwithstanding its
25 length, to accommodate construction or expansion of a
26 roadway or other transportation infrastructure; or

1 (3) construct a high voltage electric service line and
2 related facilities that is constructed solely to serve a
3 single customer's premises or to provide a generator
4 interconnection to the public utility's transmission
5 system and that will pass under or over the premises owned
6 by the customer or generator to be served or under or over
7 premises for which the customer or generator has secured
8 the necessary right of way.

9 (h) A public utility seeking to construct a high-voltage
10 electric service line and related facilities (Project) must
11 show that the utility has held a minimum of 2 pre-filing public
12 meetings to receive public comment concerning the Project in
13 each county where the Project is to be located, no earlier than
14 6 months prior to filing an application for a certificate of
15 public convenience and necessity from the Commission. Notice
16 of the public meeting shall be published in a newspaper of
17 general circulation within the affected county once a week for
18 3 consecutive weeks, beginning no earlier than one month prior
19 to the first public meeting. If the Project traverses 2
20 contiguous counties and where in one county the transmission
21 line mileage and number of landowners over whose property the
22 proposed route traverses is one-fifth or less of the
23 transmission line mileage and number of such landowners of the
24 other county, then the utility may combine the 2 pre-filing
25 meetings in the county with the greater transmission line
26 mileage and affected landowners. All other requirements

1 regarding pre-filing meetings shall apply in both counties.
2 Notice of the public meeting, including a description of the
3 Project, must be provided in writing to the clerk of each
4 county where the Project is to be located. A representative of
5 the Commission shall be invited to each pre-filing public
6 meeting.

7 (h-5) A public utility seeking to construct a high-voltage
8 electric service line and related facilities must also show
9 that the Project has complied with training and competence
10 requirements under subsection (b) of Section 15 of the
11 Electric Transmission Systems Construction Standards Act.

12 (i) For applications filed after August 18, 2015 (the
13 effective date of Public Act 99-399), the Commission shall, by
14 certified mail, notify each owner of record of land, as
15 identified in the records of the relevant county tax assessor,
16 included in the right-of-way over which the utility seeks in
17 its application to construct a high-voltage electric line of
18 the time and place scheduled for the initial hearing on the
19 public utility's application. The utility shall reimburse the
20 Commission for the cost of the postage and supplies incurred
21 for mailing the notice.

22 (Source: P.A. 102-609, eff. 8-27-21; 102-662, eff. 9-15-21;
23 102-813, eff. 5-13-22; 102-931, eff. 5-27-22; 103-569, eff.
24 6-1-24.)

1 Sec. 8-406.1. Certificate of public convenience and
2 necessity; expedited procedure.

3 (a) A public utility may apply for a certificate of public
4 convenience and necessity pursuant to this Section for the
5 construction of any new high voltage electric service line and
6 related facilities (Project). To facilitate the expedited
7 review process of an application filed pursuant to this
8 Section, an application shall include all of the following:

9 (1) Information in support of the application that
10 shall include the following:

11 (A) A detailed description of the Project,
12 including location maps and plot plans to scale
13 showing all major components.

14 (B) The following engineering data:

15 (i) a detailed Project description including:

16 (I) name and destination of the Project;

17 (II) design voltage rating (kV);

18 (III) operating voltage rating (kV); and

19 (IV) normal peak operating current rating;

20 (ii) a conductor, structures, and substations
21 description including:

22 (I) conductor size and type;

23 (II) type of structures;

24 (III) height of typical structures;

25 (IV) an explanation why these structures
26 were selected;

1 (V) dimensional drawings of the typical
2 structures to be used in the Project; and

3 (VI) a list of the names of all new (and
4 existing if applicable) substations or
5 switching stations that will be associated
6 with the proposed new high voltage electric
7 service line;

8 (iii) the location of the site and
9 right-of-way including:

10 (I) miles of right-of-way;

11 (II) miles of circuit;

12 (III) width of the right-of-way; and

13 (IV) a brief description of the area
14 traversed by the proposed high voltage
15 electric service line, including a description
16 of the general land uses in the area and the
17 type of terrain crossed by the proposed line;

18 (iv) assumptions, bases, formulae, and methods
19 used in the development and preparation of the
20 diagrams and accompanying data, and a technical
21 description providing the following information:

22 (I) number of circuits, with
23 identification as to whether the circuit is
24 overhead or underground;

25 (II) the operating voltage and frequency;

26 and

1 (III) conductor size and type and number
2 of conductors per phase;

3 (v) if the proposed interconnection is an
4 overhead line, the following additional
5 information also must be provided:

6 (I) the wind and ice loading design
7 parameters;

8 (II) a full description and drawing of a
9 typical supporting structure, including
10 strength specifications;

11 (III) structure spacing with typical
12 ruling and maximum spans;

13 (IV) conductor (phase) spacing; and

14 (V) the designed line-to-ground and
15 conductor-side clearances;

16 (vi) if an underground or underwater
17 interconnection is proposed, the following
18 additional information also must be provided:

19 (I) burial depth;

20 (II) type of cable and a description of
21 any required supporting equipment, such as
22 insulation medium pressurizing or forced
23 cooling;

24 (III) cathodic protection scheme; and

25 (IV) type of dielectric fluid and
26 safeguards used to limit potential spills in

1 waterways;

2 (vii) technical diagrams that provide
3 clarification of any item under this item (1)
4 should be included; and

5 (viii) applicant shall provide and identify a
6 primary right-of-way and one or more alternate
7 rights-of-way for the Project as part of the
8 filing. To the extent applicable, for each
9 right-of-way, an applicant shall provide the
10 information described in this subsection (a). Upon
11 a showing of good cause in its filing, an
12 applicant may be excused from providing and
13 identifying alternate rights-of-way.

14 (2) An application fee of \$100,000, which shall be
15 paid into the Public Utility Fund at the time the Chief
16 Clerk of the Commission deems it complete and accepts the
17 filing.

18 (3) Information showing that the utility has held a
19 minimum of 3 pre-filing public meetings to receive public
20 comment concerning the Project in each county where the
21 Project is to be located, no earlier than 6 months prior to
22 the filing of the application. Notice of the public
23 meeting shall be published in a newspaper of general
24 circulation within the affected county once a week for 3
25 consecutive weeks, beginning no earlier than one month
26 prior to the first public meeting. If the Project

1 traverses 2 contiguous counties and where in one county
2 the transmission line mileage and number of landowners
3 over whose property the proposed route traverses is 1/5 or
4 less of the transmission line mileage and number of such
5 landowners of the other county, then the utility may
6 combine the 3 pre-filing meetings in the county with the
7 greater transmission line mileage and affected landowners.
8 All other requirements regarding pre-filing meetings shall
9 apply in both counties. Notice of the public meeting,
10 including a description of the Project, must be provided
11 in writing to the clerk of each county where the Project is
12 to be located. A representative of the Commission shall be
13 invited to each pre-filing public meeting.

14 For applications filed after the effective date of this
15 amendatory Act of the 99th General Assembly, the Commission
16 shall, by certified mail, notify each owner of record of the
17 land, as identified in the records of the relevant county tax
18 assessor, included in the primary or alternate rights-of-way
19 identified in the utility's application of the time and place
20 scheduled for the initial hearing upon the public utility's
21 application. The utility shall reimburse the Commission for
22 the cost of the postage and supplies incurred for mailing the
23 notice.

24 (b) At the first status hearing the administrative law
25 judge shall set a schedule for discovery that shall take into
26 consideration the expedited nature of the proceeding.

1 (c) Nothing in this Section prohibits a utility from
2 requesting, or the Commission from approving, protection of
3 confidential or proprietary information under applicable law.
4 The public utility may seek confidential protection of any of
5 the information provided pursuant to this Section, subject to
6 Commission approval.

7 (d) The public utility shall publish notice of its
8 application in the official State newspaper within 10 days
9 following the date of the application's filing.

10 (e) The public utility shall establish a dedicated website
11 for the Project 3 weeks prior to the first public meeting and
12 maintain the website until construction of the Project is
13 complete. The website address shall be included in all public
14 notices.

15 (f) The Commission shall, after notice and hearing, grant
16 a certificate of public convenience and necessity filed in
17 accordance with the requirements of this Section if, based
18 upon the application filed with the Commission and the
19 evidentiary record, it finds the Project will promote the
20 public convenience and necessity and that all of the following
21 criteria are satisfied:

22 (1) That the Project is necessary to provide adequate,
23 reliable, and efficient service to the public utility's
24 customers and is the least-cost means of satisfying the
25 service needs of the public utility's customers or that
26 the Project will promote the development of an effectively

1 competitive electricity market that operates efficiently,
2 is equitable to all customers, and is the least cost means
3 of satisfying those objectives.

4 (2) That the public utility is capable of efficiently
5 managing and supervising the construction process and has
6 taken sufficient action to ensure adequate and efficient
7 construction and supervision of the construction.

8 (3) That the public utility is capable of financing
9 the proposed construction without significant adverse
10 financial consequences for the utility or its customers.

11 (4) That the Project has complied with training and
12 competence and Diversity Plan requirements under
13 subsections (b) and (d) of Section 15 of the Electric
14 Transmission Systems Construction Standards Act.

15 (g) The Commission shall issue its decision with findings
16 of fact and conclusions of law granting or denying the
17 application no later than 150 days after the application is
18 filed. The Commission may extend the 150-day deadline upon
19 notice by an additional 75 days if, on or before the 30th day
20 after the filing of the application, the Commission finds that
21 good cause exists to extend the 150-day period.

22 (h) In the event the Commission grants a public utility's
23 application for a certificate pursuant to this Section, the
24 public utility shall pay a one-time construction fee to each
25 county in which the Project is constructed within 30 days
26 after the completion of construction. The construction fee

1 shall be \$20,000 per mile of high voltage electric service
2 line constructed in that county, or a proportionate fraction
3 of that fee. The fee shall be in lieu of any permitting fees
4 that otherwise would be imposed by a county. Counties
5 receiving a payment under this subsection (h) may distribute
6 all or portions of the fee to local taxing districts in that
7 county.

8 (i) Notwithstanding any other provisions of this Act, a
9 decision granting a certificate under this Section shall
10 include an order pursuant to Section 8-503 of this Act
11 authorizing or directing the construction of the high voltage
12 electric service line and related facilities as approved by
13 the Commission, in the manner and within the time specified in
14 said order.

15 (Source: P.A. 102-931, eff. 5-27-22.)

16 (220 ILCS 5/16-107.6)

17 Sec. 16-107.6. Distributed generation rebate.

18 (a) In this Section:

19 "Additive services" means the services that distributed
20 energy resources provide to the energy system and society that
21 are not (1) already included in the base rebates for
22 system-wide grid services; or (2) otherwise already
23 compensated. Additive services may reflect, but shall not be
24 limited to, any geographic, time-based, performance-based, and
25 other benefits of distributed energy resources, as well as the

1 present and future technological capabilities of distributed
2 energy resources and present and future grid needs.

3 "Distributed energy resource" means a wide range of
4 technologies that are located on the customer side of the
5 customer's electric meter, including, but not limited to,
6 distributed generation, energy storage, electric vehicles, and
7 demand response technologies.

8 "Energy storage system" means commercially available
9 technology that is capable of absorbing energy and storing it
10 for a period of time for use at a later time, including, but
11 not limited to, electrochemical, thermal, and
12 electromechanical technologies, and may be interconnected
13 behind the customer's meter or interconnected behind its own
14 meter.

15 "Smart inverter" means a device that converts direct
16 current into alternating current and meets the IEEE 1547-2018
17 equipment standards. Until devices that meet the IEEE
18 1547-2018 standard are available, devices that meet the UL
19 1741 SA standard are acceptable.

20 "Subscriber" has the meaning set forth in Section 1-10 of
21 the Illinois Power Agency Act.

22 "Subscription" has the meaning set forth in Section 1-10
23 of the Illinois Power Agency Act.

24 "System-wide grid services" means the benefits that a
25 distributed energy resource provides to the distribution grid
26 for a period of no less than 25 years. System-wide grid

1 services do not vary by location, time, or the performance
2 characteristics of the distributed energy resource.
3 System-wide grid services include, but are not limited to,
4 avoided or deferred distribution capacity costs, resilience
5 and reliability benefits, avoided or deferred distribution
6 operation and maintenance costs, distribution voltage and
7 power quality benefits, and line loss reductions.

8 "Threshold date" means December 31, 2024 or the date on
9 which the utility's tariff or tariffs setting the new
10 compensation values established under subsection (e) take
11 effect, whichever is later.

12 (b) An electric utility that serves more than 200,000
13 customers in the State shall file a petition with the
14 Commission requesting approval of the utility's tariff to
15 provide a rebate to the owner or operator of distributed
16 generation, including third-party owned systems, that meets
17 the following criteria:

18 (1) has a nameplate generating capacity no greater
19 than 5,000 kilowatts and is primarily used to offset a
20 customer's electricity load;

21 (2) is located on the customer's side of the billing
22 meter and for the customer's own use;

23 (3) is interconnected to electric distribution
24 facilities owned by the electric utility under rules
25 adopted by the Commission by means of one or more
26 inverters ~~the inverter~~ or smart inverters ~~inverter~~

1 required by this Section, as applicable.

2 For purposes of this Section, "distributed generation"
3 shall satisfy the definition of distributed renewable energy
4 generation device set forth in Section 1-10 of the Illinois
5 Power Agency Act to the extent such definition is consistent
6 with the requirements of this Section.

7 In addition, any new photovoltaic distributed generation
8 that is installed after June 1, 2017 (the effective date of
9 Public Act 99-906) must be installed by a qualified person, as
10 defined by subsection (i) of Section 1-56 of the Illinois
11 Power Agency Act.

12 The tariff shall include a base rebate that compensates
13 distributed generation for the system-wide grid services
14 associated with distributed generation and, after the
15 proceeding described in subsection (e) of this Section, an
16 additional payment or payments for the additive services. The
17 tariff shall provide that the smart inverter or smart
18 inverters associated with the distributed generation shall
19 provide autonomous response to grid conditions through its
20 default settings as approved by the Commission. Default
21 settings may not be changed after the execution of the
22 interconnection agreement except by mutual agreement between
23 the utility and the owner or operator of the distributed
24 generation. Nothing in this Section shall negate or supersede
25 Institute of Electrical and Electronics Engineers equipment
26 standards or other similar standards or requirements. The

1 tariff shall not limit the ability of the smart inverter or
2 smart inverters or other distributed energy resource to
3 provide wholesale market products such as regulation, demand
4 response, or other services, or limit the ability of the owner
5 of the smart inverter or the other distributed energy resource
6 to receive compensation for providing those wholesale market
7 products or services.

8 (b-5) Within 30 days after the effective date of this
9 amendatory Act of the 102nd General Assembly, each electric
10 public utility with 3,000,000 or more retail customers shall
11 file a tariff with the Commission that further compensates any
12 retail customer that installs or has installed photovoltaic
13 facilities paired with energy storage facilities on or
14 adjacent to its premises for the benefits the facilities
15 provide to the distribution grid. The tariff shall provide
16 that, in addition to the other rebates identified in this
17 Section, the electric utility shall rebate to such retail
18 customer (i) the previously incurred and future costs of
19 installing interconnection facilities and related
20 infrastructure to enable full participation in the PJM
21 Interconnection, LLC or its successor organization frequency
22 regulation market; and (ii) all wholesale demand charges
23 incurred after the effective date of this amendatory Act of
24 the 102nd General Assembly. The Commission shall approve, or
25 approve with modification, the tariff within 120 days after
26 the utility's filing.

1 (c) The proposed tariff authorized by subsection (b) of
2 this Section shall include the following participation terms
3 for rebates to be applied under this Section for distributed
4 generation that satisfies the criteria set forth in subsection
5 (b) of this Section:

6 (1) The owner or operator of distributed generation
7 that services customers not eligible for net metering
8 under subsection (d), (d-5), or (e) of Section 16-107.5 of
9 this Act may apply for a rebate as provided for in this
10 Section. Until the threshold date, the value of the rebate
11 shall be \$250 per kilowatt of nameplate generating
12 capacity, measured as nominal DC power output, of that
13 customer's distributed generation. To the extent the
14 distributed generation also has an associated energy
15 storage, then the energy storage system shall be
16 separately compensated with a base rebate of \$250 per
17 kilowatt-hour of nameplate capacity. Any distributed
18 generation device that is compensated for storage in this
19 subsection (1) before the threshold date shall participate
20 in one or more programs determined through the Multi-Year
21 Integrated Grid Planning process that are designed to meet
22 peak reduction and flexibility. After the threshold date,
23 the value of the base rebate and additional compensation
24 for any additive services shall be as determined by the
25 Commission in the proceeding described in subsection (e)
26 of this Section, provided that the value of the base

1 rebate for system-wide grid services shall not be lower
2 than \$250 per kilowatt of nameplate generating capacity of
3 distributed generation or community renewable generation
4 project.

5 (2) The owner or operator of distributed generation
6 that, before the threshold date, would have been eligible
7 for net metering under subsection (d), (d-5), or (e) of
8 Section 16-107.5 of this Act and that has not previously
9 received a distributed generation rebate, may apply for a
10 rebate as provided for in this Section. Until the
11 threshold date, the value of the base rebate shall be \$300
12 per kilowatt of nameplate generating capacity, measured as
13 nominal DC power output, of the distributed generation.
14 The owner or operator of distributed generation that,
15 before the threshold date, is eligible for net metering
16 under subsection (d), (d-5), or (e) of Section 16-107.5 of
17 this Act may apply for a base rebate for an associated
18 energy storage device behind the same retail customer
19 meter ~~that uses the same smart inverter~~ as the distributed
20 generation, regardless of whether the distributed
21 generation applies for a rebate for the distributed
22 generation device. The energy storage system shall be
23 separately compensated at a base payment of \$300 per
24 kilowatt-hour of nameplate capacity. Any distributed
25 generation device that is compensated for storage in this
26 subsection (2) before the threshold date shall participate

1 in a peak time rebate program, hourly pricing program, or
2 time-of-use rate program offered by the applicable
3 electric utility. After the threshold date, the value of
4 the base rebate and additional compensation for any
5 additive services shall be as determined by the Commission
6 in the proceeding described in subsection (e) of this
7 Section, provided that, prior to December 31, 2029, the
8 value of the base rebate for system-wide services shall
9 not be lower than \$300 per kilowatt of nameplate
10 generating capacity of distributed generation, after which
11 it shall not be lower than \$250 per kilowatt of nameplate
12 capacity. The eligibility of energy storage devices that
13 are interconnected behind the same retail customer meter
14 as the distributed generation shall not be limited to
15 energy storage devices interconnected after the effective
16 date of this amendatory Act of the 103rd General Assembly.
17 To the extent that an electric utility's tariffs are
18 inconsistent with the requirements of this paragraph (2)
19 as modified by this amendatory Act of the 103rd General
20 Assembly, such electric utility shall, within 30 days,
21 file modified tariffs consistent with the requirements of
22 this paragraph (2).

23 (3) Upon approval of a rebate application submitted
24 under this subsection (c), the retail customer shall no
25 longer be entitled to receive any delivery service credits
26 for the excess electricity generated by its facility and

1 shall be subject to the provisions of subsection (n) of
2 Section 16-107.5 of this Act unless the owner or operator
3 receives a rebate only for an energy storage device and
4 not for the distributed generation device.

5 (4) To be eligible for a rebate described in this
6 subsection (c), the owner or operator of the distributed
7 generation must have a smart inverter installed and in
8 operation on the distributed generation.

9 (d) The Commission shall review the proposed tariff
10 authorized by subsection (b) of this Section and may make
11 changes to the tariff that are consistent with this Section
12 and with the Commission's authority under Article IX of this
13 Act, subject to notice and hearing. Following notice and
14 hearing, the Commission shall issue an order approving, or
15 approving with modification, such tariff no later than 240
16 days after the utility files its tariff. Upon the effective
17 date of this amendatory Act of the 102nd General Assembly, an
18 electric utility shall file a petition with the Commission to
19 amend and update any existing tariffs to comply with
20 subsections (b) and (c).

21 (e) By no later than June 30, 2023, the Commission shall
22 open an independent, statewide investigation into the value
23 of, and compensation for, distributed energy resources. The
24 Commission shall conduct the investigation, but may arrange
25 for experts or consultants independent of the utilities and
26 selected by the Commission to assist with the investigation.

1 The cost of the investigation shall be shared by the utilities
2 filing tariffs under subsection (b) of this Section but may be
3 recovered as an expense through normal ratemaking procedures.

4 (1) The Commission shall ensure that the investigation
5 includes, at minimum, diverse sets of stakeholders; a
6 review of best practices in calculating the value of
7 distributed energy resource benefits; a review of the full
8 value of the distributed energy resources and the manner
9 in which each component of that value is or is not
10 otherwise compensated; and assessments of how the value of
11 distributed energy resources may evolve based on the
12 present and future technological capabilities of
13 distributed energy resources and based on present and
14 future grid needs.

15 (2) The Commission's final order concluding this
16 investigation shall establish an annual process and
17 formula for the compensation of distributed generation and
18 energy storage systems, and an initial set of inputs for
19 that formula. The Commission's final order concluding this
20 investigation shall establish base rebates that compensate
21 distributed generation, community renewable generation
22 projects and energy storage systems for the system-wide
23 grid services that they provide. Those base rebate values
24 shall be consistent across the state, and shall not vary
25 by customer, customer class, customer location, or any
26 other variable. With respect to rebates for distributed

1 generation or community renewable generation projects,
2 that rebate shall not be lower than \$250 per kilowatt of
3 nameplate generating capacity of the distributed
4 generation or community renewable generation project. The
5 Commission's final order concluding this proceeding shall
6 also direct the utilities to update the formula, on an
7 annual basis, with inputs derived from their integrated
8 grid plans developed pursuant to Section 16-105.17. The
9 base rebate shall be updated annually based on the annual
10 updates to the formula inputs, but, with respect to
11 rebates for distributed generation or community renewable
12 generation projects, shall be no lower than \$250 per
13 kilowatt of nameplate generating capacity of the
14 distributed generation or community renewable generation
15 project.

16 (3) The Commission shall also determine, as a part of
17 its investigation under this subsection, whether
18 distributed energy resources can provide any additive
19 services. Those additive services may include services
20 that are provided through utility-controlled responses to
21 grid conditions. If the Commission determines that
22 distributed energy resources can provide additive grid
23 services, the Commission shall determine the terms and
24 conditions for the operation and compensation of those
25 services. That compensation shall be above and beyond the
26 base rebate that the distributed energy generation,

1 community renewable generation project and energy storage
2 system receives. Compensation for additive services may
3 vary by location, time, performance characteristics,
4 technology types, or other variables.

5 (4) The Commission shall ensure that compensation for
6 distributed energy resources, including base rebates and
7 any payments for additive services, shall reflect all
8 reasonably known and measurable values of the distributed
9 generation over its full expected useful life.
10 Compensation for additive services shall reflect, but
11 shall not be limited to, any geographic, time-based,
12 performance-based, and other benefits of distributed
13 generation, as well as the present and future
14 technological capabilities of distributed energy resources
15 and present and future grid needs.

16 (5) The Commission shall consider the electric
17 utility's integrated grid plan developed pursuant to
18 Section 16-105.17 of this Act to help identify the value
19 of distributed energy resources for the purpose of
20 calculating the compensation described in this subsection.

21 (6) The Commission shall determine additional
22 compensation for distributed energy resources that creates
23 savings and value on the distribution system by being
24 co-located or in close proximity to electric vehicle
25 charging infrastructure in use by medium-duty and
26 heavy-duty vehicles, primarily serving environmental

1 justice communities, as outlined in the utility integrated
2 grid planning process under Section 16-105.17 of this Act.

3 No later than 60 days after the Commission enters its
4 final order under this subsection (e), each utility shall file
5 its updated tariff or tariffs in compliance with the order,
6 including new tariffs for the recovery of costs incurred under
7 this subsection (e) that shall provide for volumetric-based
8 cost recovery, and the Commission shall approve, or approve
9 with modification, the tariff or tariffs within 240 days after
10 the utility's filing.

11 (f) Notwithstanding any provision of this Act to the
12 contrary, the owner or operator of a community renewable
13 generation project as defined in Section 1-10 of the Illinois
14 Power Agency Act shall also be eligible to apply for the rebate
15 described in this Section. The owner or operator of the
16 community renewable generation project may apply for a rebate
17 only if the owner or operator, or previous owner or operator,
18 of the community renewable generation project has not already
19 submitted an application, and, regardless of whether the
20 subscriber is a residential or non-residential customer, may
21 be allowed the amount identified in paragraph (1) of
22 subsection (c) applicable on the date that the application is
23 submitted.

24 (g) The owner of the distributed generation or community
25 renewable generation project may apply for the rebate or
26 rebates approved under this Section at the time of execution

1 of an interconnection agreement with the distribution utility
2 and shall receive the value available at that time of
3 execution of the interconnection agreement, provided the
4 project reaches mechanical completion within 24 months after
5 execution of the interconnection agreement. If the project has
6 not reached mechanical completion within 24 months after
7 execution, the owner may reapply for the rebate or rebates
8 approved under this Section available at the time of
9 application and shall receive the value available at the time
10 of application. The utility shall issue the rebate no later
11 than 60 days after the project is energized. In the event the
12 application is incomplete or the utility is otherwise unable
13 to calculate the payment based on the information provided by
14 the owner, the utility shall issue the payment no later than 60
15 days after the application is complete or all requested
16 information is received.

17 (h) An electric utility shall recover from its retail
18 customers all of the costs of the rebates made under a tariff
19 or tariffs approved under subsection (d) of this Section,
20 including, but not limited to, the value of the rebates and all
21 costs incurred by the utility to comply with and implement
22 subsections (b) and (c) of this Section, but not including
23 costs incurred by the utility to comply with and implement
24 subsection (e) of this Section, consistent with the following
25 provisions:

26 (1) The utility shall defer the full amount of its

1 costs as a regulatory asset. The total costs deferred as a
2 regulatory asset shall be amortized over a 15-year period.
3 The unamortized balance shall be recognized as of December
4 31 for a given year. The utility shall also earn a return
5 on the total of the unamortized balance of the regulatory
6 assets, less any deferred taxes related to the unamortized
7 balance, at an annual rate equal to the utility's weighted
8 average cost of capital that includes, based on a year-end
9 capital structure, the utility's actual cost of debt for
10 the applicable calendar year and a cost of equity, which
11 shall be calculated as the sum of (i) the average for the
12 applicable calendar year of the monthly average yields of
13 30-year U.S. Treasury bonds published by the Board of
14 Governors of the Federal Reserve System in its weekly H.15
15 Statistical Release or successor publication; and (ii) 580
16 basis points, including a revenue conversion factor
17 calculated to recover or refund all additional income
18 taxes that may be payable or receivable as a result of that
19 return.

20 When an electric utility creates a regulatory asset
21 under the provisions of this paragraph (1) of subsection
22 (h), the costs are recovered over a period during which
23 customers also receive a benefit, which is in the public
24 interest. Accordingly, it is the intent of the General
25 Assembly that an electric utility that elects to create a
26 regulatory asset under the provisions of this paragraph

1 (1) shall recover all of the associated costs, including,
2 but not limited to, its cost of capital as set forth in
3 this paragraph (1). After the Commission has approved the
4 prudence and reasonableness of the costs that comprise the
5 regulatory asset, the electric utility shall be permitted
6 to recover all such costs, and the value and
7 recoverability through rates of the associated regulatory
8 asset shall not be limited, altered, impaired, or reduced.
9 To enable the financing of the incremental capital
10 expenditures, including regulatory assets, for electric
11 utilities that serve less than 3,000,000 retail customers
12 but more than 500,000 retail customers in the State, the
13 utility's actual year-end capital structure that includes
14 a common equity ratio, excluding goodwill, of up to and
15 including 50% of the total capital structure shall be
16 deemed reasonable and used to set rates.

17 (2) The utility, at its election, may recover all of
18 the costs as part of a filing for a general increase in
19 rates under Article IX of this Act, as part of an annual
20 filing to update a performance-based formula rate under
21 subsection (d) of Section 16-108.5 of this Act, or through
22 an automatic adjustment clause tariff, provided that
23 nothing in this paragraph (2) permits the double recovery
24 of such costs from customers. If the utility elects to
25 recover the costs it incurs under subsections (b) and (c)
26 through an automatic adjustment clause tariff, the utility

1 may file its proposed tariff together with the tariff it
2 files under subsection (b) of this Section or at a later
3 time. The proposed tariff shall provide for an annual
4 reconciliation, less any deferred taxes related to the
5 reconciliation, with interest at an annual rate of return
6 equal to the utility's weighted average cost of capital as
7 calculated under paragraph (1) of this subsection (h),
8 including a revenue conversion factor calculated to
9 recover or refund all additional income taxes that may be
10 payable or receivable as a result of that return, of the
11 revenue requirement reflected in rates for each calendar
12 year, beginning with the calendar year in which the
13 utility files its automatic adjustment clause tariff under
14 this subsection (h), with what the revenue requirement
15 would have been had the actual cost information for the
16 applicable calendar year been available at the filing
17 date. The Commission shall review the proposed tariff and
18 may make changes to the tariff that are consistent with
19 this Section and with the Commission's authority under
20 Article IX of this Act, subject to notice and hearing.
21 Following notice and hearing, the Commission shall issue
22 an order approving, or approving with modification, such
23 tariff no later than 240 days after the utility files its
24 tariff.

25 (i) An electric utility shall recover from its retail
26 customers, on a volumetric basis, all of the costs of the

1 rebates made under a tariff or tariffs placed into effect
2 under subsection (e) of this Section, including, but not
3 limited to, the value of the rebates and all costs incurred by
4 the utility to comply with and implement subsection (e) of
5 this Section, consistent with the following provisions:

6 (1) The utility may defer a portion of its costs as a
7 regulatory asset. The Commission shall determine the
8 portion that may be appropriately deferred as a regulatory
9 asset. Factors that the Commission shall consider in
10 determining the portion of costs that shall be deferred as
11 a regulatory asset include, but are not limited to: (i)
12 whether and the extent to which a cost effectively
13 deferred or avoided other distribution system operating
14 costs or capital expenditures; (ii) the extent to which a
15 cost provides environmental benefits; (iii) the extent to
16 which a cost improves system reliability or resilience;
17 (iv) the electric utility's distribution system plan
18 developed pursuant to Section 16-105.17 of this Act; (v)
19 the extent to which a cost advances equity principles; and
20 (vi) such other factors as the Commission deems
21 appropriate. The remainder of costs shall be deemed an
22 operating expense and shall be recoverable if found
23 prudent and reasonable by the Commission.

24 The total costs deferred as a regulatory asset shall
25 be amortized over a 15-year period. The unamortized
26 balance shall be recognized as of December 31 for a given

1 year. The utility shall also earn a return on the total of
2 the unamortized balance of the regulatory assets, less any
3 deferred taxes related to the unamortized balance, at an
4 annual rate equal to the utility's weighted average cost
5 of capital that includes, based on a year-end capital
6 structure, the utility's actual cost of debt for the
7 applicable calendar year and a cost of equity, which shall
8 be calculated as the sum of: (I) the average for the
9 applicable calendar year of the monthly average yields of
10 30-year U.S. Treasury bonds published by the Board of
11 Governors of the Federal Reserve System in its weekly H.15
12 Statistical Release or successor publication; and (II) 580
13 basis points, including a revenue conversion factor
14 calculated to recover or refund all additional income
15 taxes that may be payable or receivable as a result of that
16 return.

17 (2) The utility may recover all of the costs through
18 an automatic adjustment clause tariff, on a volumetric
19 basis. The utility may file its proposed cost-recovery
20 tariff together with the tariff it files under subsection
21 (e) of this Section or at a later time. The proposed tariff
22 shall provide for an annual reconciliation, less any
23 deferred taxes related to the reconciliation, with
24 interest at an annual rate of return equal to the
25 utility's weighted average cost of capital as calculated
26 under paragraph (1) of this subsection (i), including a

1 revenue conversion factor calculated to recover or refund
2 all additional income taxes that may be payable or
3 receivable as a result of that return, of the revenue
4 requirement reflected in rates for each calendar year,
5 beginning with the calendar year in which the utility
6 files its automatic adjustment clause tariff under this
7 subsection (i), with what the revenue requirement would
8 have been had the actual cost information for the
9 applicable calendar year been available at the filing
10 date. The Commission shall review the proposed tariff and
11 may make changes to the tariff that are consistent with
12 this Section and with the Commission's authority under
13 Article IX of this Act, subject to notice and hearing.
14 Following notice and hearing, the Commission shall issue
15 an order approving, or approving with modification, such
16 tariff no later than 240 days after the utility files its
17 tariff.

18 (j) No later than 90 days after the Commission enters an
19 order, or order on rehearing, whichever is later, approving an
20 electric utility's proposed tariff under this Section, the
21 electric utility shall provide notice of the availability of
22 rebates under this Section.

23 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22.)

24 (220 ILCS 5/16-135)

25 Sec. 16-135. Energy Storage Program.

1 (a) The Illinois General Assembly hereby finds and
2 declares that:

3 (1) Energy storage systems provide opportunities to:

4 (A) reduce costs to ratepayers directly or
5 indirectly by avoiding or deferring the need for
6 investment in new generation and for upgrades to
7 systems for the transmission and distribution of
8 electricity;

9 (B) reduce the use of fossil fuels for meeting
10 demand during peak load periods;

11 (C) provide ancillary services such as frequency
12 response, load following, and voltage support;

13 (D) assist electric utilities with integrating
14 sources of renewable energy into the grid for the
15 transmission and distribution of electricity, and with
16 maintaining grid stability;

17 (E) support diversification of energy resources;

18 (F) enhance the resilience and reliability of the
19 electric grid; and

20 (G) reduce greenhouse gas emissions and other air
21 pollutants resulting from power generation, thereby
22 minimizing public health impacts that result from
23 power generation.

24 (2) There are significant barriers to obtaining the
25 benefits of energy storage systems, including inadequate
26 valuation of the services that energy storage can provide

1 to the grid and the public.

2 (3) It is in the public interest to:

3 (A) develop a robust competitive market for
4 existing and new providers of energy storage systems
5 in order to leverage Illinois' position as a leader in
6 advanced energy and to capture the potential for
7 economic development;

8 (B) implement targets and programs to achieve
9 deployment of energy storage systems; and

10 (C) modernize distributed energy resource programs
11 and interconnection standards to lower costs and
12 efficiently deploy energy storage systems in order to
13 increase economic development and job creation within
14 the state's clean energy economy.

15 (b) In this Section:

16 "Energy storage peak standard" means a percentage of
17 annual retail electricity sales during peak hours that an
18 electric utility must derive from electricity discharged from
19 eligible energy storage systems.

20 "Deployment" means the installation of energy storage
21 systems through a variety of mechanisms, including utility
22 procurement, customer installation, or other processes.

23 "Electric utility" has the same meaning as provided in
24 Section 16-102 of this Act.

25 "Energy storage system" means a technology that is capable
26 of absorbing zero-carbon energy, storing it for a period of

1 time, and redelivering that energy after it has been stored in
2 order to provide direct or indirect benefits to the broader
3 electricity system. The term includes, but is not limited to,
4 electrochemical, thermal, and electromechanical technologies.

5 "Nonwires alternatives solicitation" means a utility
6 solicitation for third-party-owned or utility-owned
7 distributed energy resources that uses nontraditional
8 solutions to defer or replace planned investment on the
9 distribution or transmission system.

10 "Total peak demand" means the highest hourly electricity
11 demand for an electric utility in a given year, measured in
12 megawatts, from all of the electric utility's customers of
13 distribution service.

14 (c) The Commission, in consultation with the Illinois
15 Power Agency, shall initiate a proceeding to examine specific
16 programs, mechanisms, and policies that could support the
17 deployment of energy storage systems. The Illinois Commerce
18 Commission shall engage a broad group of Illinois
19 stakeholders, including electric utilities, the energy storage
20 industry, the renewable energy industry, and others to inform
21 the proceeding. The proceeding must, at minimum:

22 (1) develop a framework to identify and measure the
23 potential costs, benefits, that deployment of energy
24 storage could produce, as well as barriers to realizing
25 such benefits, including, but not limited to:

26 (A) avoided cost and deferred investments in

1 generation, transmission, and distribution facilities;

2 (B) reduced ancillary services costs;

3 (C) reduced transmission and distribution
4 congestion;

5 (D) lower peak power costs and reduced capacity
6 costs;

7 (E) reduced costs for emergency power supplies
8 during outages;

9 (F) reduced curtailment of renewable energy
10 generators;

11 (G) reduced greenhouse gas emissions and other
12 criteria air pollutants;

13 (H) increased grid hosting capacity of renewable
14 energy generators that produce energy on an
15 intermittent basis;

16 (I) increased reliability and resilience of the
17 electric grid;

18 (J) reduced line losses;

19 (K) increased resource diversification;

20 (L) increased economic development;

21 (2) analyze and estimate:

22 (A) the impact on the system's ability to
23 integrate renewable resources;

24 (B) the benefits of addition of storage at
25 specific locations, such as at existing peaking units
26 or locations on the grid close to large load centers;

1 (C) the impact on grid reliability and power
2 quality; and

3 (D) the effect on retail electric rates and supply
4 rates over the useful life of a given energy storage
5 system; and

6 (3) evaluate and identify cost-effective policies and
7 programs to support the deployment of energy storage
8 systems, including, but not limited to:

9 (A) incentive programs;

10 (B) energy storage peak standards;

11 (C) nonwires alternative solicitation;

12 (D) peak demand reduction programs for
13 behind-the-meter storage for all customer classes;

14 (E) value of distributed energy resources
15 programs;

16 (F) tax incentives;

17 (G) time-varying rates;

18 (H) updating of interconnection processes and
19 metering standards; and

20 (I) procurement by the Illinois Power Agency of
21 energy storage resources.

22 (d) The Commission shall, no later than May 31, 2022,
23 submit to the General Assembly and the Governor any
24 recommendations for additional legislative, regulatory, or
25 executive actions based on the findings of the proceeding.

26 (e) At the conclusion of the proceeding required under

1 subsection (c), the Commission shall consider and recommend to
2 the Governor and General Assembly energy storage deployment
3 targets, if any, for each electric utility that serves more
4 than 200,000 customers to be achieved by December 31, 2032,
5 including recommended interim targets.

6 (f) In setting recommendations for energy storage
7 deployment targets, the Commission shall:

8 (1) take into account the costs and benefits of
9 procuring energy storage according to the framework
10 developed in the proceeding under subsection (c);

11 (2) consider establishing specific subcategories of
12 deployment of systems by point of interconnection or
13 application.

14 (g) The Commission, in its role as the relevant electric
15 retail regulatory authority for Illinois, shall initiate a
16 workshop process no later than February 1, 2025, for the
17 purpose of facilitating the development of an initial forward
18 storage procurement process and model contract for the
19 procurement of utility-scale energy storage resources,
20 hereafter "initial procurement". The workshops shall be
21 coordinated by the staff of the Commission, or a facilitator
22 or any other experts or consultants retained by the staff of
23 the Commission, in consultation with the Illinois Power
24 Agency. The workshop process shall be designed to develop an
25 effective initial procurement of no more than 1,500 megawatts
26 of utility-scale stand-alone energy storage resources whereby

1 the Illinois Power Agency shall be positioned to have
2 developed a confidential benchmark and solicited, received,
3 and opened sealed bids for such initial procurement to
4 conclude not later than August 26, 2025. The workshop process
5 shall conclude no later than April 1, 2025. Following the
6 workshop process, the staff of the Commission, or the
7 facilitator retained by the staff, shall prepare and submit a
8 report to the Governor, the General Assembly, and the
9 Commission no later than May 1, 2025, that summarizes the
10 information obtained through the workshop process and
11 recommends the most effective procurement process, structure,
12 and contract terms that would result in a successful initial
13 procurement.

14 Specifically, for the purposes of this initial procurement
15 only, the report shall at a minimum include:

16 (1) a definition and key terms of contracting
17 structures, including, but not limited to, tolling
18 agreements and indexed credits, and whether they are used
19 in other states;

20 (2) an assessment of changes to the contract
21 structures, and the identification of appropriate
22 signatories, used by other states necessary to fit the
23 legal and regulatory structures of Illinois;

24 (3) commercial terms required for the contract to be
25 financeable without creating contractual obligations on
26 the utilities that are not contingent on full and timely

1 cost recovery;

2 (4) contract structures that avoid a requirement that
3 contracting utilities consider such agreement a lease
4 under generally accepted accounting principles, or that
5 such an agreement is reflected as debt on a contracting
6 utility's balance sheet;

7 (5) necessary or appropriate roles for the owner of an
8 energy storage system selected in a procurement to, either
9 directly or through a third-party administrator which may
10 be an affiliate, be responsible for operation,
11 maintenance, dispatch, and other operational functions of
12 the energy storage system;

13 (6) other allocations of rights and responsibilities
14 between the winning bidder, the electric utility, and, if
15 applicable, the third-party administrator;

16 (7) an assessment of whether a contract length
17 different from 20 years is financeable, and whether other
18 contract lengths would impact the net benefits of the
19 storage procurement;

20 (8) a model of a standard contract, including contract
21 terms and conditions, to be used by the Illinois Power
22 Agency and its procurement administrator for the initial
23 procurement;

24 (9) an analysis of whether 1,500 megawatts is the
25 appropriate size for the initial procurement and whether
26 additional procurements beyond August 2025 are valuable to

1 Illinois taking into consideration the amount of projects
2 in advanced stages of development and Illinois' need for
3 storage energy systems in order to ensure it can meet its
4 clean energy goals and to prevent or minimize any
5 anticipated resource adequacy shortfalls;

6 (10) an assessment of the appropriate cost recovery
7 and allocation structure that ensures electric utilities
8 can recover all of the costs associated with the
9 procurement of energy storage resources and any other
10 costs associated with proposed utility participation;

11 (11) an assessment of the appropriate geographic
12 location for the battery storage systems, including, but
13 not limited to:

14 (A) the geographic split of the megawatts of
15 capacity of the energy storage resources procured
16 pursuant to this initial procurement between those
17 interconnected to the Midcontinent ISO, Inc. and PJM
18 Interconnection, LLC; and

19 (B) the potential benefits of procuring one or
20 more projects within an area designated as an area of
21 the State certified by the Department of Commerce and
22 Economic Opportunity as an Enterprise zone or Energy
23 Transition Grant Community;

24 (12) an assessment of minimum application
25 requirements, such as having achieved interconnection
26 milestones, including, but not limited to:

1 (A) projects that have applied for approval for
2 surplus interconnection service or to transfer
3 existing capacity interconnection rights to the
4 relevant regional transmission organization and have
5 received a completeness determination following
6 completion of the initial review process and whether
7 it is beneficial if such projects are also colocated
8 with a renewable energy resource;

9 (B) for projects interconnected to MISO, projects
10 that have signed an interconnection agreement, or are
11 in the MISO Generating Facility Replacement Process,
12 or have provided the most current deposit in the MISO
13 definitive planning phase (DPP) cycle 2021 or an
14 earlier definitive planning phase cycle; or

15 (C) for projects interconnected to PJM
16 Interconnection, LLC, projects that have received a
17 Phase 2 study;

18 (13) an assessment of the impact of the costs and
19 benefits to Illinois ratepayers of these issues related to
20 this initial procurement; and

21 (14) recommendations for the inclusion, or adaptation,
22 of minimum equity standards and an equity accountability
23 system to the procurement process.

24 Given the rapid actions required pursuant to this Section,
25 the procurement of any facilitator, expert, or consultant
26 pursuant to this subsection is exempt from the requirements of

1 Section 20-10 of the Illinois Procurement Code.

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

3 Section 70. The Prevailing Wage Act is amended by changing
4 Section 2 as follows:

5 (820 ILCS 130/2)

6 Sec. 2. This Act applies to the wages of laborers,
7 mechanics and other workers employed in any public works, as
8 hereinafter defined, by any public body and to anyone under
9 contracts for public works. This includes any maintenance,
10 repair, assembly, or disassembly work performed on equipment
11 whether owned, leased, or rented.

12 As used in this Act, unless the context indicates
13 otherwise:

14 "Public works" means all fixed works constructed or
15 demolished by any public body, or paid for wholly or in part
16 out of public funds. "Public works" as defined herein includes
17 all projects financed in whole or in part with bonds, grants,
18 loans, or other funds made available by or through the State or
19 any of its political subdivisions, including but not limited
20 to: bonds issued under the Industrial Project Revenue Bond Act
21 (Article 11, Division 74 of the Illinois Municipal Code), the
22 Industrial Building Revenue Bond Act, the Illinois Finance
23 Authority Act, the Illinois Sports Facilities Authority Act,
24 or the Build Illinois Bond Act; loans or other funds made

1 available pursuant to the Build Illinois Act; loans or other
2 funds made available pursuant to the Riverfront Development
3 Fund under Section 10-15 of the River Edge Redevelopment Zone
4 Act; or funds from the Fund for Illinois' Future under Section
5 6z-47 of the State Finance Act, funds for school construction
6 under Section 5 of the General Obligation Bond Act, funds
7 authorized under Section 3 of the School Construction Bond
8 Act, funds for school infrastructure under Section 6z-45 of
9 the State Finance Act, and funds for transportation purposes
10 under Section 4 of the General Obligation Bond Act. "Public
11 works" also includes (i) all projects financed in whole or in
12 part with funds from the Environmental Protection Agency under
13 the Illinois Renewable Fuels Development Program Act for which
14 there is no project labor agreement; (ii) all work performed
15 pursuant to a public private agreement under the Public
16 Private Agreements for the Illiana Expressway Act or the
17 Public-Private Agreements for the South Suburban Airport Act;
18 (iii) all projects undertaken under a public-private agreement
19 under the Public-Private Partnerships for Transportation Act
20 or the Department of Natural Resources World Shooting and
21 Recreational Complex Act; and (iv) all transportation
22 facilities undertaken under a design-build contract or a
23 Construction Manager/General Contractor contract under the
24 Innovations for Transportation Infrastructure Act. "Public
25 works" also includes all projects at leased facility property
26 used for airport purposes under Section 35 of the Local

1 Government Facility Lease Act. "Public works" also includes
2 the construction of a new wind power facility by a business
3 designated as a High Impact Business under Section
4 5.5(a)(3)(E) of the Illinois Enterprise Zone Act, and the
5 construction of a new utility-scale solar power facility by a
6 business designated as a High Impact Business under Section
7 5.5(a)(3)(E-5) of the Illinois Enterprise Zone Act, the
8 construction of a new battery energy storage solution facility
9 by a business designated as a High Impact Business under
10 Section 5.5(a)(3)(I) of the Illinois Enterprise Zone Act, and
11 the construction of a high voltage direct current converter
12 station by a business designated as a High Impact Business
13 under Section 5.5(a)(3)(J) of the Illinois Enterprise Zone
14 Act. "Public works" also includes electric vehicle charging
15 station projects financed pursuant to the Electric Vehicle Act
16 and renewable energy projects required to pay the prevailing
17 wage pursuant to the Illinois Power Agency Act. "Public works"
18 also includes power washing projects by a public body or paid
19 for wholly or in part out of public funds in which steam or
20 pressurized water, with or without added abrasives or
21 chemicals, is used to remove paint or other coatings, oils or
22 grease, corrosion, or debris from a surface or to prepare a
23 surface for a coating. "Public works" also includes all
24 electric transmission systems projects subject to the Electric
25 Transmission Systems Construction Standards Act. "Public
26 works" does not include work done directly by any public

1 utility company, whether or not done under public supervision
2 or direction, or paid for wholly or in part out of public
3 funds. "Public works" also includes construction projects
4 performed by a third party contracted by any public utility,
5 as described in subsection (a) of Section 2.1, in public
6 rights-of-way, as defined in Section 21-201 of the Public
7 Utilities Act, whether or not done under public supervision or
8 direction, or paid for wholly or in part out of public funds.
9 "Public works" also includes construction projects that exceed
10 15 aggregate miles of new fiber optic cable, performed by a
11 third party contracted by any public utility, as described in
12 subsection (b) of Section 2.1, in public rights-of-way, as
13 defined in Section 21-201 of the Public Utilities Act, whether
14 or not done under public supervision or direction, or paid for
15 wholly or in part out of public funds. "Public works" also
16 includes any corrective action performed pursuant to Title XVI
17 of the Environmental Protection Act for which payment from the
18 Underground Storage Tank Fund is requested. "Public works"
19 also includes all construction projects involving fixtures or
20 permanent attachments affixed to light poles that are owned by
21 a public body, including street light poles, traffic light
22 poles, and other lighting fixtures, whether or not done under
23 public supervision or direction, or paid for wholly or in part
24 out of public funds, unless the project is performed by
25 employees employed directly by the public body. "Public works"
26 also includes work performed subject to the Mechanical

1 Insulation Energy and Safety Assessment Act. "Public works"
2 also includes the removal, hauling, and transportation of
3 biosolids, lime sludge, and lime residue from a water
4 treatment plant or facility and the disposal of biosolids,
5 lime sludge, and lime residue removed from a water treatment
6 plant or facility at a landfill. "Public works" does not
7 include projects undertaken by the owner at an owner-occupied
8 single-family residence or at an owner-occupied unit of a
9 multi-family residence. "Public works" does not include work
10 performed for soil and water conservation purposes on
11 agricultural lands, whether or not done under public
12 supervision or paid for wholly or in part out of public funds,
13 done directly by an owner or person who has legal control of
14 those lands.

15 "Construction" means all work on public works involving
16 laborers, workers or mechanics. This includes any maintenance,
17 repair, assembly, or disassembly work performed on equipment
18 whether owned, leased, or rented.

19 "Locality" means the county where the physical work upon
20 public works is performed, except (1) that if there is not
21 available in the county a sufficient number of competent
22 skilled laborers, workers and mechanics to construct the
23 public works efficiently and properly, "locality" includes any
24 other county nearest the one in which the work or construction
25 is to be performed and from which such persons may be obtained
26 in sufficient numbers to perform the work and (2) that, with

1 respect to contracts for highway work with the Department of
2 Transportation of this State, "locality" may at the discretion
3 of the Secretary of the Department of Transportation be
4 construed to include two or more adjacent counties from which
5 workers may be accessible for work on such construction.

6 "Public body" means the State or any officer, board or
7 commission of the State or any political subdivision or
8 department thereof, or any institution supported in whole or
9 in part by public funds, and includes every county, city,
10 town, village, township, school district, irrigation, utility,
11 reclamation improvement or other district and every other
12 political subdivision, district or municipality of the state
13 whether such political subdivision, municipality or district
14 operates under a special charter or not.

15 "Labor organization" means an organization that is the
16 exclusive representative of an employer's employees recognized
17 or certified pursuant to the National Labor Relations Act.

18 The terms "general prevailing rate of hourly wages",
19 "general prevailing rate of wages" or "prevailing rate of
20 wages" when used in this Act mean the hourly cash wages plus
21 annualized fringe benefits for training and apprenticeship
22 programs approved by the U.S. Department of Labor, Bureau of
23 Apprenticeship and Training, health and welfare, insurance,
24 vacations and pensions paid generally, in the locality in
25 which the work is being performed, to employees engaged in
26 work of a similar character on public works.

1 (Source: P.A. 102-9, eff. 1-1-22; 102-444, eff. 8-20-21;
2 102-673, eff. 11-30-21; 102-813, eff. 5-13-22; 102-1094, eff.
3 6-15-22; 103-8, eff. 6-7-23; 103-327, eff. 1-1-24; 103-346,
4 eff. 1-1-24; 103-359, eff. 7-28-23; 103-447, eff. 8-4-23;
5 103-605, eff. 7-1-24.)

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