

1 AN ACT concerning regulation.

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

4 Section 5. The Renewable Energy, Energy Efficiency, and
5 Coal Resources Development Law of 1997 is amended by changing
6 Section 6-3 as follows:

7 (20 ILCS 687/6-3)

8 (Section scheduled to be repealed on December 12, 2015)

9 Sec. 6-3. Renewable energy resources program.

10 (a) The Department of Commerce and Economic Opportunity, to
11 be called the "Department" hereinafter in this Law, shall
12 administer the Renewable Energy Resources Program to provide
13 grants, loans, and other incentives to foster investment in and
14 the development and use of renewable energy resources.

15 (b) The Department shall establish eligibility criteria
16 for grants, loans, and other incentives to foster investment in
17 and the development and use of renewable energy resources.
18 These criteria shall be reviewed annually and adjusted as
19 necessary. The criteria should promote the goal of fostering
20 investment in and the development and use, in Illinois, of
21 renewable energy resources.

22 (c) The Department shall accept applications for grants,
23 loans, and other incentives to foster investment in and the

1 development and use of renewable energy resources.

2 (d) To the extent that funds are available and
3 appropriated, the Department shall provide grants, loans, and
4 other incentives to applicants that meet the criteria specified
5 by the Department.

6 (e) The Department shall conduct an annual study on the use
7 and availability of renewable energy resources in Illinois.
8 Each year, the Department shall submit a report on the study to
9 the General Assembly. This report shall include suggestions for
10 legislation which will encourage the development and use of
11 renewable energy resources.

12 (f) As used in this Law, "renewable energy resources"
13 includes energy from wind, solar thermal energy, photovoltaic
14 cells and panels, dedicated crops grown for energy production
15 and organic waste biomass, hydropower that does not involve new
16 construction or significant expansion of hydropower dams, and
17 other such alternative sources of environmentally preferable
18 energy. "Renewable energy resources" does not include,
19 however, energy from the incineration, or burning ~~or heating~~ of
20 waste wood, tires, garbage, general household, institutional
21 and commercial waste, industrial lunchroom or office waste,
22 landscape waste, or construction or demolition debris.

23 (g) There is created the Energy Efficiency Investment Fund
24 as a special fund in the State Treasury, to be administered by
25 the Department to support the development of technologies for
26 wind, biomass, and solar power in Illinois. The Department may

1 accept private and public funds, including federal funds, for
2 deposit into the Fund.

3 (Source: P.A. 94-793, eff. 5-19-06.)

4 Section 10. The Illinois Power Agency Act is amended by
5 changing Section 1-10 as follows:

6 (20 ILCS 3855/1-10)

7 Sec. 1-10. Definitions.

8 "Agency" means the Illinois Power Agency.

9 "Agency loan agreement" means any agreement pursuant to
10 which the Illinois Finance Authority agrees to loan the
11 proceeds of revenue bonds issued with respect to a project to
12 the Agency upon terms providing for loan repayment installments
13 at least sufficient to pay when due all principal of, interest
14 and premium, if any, on those revenue bonds, and providing for
15 maintenance, insurance, and other matters in respect of the
16 project.

17 "Authority" means the Illinois Finance Authority.

18 "Commission" means the Illinois Commerce Commission.

19 "Costs incurred in connection with the development and
20 construction of a facility" means:

21 (1) the cost of acquisition of all real property and
22 improvements in connection therewith and equipment and
23 other property, rights, and easements acquired that are
24 deemed necessary for the operation and maintenance of the

1 facility;

2 (2) financing costs with respect to bonds, notes, and
3 other evidences of indebtedness of the Agency;

4 (3) all origination, commitment, utilization,
5 facility, placement, underwriting, syndication, credit
6 enhancement, and rating agency fees;

7 (4) engineering, design, procurement, consulting,
8 legal, accounting, title insurance, survey, appraisal,
9 escrow, trustee, collateral agency, interest rate hedging,
10 interest rate swap, capitalized interest and other
11 financing costs, and other expenses for professional
12 services; and

13 (5) the costs of plans, specifications, site study and
14 investigation, installation, surveys, other Agency costs
15 and estimates of costs, and other expenses necessary or
16 incidental to determining the feasibility of any project,
17 together with such other expenses as may be necessary or
18 incidental to the financing, insuring, acquisition, and
19 construction of a specific project and placing that project
20 in operation.

21 "Department" means the Department of Commerce and Economic
22 Opportunity.

23 "Director" means the Director of the Illinois Power Agency.

24 "Demand-response" means measures that decrease peak
25 electricity demand or shift demand from peak to off-peak
26 periods.

1 "Energy efficiency" means measures that reduce the amount
2 of electricity required to achieve a given end use.

3 "Electric utility" has the same definition as found in
4 Section 16-102 of the Public Utilities Act.

5 "Facility" means an electric generating unit or a
6 co-generating unit that produces electricity along with
7 related equipment necessary to connect the facility to an
8 electric transmission or distribution system.

9 "Governmental aggregator" means one or more units of local
10 government that individually or collectively procure
11 electricity to serve residential retail electrical loads
12 located within its or their jurisdiction.

13 "Local government" means a unit of local government as
14 defined in Article VII of Section 1 of the Illinois
15 Constitution.

16 "Municipality" means a city, village, or incorporated
17 town.

18 "Person" means any natural person, firm, partnership,
19 corporation, either domestic or foreign, company, association,
20 limited liability company, joint stock company, or association
21 and includes any trustee, receiver, assignee, or personal
22 representative thereof.

23 "Project" means the planning, bidding, and construction of
24 a facility.

25 "Public utility" has the same definition as found in
26 Section 3-105 of the Public Utilities Act.

1 "Real property" means any interest in land together with
2 all structures, fixtures, and improvements thereon, including
3 lands under water and riparian rights, any easements,
4 covenants, licenses, leases, rights-of-way, uses, and other
5 interests, together with any liens, judgments, mortgages, or
6 other claims or security interests related to real property.

7 "Renewable energy credit" means a tradable credit that
8 represents the environmental attributes of a certain amount of
9 energy produced from a renewable energy resource.

10 "Renewable energy resources" includes energy and its
11 associated renewable energy credit or renewable energy credits
12 from wind, solar thermal energy, photovoltaic cells and panels,
13 biodiesel, crops and untreated and unadulterated organic waste
14 biomass, trees and tree trimmings, hydropower that does not
15 involve new construction or significant expansion of
16 hydropower dams, and other alternative sources of
17 environmentally preferable energy. For purposes of this Act,
18 landfill gas produced in the State is considered a renewable
19 energy resource. "Renewable energy resources" does not include
20 the incineration, or burning, ~~or heating~~ of tires, garbage,
21 general household, institutional, and commercial waste,
22 industrial lunchroom or office waste, landscape waste other
23 than trees and tree trimmings, railroad crossties, utility
24 poles, or ~~and~~ construction or demolition debris, other than
25 untreated and unadulterated waste wood.

26 "Revenue bond" means any bond, note, or other evidence of

1 indebtedness issued by the Authority, the principal and
2 interest of which is payable solely from revenues or income
3 derived from any project or activity of the Agency.

4 "Total resource cost test" or "TRC test" means a standard
5 that is met if, for an investment in energy efficiency or
6 demand-response measures, the benefit-cost ratio is greater
7 than one. The benefit-cost ratio is the ratio of the net
8 present value of the total benefits of the program to the net
9 present value of the total costs as calculated over the
10 lifetime of the measures. A total resource cost test compares
11 the sum of avoided electric utility costs, representing the
12 benefits that accrue to the system and the participant in the
13 delivery of those efficiency measures, to the sum of all
14 incremental costs of end-use measures that are implemented due
15 to the program (including both utility and participant
16 contributions), plus costs to administer, deliver, and
17 evaluate each demand-side program, to quantify the net savings
18 obtained by substituting the demand-side program for supply
19 resources. In calculating avoided costs of power and energy
20 that an electric utility would otherwise have had to acquire,
21 reasonable estimates shall be included of financial costs
22 likely to be imposed by future regulations and legislation on
23 emissions of greenhouse gases.

24 (Source: P.A. 95-481, eff. 8-28-07.)