

# HB2896



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB2896

Introduced 2/23/2011, by Rep. Dave Winters

#### SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-10

Amends the Illinois Power Agency Act. Provides that the definition of "renewable energy resources" includes synthetic gas created by the plasma gasification of waste, densified fuel pellets made from waste material that does not include materials resulting from the handling, processing, storage, and consumption of food, and fuel produced by pyrolysis of organic or waste material from a municipality. Effective immediately.

LRB097 08516 ASK 48643 b

A BILL FOR

1 AN ACT concerning State government.

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

4 Section 5. 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 "Clean coal facility" means an electric generating  
19 facility that uses primarily coal as a feedstock and that  
20 captures and sequesters carbon emissions at the following  
21 levels: at least 50% of the total carbon emissions that the  
22 facility would otherwise emit if, at the time construction  
23 commences, the facility is scheduled to commence operation

1 before 2016, at least 70% of the total carbon emissions that  
2 the facility would otherwise emit if, at the time construction  
3 commences, the facility is scheduled to commence operation  
4 during 2016 or 2017, and at least 90% of the total carbon  
5 emissions that the facility would otherwise emit if, at the  
6 time construction commences, the facility is scheduled to  
7 commence operation after 2017. The power block of the clean  
8 coal facility shall not exceed allowable emission rates for  
9 sulfur dioxide, nitrogen oxides, carbon monoxide, particulates  
10 and mercury for a natural gas-fired combined-cycle facility the  
11 same size as and in the same location as the clean coal  
12 facility at the time the clean coal facility obtains an  
13 approved air permit. All coal used by a clean coal facility  
14 shall have high volatile bituminous rank and greater than 1.7  
15 pounds of sulfur per million btu content, unless the clean coal  
16 facility does not use gasification technology and was operating  
17 as a conventional coal-fired electric generating facility on  
18 June 1, 2009 (the effective date of Public Act 95-1027).

19 "Clean coal SNG facility" means a facility that uses a  
20 gasification process to produce substitute natural gas, that  
21 sequesters at least 90% of the total carbon emissions that the  
22 facility would otherwise emit and that uses petroleum coke or  
23 coal as a feedstock, with all such coal having a high  
24 bituminous rank and greater than 1.7 pounds of sulfur per  
25 million btu content.

26 "Commission" means the Illinois Commerce Commission.

1 "Costs incurred in connection with the development and  
2 construction of a facility" means:

3 (1) the cost of acquisition of all real property and  
4 improvements in connection therewith and equipment and  
5 other property, rights, and easements acquired that are  
6 deemed necessary for the operation and maintenance of the  
7 facility;

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

10 (3) all origination, commitment, utilization,  
11 facility, placement, underwriting, syndication, credit  
12 enhancement, and rating agency fees;

13 (4) engineering, design, procurement, consulting,  
14 legal, accounting, title insurance, survey, appraisal,  
15 escrow, trustee, collateral agency, interest rate hedging,  
16 interest rate swap, capitalized interest and other  
17 financing costs, and other expenses for professional  
18 services; and

19 (5) the costs of plans, specifications, site study and  
20 investigation, installation, surveys, other Agency costs  
21 and estimates of costs, and other expenses necessary or  
22 incidental to determining the feasibility of any project,  
23 together with such other expenses as may be necessary or  
24 incidental to the financing, insuring, acquisition, and  
25 construction of a specific project and placing that project  
26 in operation.

1 "Department" means the Department of Commerce and Economic  
2 Opportunity.

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

4 "Demand-response" means measures that decrease peak  
5 electricity demand or shift demand from peak to off-peak  
6 periods.

7 "Energy efficiency" means measures that reduce the amount  
8 of electricity or natural gas required to achieve a given end  
9 use.

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

12 "Facility" means an electric generating unit or a  
13 co-generating unit that produces electricity along with  
14 related equipment necessary to connect the facility to an  
15 electric transmission or distribution system.

16 "Governmental aggregator" means one or more units of local  
17 government that individually or collectively procure  
18 electricity to serve residential retail electrical loads  
19 located within its or their jurisdiction.

20 "Local government" means a unit of local government as  
21 defined in Article VII of Section 1 of the Illinois  
22 Constitution.

23 "Municipality" means a city, village, or incorporated  
24 town.

25 "Person" means any natural person, firm, partnership,  
26 corporation, either domestic or foreign, company, association,

1 limited liability company, joint stock company, or association  
2 and includes any trustee, receiver, assignee, or personal  
3 representative thereof.

4 "Project" means the planning, bidding, and construction of  
5 a facility.

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

8 "Real property" means any interest in land together with  
9 all structures, fixtures, and improvements thereon, including  
10 lands under water and riparian rights, any easements,  
11 covenants, licenses, leases, rights-of-way, uses, and other  
12 interests, together with any liens, judgments, mortgages, or  
13 other claims or security interests related to real property.

14 "Renewable energy credit" means a tradable credit that  
15 represents the environmental attributes of a certain amount of  
16 energy produced from a renewable energy resource.

17 "Renewable energy resources" includes energy and its  
18 associated renewable energy credit or renewable energy credits  
19 from wind, solar thermal energy, photovoltaic cells and panels,  
20 biodiesel, crops and untreated and unadulterated organic waste  
21 biomass, tree waste, synthetic gas created by the plasma  
22 gasification of waste, densified fuel pellets made from waste  
23 material that does not include materials resulting from the  
24 handling, processing, storage, and consumption of food, fuel  
25 produced by pyrolysis of organic or waste material from a  
26 municipality, hydropower that does not involve new

1 construction or significant expansion of hydropower dams, and  
2 other alternative sources of environmentally preferable  
3 energy. For purposes of this Act, landfill gas produced in the  
4 State is considered a renewable energy resource. "Renewable  
5 energy resources" does not include the incineration or burning  
6 of tires, garbage, general household, institutional, and  
7 commercial waste, industrial lunchroom or office waste,  
8 landscape waste other than tree waste, railroad crossties,  
9 utility poles, or construction or demolition debris, other than  
10 untreated and unadulterated waste wood.

11 "Revenue bond" means any bond, note, or other evidence of  
12 indebtedness issued by the Authority, the principal and  
13 interest of which is payable solely from revenues or income  
14 derived from any project or activity of the Agency.

15 "Sequester" means permanent storage of carbon dioxide by  
16 injecting it into a saline aquifer, a depleted gas reservoir,  
17 or an oil reservoir, directly or through an enhanced oil  
18 recovery process that may involve intermediate storage in a  
19 salt dome.

20 "Servicing agreement" means (i) in the case of an electric  
21 utility, an agreement between the owner of a clean coal  
22 facility and such electric utility, which agreement shall have  
23 terms and conditions meeting the requirements of paragraph (3)  
24 of subsection (d) of Section 1-75, and (ii) in the case of an  
25 alternative retail electric supplier, an agreement between the  
26 owner of a clean coal facility and such alternative retail

1 electric supplier, which agreement shall have terms and  
2 conditions meeting the requirements of Section 16-115(d)(5) of  
3 the Public Utilities Act.

4 "Substitute natural gas" or "SNG" means a gas manufactured  
5 by gasification of hydrocarbon feedstock, which is  
6 substantially interchangeable in use and distribution with  
7 conventional natural gas.

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



1 be included of financial costs likely to be imposed by future  
2 regulations and legislation on emissions of greenhouse gases.

3 (Source: P.A. 95-481, eff. 8-28-07; 95-913, eff. 1-1-09;  
4 95-1027, eff. 6-1-09; 96-33, eff. 7-10-09; 96-159, eff.  
5 8-10-09; 96-784, eff. 8-28-09; 96-1000, eff. 7-2-10.)

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