

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 Alternatively, "clean coal facility" may also mean an electric
20 generating facility that uses synthetic gas created by the
21 gasification of waste, densified fuel pellets made from waste
22 material that includes materials processed through mechanical
23 segregation, magnets, eddy currents, or optical sorters, or
24 fuel produced by pyrolysis of organic or waste material from a
25 municipality.

26 "Clean coal SNG facility" means a facility that uses a

1 gasification process to produce substitute natural gas, that
2 sequesters at least 90% of the total carbon emissions that the
3 facility would otherwise emit and that uses petroleum coke or
4 coal as a feedstock, with all such coal having a high
5 bituminous rank and greater than 1.7 pounds of sulfur per
6 million btu content.

7 "Commission" means the Illinois Commerce Commission.

8 "Costs incurred in connection with the development and
9 construction of a facility" means:

10 (1) the cost of acquisition of all real property and
11 improvements in connection therewith and equipment and
12 other property, rights, and easements acquired that are
13 deemed necessary for the operation and maintenance of the
14 facility;

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

17 (3) all origination, commitment, utilization,
18 facility, placement, underwriting, syndication, credit
19 enhancement, and rating agency fees;

20 (4) engineering, design, procurement, consulting,
21 legal, accounting, title insurance, survey, appraisal,
22 escrow, trustee, collateral agency, interest rate hedging,
23 interest rate swap, capitalized interest and other
24 financing costs, and other expenses for professional
25 services; and

26 (5) the costs of plans, specifications, site study and

1 investigation, installation, surveys, other Agency costs
2 and estimates of costs, and other expenses necessary or
3 incidental to determining the feasibility of any project,
4 together with such other expenses as may be necessary or
5 incidental to the financing, insuring, acquisition, and
6 construction of a specific project and placing that project
7 in operation.

8 "Department" means the Department of Commerce and Economic
9 Opportunity.

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

11 "Demand-response" means measures that decrease peak
12 electricity demand or shift demand from peak to off-peak
13 periods.

14 "Energy efficiency" means measures that reduce the amount
15 of electricity or natural gas required to achieve a given end
16 use.

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

19 "Facility" means an electric generating unit or a
20 co-generating unit that produces electricity along with
21 related equipment necessary to connect the facility to an
22 electric transmission or distribution system.

23 "Governmental aggregator" means one or more units of local
24 government that individually or collectively procure
25 electricity to serve residential retail electrical loads
26 located within its or their jurisdiction.

1 "Local government" means a unit of local government as
2 defined in Article VII of Section 1 of the Illinois
3 Constitution.

4 "Municipality" means a city, village, or incorporated
5 town.

6 "Person" means any natural person, firm, partnership,
7 corporation, either domestic or foreign, company, association,
8 limited liability company, joint stock company, or association
9 and includes any trustee, receiver, assignee, or personal
10 representative thereof.

11 "Project" means the planning, bidding, and construction of
12 a facility.

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

15 "Real property" means any interest in land together with
16 all structures, fixtures, and improvements thereon, including
17 lands under water and riparian rights, any easements,
18 covenants, licenses, leases, rights-of-way, uses, and other
19 interests, together with any liens, judgments, mortgages, or
20 other claims or security interests related to real property.

21 "Renewable energy credit" means a tradable credit that
22 represents the environmental attributes of a certain amount of
23 energy produced from a renewable energy resource.

24 "Renewable energy resources" includes energy and its
25 associated renewable energy credit or renewable energy credits
26 from wind, solar thermal energy, photovoltaic cells and panels,

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

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

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

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

1 alternative retail electric supplier, an agreement between the
2 owner of a clean coal facility and such alternative retail
3 electric supplier, which agreement shall have terms and
4 conditions meeting the requirements of Section 16-115(d) (5) of
5 the Public Utilities Act.

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

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

1 avoided costs of power and energy that an electric utility
2 would otherwise have had to acquire, reasonable estimates shall
3 be included of financial costs likely to be imposed by future
4 regulations and legislation on emissions of greenhouse gases.

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

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