



Rep. Dave Vella

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LRB104 03146 AAS 25073 a

1 AMENDMENT TO HOUSE BILL 1056

2 AMENDMENT NO. _____. Amend House Bill 1056 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Power Agency Act is amended by
5 changing Sections 1-10 and 1-75 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
13 installments at least sufficient to pay when due all principal
14 of, interest and premium, if any, on those revenue bonds, and
15 providing for maintenance, insurance, and other matters in
16 respect of the project.

1 "Authority" means the Illinois Finance Authority.

2 "Brownfield site photovoltaic project" means photovoltaics
3 that are either:

4 (1) interconnected to an electric utility as defined
5 in this Section, a municipal utility as defined in this
6 Section, a public utility as defined in Section 3-105 of
7 the Public Utilities Act, or an electric cooperative as
8 defined in Section 3-119 of the Public Utilities Act and
9 located at a site that is regulated by any of the following
10 entities under the following programs:

11 (A) the United States Environmental Protection
12 Agency under the federal Comprehensive Environmental
13 Response, Compensation, and Liability Act of 1980, as
14 amended;

15 (B) the United States Environmental Protection
16 Agency under the Corrective Action Program of the
17 federal Resource Conservation and Recovery Act, as
18 amended;

19 (C) the Illinois Environmental Protection Agency
20 under the Illinois Site Remediation Program; or

21 (D) the Illinois Environmental Protection Agency
22 under the Illinois Solid Waste Program; or

23 (2) located at the site of a coal mine that has
24 permanently ceased coal production, permanently halted any
25 re-mining operations, and is no longer accepting any coal
26 combustion residues; has both completed all clean-up and

1 remediation obligations under the federal Surface Mining
2 and Reclamation Act of 1977 and all applicable Illinois
3 rules and any other clean-up, remediation, or ongoing
4 monitoring to safeguard the health and well-being of the
5 people of the State of Illinois, as well as demonstrated
6 compliance with all applicable federal and State
7 environmental rules and regulations, including, but not
8 limited, to 35 Ill. Adm. Code Part 845 and any rules for
9 historic fill of coal combustion residuals, including any
10 rules finalized in Subdocket A of Illinois Pollution
11 Control Board docket R2020-019.

12 "Clean coal facility" means an electric generating
13 facility that uses primarily coal as a feedstock and that
14 captures and sequesters carbon dioxide emissions at the
15 following levels: at least 50% of the total carbon dioxide
16 emissions that the facility would otherwise emit if, at the
17 time construction commences, the facility is scheduled to
18 commence operation before 2016, at least 70% of the total
19 carbon dioxide emissions that the facility would otherwise
20 emit if, at the time construction commences, the facility is
21 scheduled to commence operation during 2016 or 2017, and at
22 least 90% of the total carbon dioxide emissions that the
23 facility would otherwise emit if, at the time construction
24 commences, the facility is scheduled to commence operation
25 after 2017. The power block of the clean coal facility shall
26 not exceed allowable emission rates for sulfur dioxide,

1 nitrogen oxides, carbon monoxide, particulates and mercury for
2 a natural gas-fired combined-cycle facility the same size as
3 and in the same location as the clean coal facility at the time
4 the clean coal facility obtains an approved air permit. All
5 coal used by a clean coal facility shall have high volatile
6 bituminous rank and greater than 1.7 pounds of sulfur per
7 million Btu content, unless the clean coal facility does not
8 use gasification technology and was operating as a
9 conventional coal-fired electric generating facility on June
10 1, 2009 (the effective date of Public Act 95-1027).

11 "Clean coal SNG brownfield facility" means a facility that
12 (1) has commenced construction by July 1, 2015 on an urban
13 brownfield site in a municipality with at least 1,000,000
14 residents; (2) uses a gasification process to produce
15 substitute natural gas; (3) uses coal as at least 50% of the
16 total feedstock over the term of any sourcing agreement with a
17 utility and the remainder of the feedstock may be either
18 petroleum coke or coal, with all such coal having a high
19 bituminous rank and greater than 1.7 pounds of sulfur per
20 million Btu content unless the facility reasonably determines
21 that it is necessary to use additional petroleum coke to
22 deliver additional consumer savings, in which case the
23 facility shall use coal for at least 35% of the total feedstock
24 over the term of any sourcing agreement; and (4) captures and
25 sequesters at least 85% of the total carbon dioxide emissions
26 that the facility would otherwise emit.

1 "Clean coal SNG facility" means a facility that uses a
2 gasification process to produce substitute natural gas, that
3 sequesters at least 90% of the total carbon dioxide emissions
4 that the facility would otherwise emit, that uses at least 90%
5 coal as a feedstock, with all such coal having a high
6 bituminous rank and greater than 1.7 pounds of sulfur per
7 million Btu content, and that has a valid and effective permit
8 to construct emission sources and air pollution control
9 equipment and approval with respect to the federal regulations
10 for Prevention of Significant Deterioration of Air Quality
11 (PSD) for the plant pursuant to the federal Clean Air Act;
12 provided, however, a clean coal SNG brownfield facility shall
13 not be a clean coal SNG facility.

14 "Clean energy" means energy generation that is 90% or
15 greater free of carbon dioxide emissions.

16 "Commission" means the Illinois Commerce Commission.

17 "Community renewable generation project" means an electric
18 generating facility that:

19 (1) is powered by wind, solar thermal energy,
20 photovoltaic cells or panels, biodiesel, crops and
21 untreated and unadulterated organic waste biomass, and
22 hydropower that does not involve new construction of dams;

23 (2) is interconnected at the distribution system level
24 of an electric utility as defined in this Section, a
25 municipal utility as defined in this Section that owns or
26 operates electric distribution facilities, a public

1 utility as defined in Section 3-105 of the Public
2 Utilities Act, or an electric cooperative, as defined in
3 Section 3-119 of the Public Utilities Act;

4 (3) credits the value of electricity generated by the
5 facility to the subscribers of the facility; and

6 (4) is limited in nameplate capacity to less than or
7 equal to 5,000 kilowatts.

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,
11 fixtures, and improvements in connection therewith and
12 equipment, personal property, and other property, rights,
13 and easements acquired that are deemed necessary for the
14 operation and maintenance of the 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, contingency, as
24 required by lenders, and other financing costs, and other
25 expenses for professional 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 starting up,
7 commissioning, and placing that project in operation.

8 "Delivery services" has the same definition as found in
9 Section 16-102 of the Public Utilities Act.

10 "Delivery year" means the consecutive 12-month period
11 beginning June 1 of a given year and ending May 31 of the
12 following year.

13 "Department" means the Department of Commerce and Economic
14 Opportunity.

15 "Director" means the Director of the Illinois Power
16 Agency.

17 "Demand-response" means measures that decrease peak
18 electricity demand or shift demand from peak to off-peak
19 periods.

20 "Distributed renewable energy generation device" means a
21 device that is:

22 (1) powered by wind, solar thermal energy,
23 photovoltaic cells or panels, biodiesel, crops and
24 untreated and unadulterated organic waste biomass, tree
25 waste, and hydropower that does not involve new
26 construction of dams, waste heat to power systems, or

1 qualified combined heat and power systems;

2 (2) interconnected at the distribution system level of
3 either an electric utility as defined in this Section, a
4 municipal utility as defined in this Section that owns or
5 operates electric distribution facilities, or a rural
6 electric cooperative as defined in Section 3-119 of the
7 Public Utilities Act;

8 (3) located on the customer side of the customer's
9 electric meter and is primarily used to offset that
10 customer's electricity load; and

11 (4) (blank).

12 "Energy efficiency" means measures that reduce the amount
13 of electricity or natural gas consumed in order to achieve a
14 given end use. "Energy efficiency" includes voltage
15 optimization measures that optimize the voltage at points on
16 the electric distribution voltage system and thereby reduce
17 electricity consumption by electric customers' end use
18 devices. "Energy efficiency" also includes measures that
19 reduce the total Btus of electricity, natural gas, and other
20 fuels needed to meet the end use or uses.

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

23 "Equity investment eligible community" or "eligible
24 community" are synonymous and mean the geographic areas
25 throughout Illinois which would most benefit from equitable
26 investments by the State designed to combat discrimination.

1 Specifically, the eligible communities shall be defined as the
2 following areas:

3 (1) R3 Areas as established pursuant to Section 10-40
4 of the Cannabis Regulation and Tax Act, where residents
5 have historically been excluded from economic
6 opportunities, including opportunities in the energy
7 sector; and

8 (2) environmental justice communities, as defined by
9 the Illinois Power Agency pursuant to the Illinois Power
10 Agency Act, where residents have historically been subject
11 to disproportionate burdens of pollution, including
12 pollution from the energy sector.

13 "Equity eligible persons" or "eligible persons" means
14 persons who would most benefit from equitable investments by
15 the State designed to combat discrimination, specifically:

16 (1) persons who graduate from or are current or former
17 participants in the Clean Jobs Workforce Network Program,
18 the Clean Energy Contractor Incubator Program, the
19 Illinois Climate Works Preapprenticeship Program,
20 Returning Residents Clean Jobs Training Program, or the
21 Clean Energy Primes Contractor Accelerator Program, and
22 the solar training pipeline and multi-cultural jobs
23 program created in paragraphs (a) (1) and (a) (3) of Section
24 16-208.12 of the Public Utilities Act;

25 (2) persons who are graduates of or currently enrolled
26 in the foster care system;

1 (3) persons who were formerly incarcerated;

2 (4) persons whose primary residence is in an equity
3 investment eligible community.

4 "Equity eligible contractor" means a business that is
5 majority-owned by eligible persons, or a nonprofit or
6 cooperative that is majority-governed by eligible persons, or
7 is a natural person that is an eligible person offering
8 personal services as an independent contractor.

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

13 "General contractor" means the entity or organization with
14 main responsibility for the building of a construction project
15 and who is the party signing the prime construction contract
16 for the project.

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

21 "High voltage direct current converter station" means the
22 collection of equipment that converts direct current energy
23 from a high voltage direct current transmission line into
24 alternating current using Voltage Source Conversion technology
25 and that is interconnected with transmission or distribution
26 assets located in Illinois.

1 "High voltage direct current renewable energy credit"
2 means a renewable energy credit associated with a renewable
3 energy resource where the renewable energy resource has
4 entered into a contract to transmit the energy associated with
5 such renewable energy credit over high voltage direct current
6 transmission facilities.

7 "High voltage direct current transmission facilities"
8 means the collection of installed equipment that converts
9 alternating current energy in one location to direct current
10 and transmits that direct current energy to a high voltage
11 direct current converter station using Voltage Source
12 Conversion technology. "High voltage direct current
13 transmission facilities" includes the high voltage direct
14 current converter station itself and associated high voltage
15 direct current transmission lines. Notwithstanding the
16 preceding, after September 15, 2021 (the effective date of
17 Public Act 102-662), an otherwise qualifying collection of
18 equipment does not qualify as high voltage direct current
19 transmission facilities unless its developer entered into a
20 project labor agreement, is capable of transmitting
21 electricity at 525kv with an Illinois converter station
22 located and interconnected in the region of the PJM
23 Interconnection, LLC, and the system does not operate as a
24 public utility, as that term is defined in Section 3-105 of the
25 Public Utilities Act.

26 "Hydropower" means any method of electricity generation or

1 storage that results from the flow of water, including
2 impoundment facilities, diversion facilities, and pumped
3 storage facilities.

4 "Index price" means the real-time energy settlement price
5 at the applicable Illinois trading hub, such as PJM-NIHUB or
6 MISO-IL, for a given settlement period.

7 "Indexed renewable energy credit" means a tradable credit
8 that represents the environmental attributes of one megawatt
9 hour of energy produced from a renewable energy resource, the
10 price of which shall be calculated by subtracting the strike
11 price offered by a new utility-scale wind project or a new
12 utility-scale photovoltaic project from the index price in a
13 given settlement period.

14 "Indexed renewable energy credit counterparty" has the
15 same meaning as "public utility" as defined in Section 3-105
16 of the Public Utilities Act.

17 "Local government" means a unit of local government as
18 defined in Section 1 of Article VII of the Illinois
19 Constitution.

20 "Modernized" or "retooled" means the construction, repair,
21 maintenance, or significant expansion of turbines and existing
22 hydropower dams.

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

25 "Municipal utility" means a public utility owned and
26 operated by any subdivision or municipal corporation of this

1 State.

2 "Nameplate capacity" means the aggregate inverter
3 nameplate capacity in kilowatts AC.

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

9 "Project" means the planning, bidding, and construction of
10 a facility.

11 "Project labor agreement" means a pre-hire collective
12 bargaining agreement that covers all terms and conditions of
13 employment on a specific construction project and must include
14 the following:

15 (1) provisions establishing the minimum hourly wage
16 for each class of labor organization employee;

17 (2) provisions establishing the benefits and other
18 compensation for each class of labor organization
19 employee;

20 (3) provisions establishing that no strike or disputes
21 will be engaged in by the labor organization employees;

22 (4) provisions establishing that no lockout or
23 disputes will be engaged in by the general contractor
24 building the project; and

25 (5) provisions for minorities and women, as defined
26 under the Business Enterprise for Minorities, Women, and

1 Persons with Disabilities Act, setting forth goals for
2 apprenticeship hours to be performed by minorities and
3 women and setting forth goals for total hours to be
4 performed by underrepresented minorities and women.

5 A labor organization and the general contractor building
6 the project shall have the authority to include other terms
7 and conditions as they deem necessary.

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

10 "Qualified combined heat and power systems" means systems
11 that, either simultaneously or sequentially, produce
12 electricity and useful thermal energy from a single fuel
13 source. Such systems are eligible for "renewable energy
14 credits" in an amount equal to its total energy output where a
15 renewable fuel is consumed or in an amount equal to the net
16 reduction in nonrenewable fuel consumed on a total energy
17 output basis.

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

24 "Renewable energy credit" means a tradable credit that
25 represents the environmental attributes of one megawatt hour
26 of energy produced from a renewable energy resource.

1 "Renewable energy resources" includes energy and its
2 associated renewable energy credit or renewable energy credits
3 from wind, solar thermal energy, photovoltaic cells and
4 panels, biodiesel, anaerobic digestion, crops and untreated
5 and unadulterated organic waste biomass, and hydropower that
6 does not involve new construction of dams, waste heat to power
7 systems, or qualified combined heat and power systems. For
8 purposes of this Act, landfill gas produced in the State is
9 considered a renewable energy resource. "Renewable energy
10 resources" does not include the incineration or burning of
11 tires, garbage, general household, institutional, and
12 commercial waste, industrial lunchroom or office waste,
13 landscape waste, railroad crossties, utility poles, or
14 construction or demolition debris, other than untreated and
15 unadulterated waste wood. "Renewable energy resources" also
16 includes high voltage direct current renewable energy credits
17 and the associated energy converted to alternating current by
18 a high voltage direct current converter station to the extent
19 that: (1) the generator of such renewable energy resource
20 contracted with a third party to transmit the energy over the
21 high voltage direct current transmission facilities, and (2)
22 the third-party contracting for delivery of renewable energy
23 resources over the high voltage direct current transmission
24 facilities have ownership rights over the unretired associated
25 high voltage direct current renewable energy credit.

26 "Retail customer" has the same definition as found in

1 Section 16-102 of the Public Utilities Act.

2 "Revenue bond" means any bond, note, or other evidence of
3 indebtedness issued by the Authority, the principal and
4 interest of which is payable solely from revenues or income
5 derived from any project or activity of the Agency.

6 "Sequester" means permanent storage of carbon dioxide by
7 injecting it into a saline aquifer, a depleted gas reservoir,
8 or an oil reservoir, directly or through an enhanced oil
9 recovery process that may involve intermediate storage,
10 regardless of whether these activities are conducted by a
11 clean coal facility, a clean coal SNG facility, a clean coal
12 SNG brownfield facility, or a party with which a clean coal
13 facility, clean coal SNG facility, or clean coal SNG
14 brownfield facility has contracted for such purposes.

15 "Service area" has the same definition as found in Section
16 16-102 of the Public Utilities Act.

17 "Settlement period" means the period of time utilized by
18 MISO and PJM and their successor organizations as the basis
19 for settlement calculations in the real-time energy market.

20 "Sourcing 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, (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, and (iii) in case of a gas utility,
4 an agreement between the owner of a clean coal SNG brownfield
5 facility and the gas utility, which agreement shall have the
6 terms and conditions meeting the requirements of subsection
7 (h-1) of Section 9-220 of the Public Utilities Act.

8 "Strike price" means a contract price for energy and
9 renewable energy credits from a new utility-scale wind project
10 or a new utility-scale photovoltaic project.

11 "Subscriber" means a person who (i) takes delivery service
12 from an electric utility, and (ii) has a subscription of no
13 less than 200 watts to a community renewable generation
14 project that is located in the electric utility's service
15 area. No subscriber's subscriptions may total more than 40% of
16 the nameplate capacity of an individual community renewable
17 generation project. Entities that are affiliated by virtue of
18 a common parent shall not represent multiple subscriptions
19 that total more than 40% of the nameplate capacity of an
20 individual community renewable generation project.

21 "Subscription" means an interest in a community renewable
22 generation project expressed in kilowatts, which is sized
23 primarily to offset part or all of the subscriber's
24 electricity usage.

25 "Substitute natural gas" or "SNG" means a gas manufactured
26 by gasification of hydrocarbon feedstock, which is

1 substantially interchangeable in use and distribution with
2 conventional natural gas.

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

1 gases. In discounting future societal costs and benefits for
2 the purpose of calculating net present values, a societal
3 discount rate based on actual, long-term Treasury bond yields
4 should be used. Notwithstanding anything to the contrary, the
5 TRC test shall not include or take into account a calculation
6 of market price suppression effects or demand reduction
7 induced price effects.

8 "Utility-scale solar project" means an electric generating
9 facility that:

10 (1) generates electricity using photovoltaic cells;
11 and

12 (2) has a nameplate capacity that is greater than
13 5,000 kilowatts, as measured by the aggregate capacity of
14 systems that are (i) installed on the same or adjacent
15 parcels or (ii) constructed on contiguous parcels of land
16 or on separate parcels that are functionally adjacent,
17 including those separated only by intervening land uses,
18 such as roads, rights-of-way, agricultural fields, or
19 similar non-developmental uses, and that are developed by
20 affiliated entities, as described in subitem (3) of item
21 (iii) of subparagraph (K) of paragraph (1) of subsection
22 (c) of Section 1-75.

23 "Utility-scale wind project" means an electric generating
24 facility that:

25 (1) generates electricity using wind; and

26 (2) has a nameplate capacity that is greater than

1 5,000 kilowatts.

2 "Waste Heat to Power Systems" means systems that capture
3 and generate electricity from energy that would otherwise be
4 lost to the atmosphere without the use of additional fuel.

5 "Zero emission credit" means a tradable credit that
6 represents the environmental attributes of one megawatt hour
7 of energy produced from a zero emission facility.

8 "Zero emission facility" means a facility that: (1) is
9 fueled by nuclear power; and (2) is interconnected with PJM
10 Interconnection, LLC or the Midcontinent Independent System
11 Operator, Inc., or their successors.

12 (Source: P.A. 102-662, eff. 9-15-21; 103-154, eff. 6-28-23;
13 103-380, eff. 1-1-24.)

14 (20 ILCS 3855/1-75)

15 Sec. 1-75. Planning and Procurement Bureau. The Planning
16 and Procurement Bureau has the following duties and
17 responsibilities:

18 (a) The Planning and Procurement Bureau shall each year,
19 beginning in 2008, develop procurement plans and conduct
20 competitive procurement processes in accordance with the
21 requirements of Section 16-111.5 of the Public Utilities Act
22 for the eligible retail customers of electric utilities that
23 on December 31, 2005 provided electric service to at least
24 100,000 customers in Illinois. Beginning with the delivery
25 year commencing on June 1, 2017, the Planning and Procurement

1 Bureau shall develop plans and processes for the procurement
2 of zero emission credits from zero emission facilities in
3 accordance with the requirements of subsection (d-5) of this
4 Section. Beginning on the effective date of this amendatory
5 Act of the 102nd General Assembly, the Planning and
6 Procurement Bureau shall develop plans and processes for the
7 procurement of carbon mitigation credits from carbon-free
8 energy resources in accordance with the requirements of
9 subsection (d-10) of this Section. The Planning and
10 Procurement Bureau shall also develop procurement plans and
11 conduct competitive procurement processes in accordance with
12 the requirements of Section 16-111.5 of the Public Utilities
13 Act for the eligible retail customers of small
14 multi-jurisdictional electric utilities that (i) on December
15 31, 2005 served less than 100,000 customers in Illinois and
16 (ii) request a procurement plan for their Illinois
17 jurisdictional load. This Section shall not apply to a small
18 multi-jurisdictional utility until such time as a small
19 multi-jurisdictional utility requests the Agency to prepare a
20 procurement plan for their Illinois jurisdictional load. For
21 the purposes of this Section, the term "eligible retail
22 customers" has the same definition as found in Section
23 16-111.5(a) of the Public Utilities Act.

24 Beginning with the plan or plans to be implemented in the
25 2017 delivery year, the Agency shall no longer include the
26 procurement of renewable energy resources in the annual

1 procurement plans required by this subsection (a), except as
2 provided in subsection (q) of Section 16-111.5 of the Public
3 Utilities Act, and shall instead develop a long-term renewable
4 resources procurement plan in accordance with subsection (c)
5 of this Section and Section 16-111.5 of the Public Utilities
6 Act.

7 In accordance with subsection (c-5) of this Section, the
8 Planning and Procurement Bureau shall oversee 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 utility-scale solar projects to be
12 installed, along with energy storage facilities, at or
13 adjacent to the sites of electric generating facilities that,
14 as of January 1, 2016, burned coal as their primary fuel
15 source.

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

22 (A) direct previous experience assembling
23 large-scale power supply plans or portfolios for
24 end-use customers;

25 (B) an advanced degree in economics, mathematics,
26 engineering, risk management, or a related area of

1 study;

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

4 (D) expertise in wholesale electricity market
5 rules, including those established by the Federal
6 Energy Regulatory Commission and regional transmission
7 organizations;

8 (E) expertise in credit protocols and familiarity
9 with contract protocols;

10 (F) adequate resources to perform and fulfill the
11 required functions and responsibilities; and

12 (G) the absence of a conflict of interest and
13 inappropriate bias for or against potential bidders or
14 the affected electric utilities.

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

21 (A) direct previous experience administering a
22 large-scale competitive procurement process;

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

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

1 (D) expertise in wholesale electricity market
2 rules, including those established by the Federal
3 Energy Regulatory Commission and regional transmission
4 organizations;

5 (E) expertise in credit and contract protocols;

6 (F) adequate resources to perform and fulfill the
7 required functions and responsibilities; and

8 (G) the absence of a conflict of interest and
9 inappropriate bias for or against potential bidders or
10 the affected electric utilities.

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

26 (A) failure to satisfy qualification criteria;

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

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

4 The Agency shall remove experts or expert consulting
5 firms from the lists within 10 days if there is a
6 reasonable basis for an objection and provide the updated
7 lists to the affected utilities and other interested
8 parties. If the Agency fails to remove an expert or expert
9 consulting firm from a list, an objecting party may seek
10 review by the Commission within 5 days thereafter by
11 filing a petition, and the Commission shall render a
12 ruling on the petition within 10 days. There is no right of
13 appeal of the Commission's ruling.

14 (4) The Agency shall issue requests for proposals to
15 the qualified experts or expert consulting firms to
16 develop a procurement plan for the affected utilities and
17 to serve as procurement administrator.

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

22 (6) The Agency shall select an expert or expert
23 consulting firm, with approval of the Commission, to serve
24 as procurement administrator based on the proposals
25 submitted. If the Commission rejects, within 5 days, the
26 Agency's selection, the Agency shall submit another

1 recommendation within 3 days based on the proposals
2 submitted. The Agency shall award a 5-year contract to the
3 expert or expert consulting firm so selected with
4 Commission approval.

5 (b) The experts or expert consulting firms retained by the
6 Agency shall, as appropriate, prepare procurement plans, and
7 conduct a competitive procurement process as prescribed in
8 Section 16-111.5 of the Public Utilities Act, to ensure
9 adequate, reliable, affordable, efficient, and environmentally
10 sustainable electric service at the lowest total cost over
11 time, taking into account any benefits of price stability, for
12 eligible retail customers of electric utilities that on
13 December 31, 2005 provided electric service to at least
14 100,000 customers in the State of Illinois, and for eligible
15 Illinois retail customers of small multi-jurisdictional
16 electric utilities that (i) on December 31, 2005 served less
17 than 100,000 customers in Illinois and (ii) request a
18 procurement plan for their Illinois jurisdictional load.

19 (c) Renewable portfolio standard.

20 (1) (A) The Agency shall develop a long-term renewable
21 resources procurement plan that shall include procurement
22 programs and competitive procurement events necessary to
23 meet the goals set forth in this subsection (c). The
24 initial long-term renewable resources procurement plan
25 shall be released for comment no later than 160 days after
26 June 1, 2017 (the effective date of Public Act 99-906).

1 The Agency shall review, and may revise on an expedited
2 basis, the long-term renewable resources procurement plan
3 at least every 2 years, which shall be conducted in
4 conjunction with the procurement plan under Section
5 16-111.5 of the Public Utilities Act to the extent
6 practicable to minimize administrative expense. No later
7 than 120 days after the effective date of this amendatory
8 Act of the 103rd General Assembly, the Agency shall
9 release for comment a revision to the long-term renewable
10 resources procurement plan, updating elements of the most
11 recently approved plan as needed to comply with this
12 amendatory Act of the 103rd General Assembly, and any
13 long-term renewable resources procurement plan update
14 published by the Agency but not yet approved by the
15 Illinois Commerce Commission shall be withdrawn. The
16 long-term renewable resources procurement plans shall be
17 subject to review and approval by the Commission under
18 Section 16-111.5 of the Public Utilities Act.

19 (B) Subject to subparagraph (F) of this paragraph (1),
20 the long-term renewable resources procurement plan shall
21 attempt to meet the goals for procurement of renewable
22 energy credits at levels of at least the following overall
23 percentages: 13% by the 2017 delivery year; increasing by
24 at least 1.5% each delivery year thereafter to at least
25 25% by the 2025 delivery year; increasing by at least 3%
26 each delivery year thereafter to at least 40% by the 2030

1 delivery year, and continuing at no less than 40% for each
2 delivery year thereafter. The Agency shall attempt to
3 procure 50% by delivery year 2040. The Agency shall
4 determine the annual increase between delivery year 2030
5 and delivery year 2040, if any, taking into account energy
6 demand, other energy resources, and other public policy
7 goals. In the event of a conflict between these goals and
8 the new wind, new photovoltaic, and hydropower procurement
9 requirements described in items (i) through (iii) of
10 subparagraph (C) of this paragraph (1), the long-term plan
11 shall prioritize compliance with the new wind, new
12 photovoltaic, and hydropower procurement requirements
13 described in items (i) through (iii) of subparagraph (C)
14 of this paragraph (1) over the annual percentage targets
15 described in this subparagraph (B). The Agency shall not
16 comply with the annual percentage targets described in
17 this subparagraph (B) by procuring renewable energy
18 credits that are unlikely to lead to the development of
19 new renewable resources or new, modernized, or retooled
20 hydropower facilities.

21 For the delivery year beginning June 1, 2017, the
22 procurement plan shall attempt to include, subject to the
23 prioritization outlined in this subparagraph (B),
24 cost-effective renewable energy resources equal to at
25 least 13% of each utility's load for eligible retail
26 customers and 13% of the applicable portion of each

1 utility's load for retail customers who are not eligible
2 retail customers, which applicable portion shall equal 50%
3 of the utility's load for retail customers who are not
4 eligible retail customers on February 28, 2017.

5 For the delivery year beginning June 1, 2018, the
6 procurement plan shall attempt to include, subject to the
7 prioritization outlined in this subparagraph (B),
8 cost-effective renewable energy resources equal to at
9 least 14.5% of each utility's load for eligible retail
10 customers and 14.5% of the applicable portion of each
11 utility's load for retail customers who are not eligible
12 retail customers, which applicable portion shall equal 75%
13 of the utility's load for retail customers who are not
14 eligible retail customers on February 28, 2017.

15 For the delivery year beginning June 1, 2019, and for
16 each year thereafter, the procurement plans shall attempt
17 to include, subject to the prioritization outlined in this
18 subparagraph (B), cost-effective renewable energy
19 resources equal to a minimum percentage of each utility's
20 load for all retail customers as follows: 16% by June 1,
21 2019; increasing by 1.5% each year thereafter to 25% by
22 June 1, 2025; and 25% by June 1, 2026; increasing by at
23 least 3% each delivery year thereafter to at least 40% by
24 the 2030 delivery year, and continuing at no less than 40%
25 for each delivery year thereafter. The Agency shall
26 attempt to procure 50% by delivery year 2040. The Agency

1 shall determine the annual increase between delivery year
2 2030 and delivery year 2040, if any, taking into account
3 energy demand, other energy resources, and other public
4 policy goals.

5 For each delivery year, the Agency shall first
6 recognize each utility's obligations for that delivery
7 year under existing contracts. Any renewable energy
8 credits under existing contracts, including renewable
9 energy credits as part of renewable energy resources,
10 shall be used to meet the goals set forth in this
11 subsection (c) for the delivery year.

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

16 (i) At least 10,000,000 renewable energy credits
17 delivered annually by the end of the 2021 delivery
18 year, and increasing ratably to reach 45,000,000
19 renewable energy credits delivered annually from new
20 wind and solar projects, from repowered wind projects,
21 or from retooled hydropower facilities by the end of
22 delivery year 2030 such that the goals in subparagraph
23 (B) of this paragraph (1) are met entirely by
24 procurements of renewable energy credits from new wind
25 and photovoltaic projects. Of that amount, to the
26 extent possible, the Agency shall endeavor to procure

1 45% from new and repowered wind and hydropower
2 projects and shall procure at least 55% from
3 photovoltaic projects. Of the amount to be procured
4 from photovoltaic projects, the Agency shall procure:
5 at least 50% from solar photovoltaic projects using
6 the program outlined in subparagraph (K) of this
7 paragraph (1) from distributed renewable energy
8 generation devices or community renewable generation
9 projects; at least 47% from utility-scale solar
10 projects; at least 3% from brownfield site
11 photovoltaic projects that are not community renewable
12 generation projects. The Agency may propose
13 adjustments to these percentages, including
14 establishing percentage-based goals for the
15 procurement of renewable energy credits from
16 modernized or retooled hydropower facilities and
17 repowered wind projects, through its long-term
18 renewable resources plan described in subparagraph (A)
19 of this paragraph (1) as necessary based on developer
20 interest, market conditions, budget considerations,
21 resource adequacy needs, or other factors.

22 In developing the long-term renewable resources
23 procurement plan, the Agency shall consider other
24 approaches, in addition to competitive procurements,
25 that can be used to procure renewable energy credits
26 from brownfield site photovoltaic projects and thereby

1 help return blighted or contaminated land to
2 productive use while enhancing public health and the
3 well-being of Illinois residents, including those in
4 environmental justice communities, as defined using
5 existing methodologies and findings used by the Agency
6 and its Administrator in its Illinois Solar for All
7 Program. The Agency shall also consider other
8 approaches, in addition to competitive procurements,
9 to procure renewable energy credits from new and
10 existing hydropower facilities to support the
11 development and maintenance of these facilities. The
12 Agency shall explore options to convert existing dams
13 but shall not consider approaches to develop new dams
14 where they do not already exist. To encourage the
15 continued operation of utility-scale wind projects,
16 the Agency shall consider and may propose other
17 approaches in addition to competitive procurements to
18 procure renewable energy credits from repowered wind
19 projects.

20 (ii) In any given delivery year, if forecasted
21 expenses are less than the maximum budget available
22 under subparagraph (E) of this paragraph (1), the
23 Agency shall continue to procure new renewable energy
24 credits until that budget is exhausted in the manner
25 outlined in item (i) of this subparagraph (C).

26 (iii) For purposes of this Section:

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

4 "New photovoltaic projects" means photovoltaic
5 renewable energy facilities that are energized after
6 June 1, 2017. Photovoltaic projects developed under
7 Section 1-56 of this Act shall not apply towards the
8 new photovoltaic project requirements in this
9 subparagraph (C).

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

20 For purposes of calculating whether the Agency has
21 procured enough new wind and solar renewable energy
22 credits required by this subparagraph (C), renewable
23 energy facilities that have a multi-year renewable
24 energy credit delivery contract with the utility
25 through at least delivery year 2030 shall be
26 considered new, however no renewable energy credits

1 from contracts entered into before June 1, 2021 shall
2 be used to calculate whether the Agency has procured
3 the correct proportion of new wind and new solar
4 contracts described in this subparagraph (C) for
5 delivery year 2021 and thereafter.

6 (D) Renewable energy credits shall be cost effective.
7 For purposes of this subsection (c), "cost effective"
8 means that the costs of procuring renewable energy
9 resources do not cause the limit stated in subparagraph
10 (E) of this paragraph (1) to be exceeded and, for
11 renewable energy credits procured through a competitive
12 procurement event, do not exceed benchmarks based on
13 market prices for like products in the region. For
14 purposes of this subsection (c), "like products" means
15 contracts for renewable energy credits from the same or
16 substantially similar technology, same or substantially
17 similar vintage (new or existing), the same or
18 substantially similar quantity, and the same or
19 substantially similar contract length and structure.
20 Benchmarks shall reflect development, financing, or
21 related costs resulting from requirements imposed through
22 other provisions of State law, including, but not limited
23 to, requirements in subparagraphs (P) and (Q) of this
24 paragraph (1) and the Renewable Energy Facilities
25 Agricultural Impact Mitigation Act. Confidential
26 benchmarks shall be developed by the procurement

1 administrator, in consultation with the Commission staff,
2 Agency staff, and the procurement monitor and shall be
3 subject to Commission review and approval. If price
4 benchmarks for like products in the region are not
5 available, the procurement administrator shall establish
6 price benchmarks based on publicly available data on
7 regional technology costs and expected current and future
8 regional energy prices. The benchmarks in this Section
9 shall not be used to curtail or otherwise reduce
10 contractual obligations entered into by or through the
11 Agency prior to June 1, 2017 (the effective date of Public
12 Act 99-906).

13 (E) For purposes of this subsection (c), the required
14 procurement of cost-effective renewable energy resources
15 for a particular year commencing prior to June 1, 2017
16 shall be measured as a percentage of the actual amount of
17 electricity (megawatt-hours) supplied by the electric
18 utility to eligible retail customers in the delivery year
19 ending immediately prior to the procurement, and, for
20 delivery years commencing on and after June 1, 2017, the
21 required procurement of cost-effective renewable energy
22 resources for a particular year shall be measured as a
23 percentage of the actual amount of electricity
24 (megawatt-hours) delivered by the electric utility in the
25 delivery year ending immediately prior to the procurement,
26 to all retail customers in its service territory. For

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

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

1 utility in the delivery year immediately prior to the
2 procurement to all retail customers in its service
3 territory. The calculations required by this subparagraph
4 (E) shall be made only once for each delivery year at the
5 time that the renewable energy resources are procured.
6 Once the determination as to the amount of renewable
7 energy resources to procure is made based on the
8 calculations set forth in this subparagraph (E) and the
9 contracts procuring those amounts are executed between the
10 seller and applicable electric utility, no subsequent rate
11 impact determinations shall be made and no adjustments to
12 those contract amounts shall be allowed. As provided in
13 subparagraph (E-5) of paragraph (1) of this subsection
14 (c), the seller shall be entitled to full, prompt, and
15 uninterrupted payment under the applicable contract
16 notwithstanding the application of this subparagraph (E),
17 and all costs incurred under such contracts shall be fully
18 recoverable by the electric utility as provided in this
19 Section.

20 (E-5) If, for a particular delivery year, the
21 limitation on the amount of renewable energy resources to
22 be procured, as calculated pursuant to subparagraph (E) of
23 paragraph (1) of this subsection (c), would result in an
24 insufficient collection of funds to fully pay amounts due
25 to a seller under existing contracts executed under this
26 Section or executed under Section 1-56 of this Act, then

1 the following provisions shall apply to ensure full and
2 uninterrupted payment is made to such seller or sellers:

3 (i) If the electric utility has retained unspent
4 funds in an interest-bearing account as prescribed in
5 subsection (k) of Section 16-108 of the Public
6 Utilities Act, then the utility shall use those funds
7 to remit full payment to the sellers to ensure prompt
8 and uninterrupted payment of existing contractual
9 obligation.

10 (ii) If the funds described in item (i) of this
11 subparagraph (E-5) are insufficient to satisfy all
12 existing contractual obligations, then the electric
13 utility shall, nonetheless, remit full payment to the
14 sellers to ensure prompt and uninterrupted payment of
15 existing contractual obligations, provided that the
16 full costs shall be recoverable by the utility in
17 accordance with part (ee) of item (iv) of this
18 subsection (E-5).

19 (iii) The Agency shall promptly notify the
20 Commission that existing contractual obligations are
21 reasonably expected to exceed the maximum collection
22 authorized under subparagraph (E) of paragraph (1) of
23 this subsection (c) for the applicable delivery year.
24 The Agency shall also explain and confirm how the
25 operation of items (i) and (ii) of this subparagraph
26 (E-5) ensures that the electric utility will continue

1 to make prompt and uninterrupted payment under
2 existing contractual obligations. The Agency shall
3 provide this information to the Commission through a
4 notice filed in the Commission docket approving the
5 Agency's operative Long-Term Renewable Resources
6 Procurement Plan that includes the applicable delivery
7 year.

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

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

1 awards could be made without exceeding the
2 limitations of subparagraph (E), then the
3 procurements shall be authorized at a scale
4 determined not to exceed the limitations of
5 subparagraph (E) in a manner consistent with the
6 priorities of this Section.

7 (bb) If the Agency determines that additional
8 renewable energy credit procurement contract
9 awards cannot be made without exceeding the
10 limitations of subparagraph (E), then the Agency
11 shall suspend any new contract awards for the
12 procurement of renewable energy credits until a
13 new rate impact determination is made under
14 subparagraph (E).

15 (cc) Agency determinations made under this
16 item (iv) shall be detailed and comprehensive and,
17 if not made through the Agency's Long-Term
18 Renewable Resources Procurement Plan, shall be
19 filed as a compliance filing in the most recent
20 docketed proceeding approving the Agency's
21 Long-Term Renewable Resources Procurement Plan.

22 (dd) With respect to the procurement of
23 renewable energy credits authorized through
24 programs administered under subsection (b) of
25 Section 1-56 and subparagraphs (K) through (M) of
26 paragraph (1) of subsection (k) of Section 1-75 of

1 this Act, the award of contracts for the
2 procurement of renewable energy credits shall be
3 suspended or reduced only at the conclusion of the
4 program year in which the notice provided for
5 under item (iii) of this subparagraph (E-5) is
6 made.

7 (ee) The contract shall provide that, so long
8 as at least one of: (i) the cost recovery
9 mechanisms referenced in subsection (k) of Section
10 16-108 and subsection (l) of Section 16-111.5 of
11 the Public Utilities Act remains in full force
12 without limitation or (ii) the utility is
13 otherwise authorized and or entitled to full,
14 prompt, and uninterrupted recovery of its costs
15 through any other mechanism, then such seller
16 shall be entitled to full, prompt, and
17 uninterrupted payment under the applicable
18 contract notwithstanding the application of this
19 subparagraph (E).

20 (F) If the limitation on the amount of renewable
21 energy resources procured in subparagraph (E) of this
22 paragraph (1) prevents the Agency from meeting all of the
23 goals in this subsection (c), the Agency's long-term plan
24 shall prioritize compliance with the requirements of this
25 subsection (c) regarding renewable energy credits in the
26 following order:

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

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

6 (ii) renewable energy credits necessary to comply
7 with the new wind and new photovoltaic procurement
8 requirements described in items (i) through (iii) of
9 subparagraph (C) of this paragraph (1); and

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

12 (G) The following provisions shall apply to the
13 Agency's procurement of renewable energy credits under
14 this subsection (c):

15 (i) Notwithstanding whether a long-term renewable
16 resources procurement plan has been approved, the
17 Agency shall conduct an initial forward procurement
18 for renewable energy credits from new utility-scale
19 wind projects within 160 days after June 1, 2017 (the
20 effective date of Public Act 99-906). For the purposes
21 of this initial forward procurement, the Agency shall
22 solicit 15-year contracts for delivery of 1,000,000
23 renewable energy credits delivered annually from new
24 utility-scale wind projects to begin delivery on June
25 1, 2019, if available, but not later than June 1, 2021,
26 unless the project has delays in the establishment of

1 an operating interconnection with the applicable
2 transmission or distribution system as a result of the
3 actions or inactions of the transmission or
4 distribution provider, or other causes for force
5 majeure as outlined in the procurement contract, in
6 which case, not later than June 1, 2022. Payments to
7 suppliers of renewable energy credits shall commence
8 upon delivery. Renewable energy credits procured under
9 this initial procurement shall be included in the
10 Agency's long-term plan and shall apply to all
11 renewable energy goals in this subsection (c).

12 (ii) Notwithstanding whether a long-term renewable
13 resources procurement plan has been approved, the
14 Agency shall conduct an initial forward procurement
15 for renewable energy credits from new utility-scale
16 solar projects and brownfield site photovoltaic
17 projects within one year after June 1, 2017 (the
18 effective date of Public Act 99-906). For the purposes
19 of this initial forward procurement, the Agency shall
20 solicit 15-year contracts for delivery of 1,000,000
21 renewable energy credits delivered annually from new
22 utility-scale solar projects and brownfield site
23 photovoltaic projects to begin delivery on June 1,
24 2019, if available, but not later than June 1, 2021,
25 unless the project has delays in the establishment of
26 an operating interconnection with the applicable

1 transmission or distribution system as a result of the
2 actions or inactions of the transmission or
3 distribution provider, or other causes for force
4 majeure as outlined in the procurement contract, in
5 which case, not later than June 1, 2022. The Agency may
6 structure this initial procurement in one or more
7 discrete procurement events. Payments to suppliers of
8 renewable energy credits shall commence upon delivery.
9 Renewable energy credits procured under this initial
10 procurement shall be included in the Agency's
11 long-term plan and shall apply to all renewable energy
12 goals in this subsection (c).

13 (iii) Notwithstanding whether the Commission has
14 approved the periodic long-term renewable resources
15 procurement plan revision described in Section
16 16-111.5 of the Public Utilities Act, the Agency shall
17 conduct at least one subsequent forward procurement
18 for renewable energy credits from new utility-scale
19 wind projects, new utility-scale solar projects, and
20 new brownfield site photovoltaic projects within 240
21 days after the effective date of this amendatory Act
22 of the 102nd General Assembly in quantities necessary
23 to meet the requirements of subparagraph (C) of this
24 paragraph (1) through the delivery year beginning June
25 1, 2021.

26 (iv) Notwithstanding whether the Commission has

1 approved the periodic long-term renewable resources
2 procurement plan revision described in Section
3 16-111.5 of the Public Utilities Act, the Agency shall
4 open capacity for each category in the Adjustable
5 Block program within 90 days after the effective date
6 of this amendatory Act of the 102nd General Assembly
7 manner:

8 (1) The Agency shall open the first block of
9 annual capacity for the category described in item
10 (i) of subparagraph (K) of this paragraph (1). The
11 first block of annual capacity for item (i) shall
12 be for at least 75 megawatts of total nameplate
13 capacity. The price of the renewable energy credit
14 for this block of capacity shall be 4% less than
15 the price of the last open block in this category.
16 Projects on a waitlist shall be awarded contracts
17 first in the order in which they appear on the
18 waitlist. Notwithstanding anything to the
19 contrary, for those renewable energy credits that
20 qualify and are procured under this subitem (1) of
21 this item (iv), the renewable energy credit
22 delivery contract value shall be paid in full,
23 based on the estimated generation during the first
24 15 years of operation, by the contracting
25 utilities at the time that the facility producing
26 the renewable energy credits is interconnected at

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

10 (2) The Agency shall open the first block of
11 annual capacity for the category described in item
12 (ii) of subparagraph (K) of this paragraph (1).
13 The first block of annual capacity for item (ii)
14 shall be for at least 75 megawatts of total
15 nameplate capacity.

16 (A) The price of the renewable energy
17 credit for any project on a waitlist for this
18 category before the opening of this block
19 shall be 4% less than the price of the last
20 open block in this category. Projects on the
21 waitlist shall be awarded contracts first in
22 the order in which they appear on the
23 waitlist. Any projects that are less than or
24 equal to 25 kilowatts in size on the waitlist
25 for this capacity shall be moved to the
26 waitlist for paragraph (1) of this item (iv).

1 Notwithstanding anything to the contrary,
2 projects that were on the waitlist prior to
3 opening of this block shall not be required to
4 be in compliance with the requirements of
5 subparagraph (Q) of this paragraph (1) of this
6 subsection (c). Notwithstanding anything to
7 the contrary, for those renewable energy
8 credits procured from projects that were on
9 the waitlist for this category before the
10 opening of this block 20% of the renewable
11 energy credit delivery contract value, based
12 on the estimated generation during the first
13 15 years of operation, shall be paid by the
14 contracting utilities at the time that the
15 facility producing the renewable energy
16 credits is interconnected at the distribution
17 system level of the utility and verified as
18 energized by the Program Administrator. The
19 remaining portion shall be paid ratably over
20 the subsequent 4-year period. The electric
21 utility shall receive and retire all renewable
22 energy credits generated by the project during
23 the first 15 years of operation. Renewable
24 energy credits generated by the project
25 thereafter shall not be transferred under the
26 renewable energy credit delivery contract with

1 the counterparty electric utility.

2 (B) The price of renewable energy credits
3 for any project not on the waitlist for this
4 category before the opening of the block shall
5 be determined and published by the Agency.
6 Projects not on a waitlist as of the opening
7 of this block shall be subject to the
8 requirements of subparagraph (Q) of this
9 paragraph (1), as applicable. Projects not on
10 a waitlist as of the opening of this block
11 shall be subject to the contract provisions
12 outlined in item (iii) of subparagraph (L) of
13 this paragraph (1). The Agency shall strive to
14 publish updated prices and an updated
15 renewable energy credit delivery contract as
16 quickly as possible.

17 (3) For opening the first 2 blocks of annual
18 capacity for projects participating in item (iii)
19 of subparagraph (K) of paragraph (1) of subsection
20 (c), projects shall be selected exclusively from
21 those projects on the ordinal waitlists of
22 community renewable generation projects
23 established by the Agency based on the status of
24 those ordinal waitlists as of December 31, 2020,
25 and only those projects previously determined to
26 be eligible for the Agency's April 2019 community

1 solar project selection process.

2 The first 2 blocks of annual capacity for item
3 (iii) shall be for 250 megawatts of total
4 nameplate capacity, with both blocks opening
5 simultaneously under the schedule outlined in the
6 paragraphs below. Projects shall be selected as
7 follows:

8 (A) The geographic balance of selected
9 projects shall follow the Group classification
10 found in the Agency's Revised Long-Term
11 Renewable Resources Procurement Plan, with 70%
12 of capacity allocated to projects on the Group
13 B waitlist and 30% of capacity allocated to
14 projects on the Group A waitlist.

15 (B) Contract awards for waitlisted
16 projects shall be allocated proportionate to
17 the total nameplate capacity amount across
18 both ordinal waitlists associated with that
19 applicant firm or its affiliates, subject to
20 the following conditions.

21 (i) Each applicant firm having a
22 waitlisted project eligible for selection
23 shall receive no less than 500 kilowatts
24 in awarded capacity across all groups, and
25 no approved vendor may receive more than
26 20% of each Group's waitlist allocation.

1 (ii) Each applicant firm, upon
2 receiving an award of program capacity
3 proportionate to its waitlisted capacity,
4 may then determine which waitlisted
5 projects it chooses to be selected for a
6 contract award up to that capacity amount.

7 (iii) Assuming all other program
8 requirements are met, applicant firms may
9 adjust the nameplate capacity of applicant
10 projects without losing waitlist
11 eligibility, so long as no project is
12 greater than 2,000 kilowatts in size.

13 (iv) Assuming all other program
14 requirements are met, applicant firms may
15 adjust the expected production associated
16 with applicant projects, subject to
17 verification by the Program Administrator.

18 (C) After a review of affiliate
19 information and the current ordinal waitlists,
20 the Agency shall announce the nameplate
21 capacity award amounts associated with
22 applicant firms no later than 90 days after
23 the effective date of this amendatory Act of
24 the 102nd General Assembly.

25 (D) Applicant firms shall submit their
26 portfolio of projects used to satisfy those

1 contract awards no less than 90 days after the
2 Agency's announcement. The total nameplate
3 capacity of all projects used to satisfy that
4 portfolio shall be no greater than the
5 Agency's nameplate capacity award amount
6 associated with that applicant firm. An
7 applicant firm may decline, in whole or in
8 part, its nameplate capacity award without
9 penalty, with such unmet capacity rolled over
10 to the next block opening for project
11 selection under item (iii) of subparagraph (K)
12 of this subsection (c). Any projects not
13 included in an applicant firm's portfolio may
14 reapply without prejudice upon the next block
15 reopening for project selection under item
16 (iii) of subparagraph (K) of this subsection
17 (c).

18 (E) The renewable energy credit delivery
19 contract shall be subject to the contract and
20 payment terms outlined in item (iv) of
21 subparagraph (L) of this subsection (c).
22 Contract instruments used for this
23 subparagraph shall contain the following
24 terms:

25 (i) Renewable energy credit prices
26 shall be fixed, without further adjustment

1 under any other provision of this Act or
2 for any other reason, at 10% lower than
3 prices applicable to the last open block
4 for this category, inclusive of any adders
5 available for achieving a minimum of 50%
6 of subscribers to the project's nameplate
7 capacity being residential or small
8 commercial customers with subscriptions of
9 below 25 kilowatts in size;

10 (ii) A requirement that a minimum of
11 50% of subscribers to the project's
12 nameplate capacity be residential or small
13 commercial customers with subscriptions of
14 below 25 kilowatts in size;

15 (iii) Permission for the ability of a
16 contract holder to substitute projects
17 with other waitlisted projects without
18 penalty should a project receive a
19 non-binding estimate of costs to construct
20 the interconnection facilities and any
21 required distribution upgrades associated
22 with that project of greater than 30 cents
23 per watt AC of that project's nameplate
24 capacity. In developing the applicable
25 contract instrument, the Agency may
26 consider whether other circumstances

1 outside of the control of the applicant
2 firm should also warrant project
3 substitution rights.

4 The Agency shall publish a finalized
5 updated renewable energy credit delivery
6 contract developed consistent with these terms
7 and conditions no less than 30 days before
8 applicant firms must submit their portfolio of
9 projects pursuant to item (D).

10 (F) To be eligible for an award, the
11 applicant firm shall certify that not less
12 than prevailing wage, as determined pursuant
13 to the Illinois Prevailing Wage Act, was or
14 will be paid to employees who are engaged in
15 construction activities associated with a
16 selected project.

17 (4) The Agency shall open the first block of
18 annual capacity for the category described in item
19 (iv) of subparagraph (K) of this paragraph (1).
20 The first block of annual capacity for item (iv)
21 shall be for at least 50 megawatts of total
22 nameplate capacity. Renewable energy credit prices
23 shall be fixed, without further adjustment under
24 any other provision of this Act or for any other
25 reason, at the price in the last open block in the
26 category described in item (ii) of subparagraph

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

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

1 (6) The Agency shall open the first blocks of
2 annual capacity for the category described in item
3 (vi) of subparagraph (K) of this paragraph (1),
4 with allocations of capacity within the block
5 generally matching the historical share of block
6 capacity allocated between the category described
7 in items (i) and (ii) of subparagraph (K) of this
8 paragraph (1). The first two blocks of annual
9 capacity for item (vi) shall be for at least 75
10 megawatts of total nameplate capacity. The price
11 of renewable energy credits for the blocks of
12 capacity shall be 4% less than the price of the
13 last open blocks in the categories described in
14 items (i) and (ii) of subparagraph (K) of this
15 paragraph (1). Pricing for future blocks of annual
16 capacity for this category may be adjusted in the
17 Agency's second revision to its Long-Term
18 Renewable Resources Procurement Plan. Projects in
19 this category shall be subject to the applicable
20 contract terms outlined in items (ii) and (iii) of
21 subparagraph (L) of this paragraph (1).

22 (v) Upon the effective date of this amendatory Act
23 of the 102nd General Assembly, for all competitive
24 procurements and any procurements of renewable energy
25 credit from new utility-scale wind and new
26 utility-scale photovoltaic projects, the Agency shall

1 procure indexed renewable energy credits and direct
2 respondents to offer a strike price.

3 (1) The purchase price of the indexed
4 renewable energy credit payment shall be
5 calculated for each settlement period. That
6 payment, for any settlement period, shall be equal
7 to the difference resulting from subtracting the
8 strike price from the index price for that
9 settlement period. If this difference results in a
10 negative number, the indexed REC counterparty
11 shall owe the seller the absolute value multiplied
12 by the quantity of energy produced in the relevant
13 settlement period. If this difference results in a
14 positive number, the seller shall owe the indexed
15 REC counterparty this amount multiplied by the
16 quantity of energy produced in the relevant
17 settlement period.

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

21 (3) To ensure funding in the annual budget
22 established under subparagraph (E) for indexed
23 renewable energy credit procurements for each year
24 of the term of such contracts, which must have a
25 minimum tenure of 20 calendar years, the
26 procurement administrator, Agency, Commission

1 staff, and procurement monitor shall quantify the
2 annual cost of the contract by utilizing an
3 industry-standard, third-party forward price curve
4 for energy at the appropriate hub or load zone,
5 including the estimated magnitude and timing of
6 the price effects related to federal carbon
7 controls. Each forward price curve shall contain a
8 specific value of the forecasted market price of
9 electricity for each annual delivery year of the
10 contract. For procurement planning purposes, the
11 impact on the annual budget for the cost of
12 indexed renewable energy credits for each delivery
13 year shall be determined as the expected annual
14 contract expenditure for that year, equaling the
15 difference between (i) the sum across all relevant
16 contracts of the applicable strike price
17 multiplied by contract quantity and (ii) the sum
18 across all relevant contracts of the forward price
19 curve for the applicable load zone for that year
20 multiplied by contract quantity. The contracting
21 utility shall not assume an obligation in excess
22 of the estimated annual cost of the contracts for
23 indexed renewable energy credits. Forward curves
24 shall be revised on an annual basis as updated
25 forward price curves are released and filed with
26 the Commission in the proceeding approving the

1 Agency's most recent long-term renewable resources
2 procurement plan. If the expected contract spend
3 is higher or lower than the total quantity of
4 contracts multiplied by the forward price curve
5 value for that year, the forward price curve shall
6 be updated by the procurement administrator, in
7 consultation with the Agency, Commission staff,
8 and procurement monitors, using then-currently
9 available price forecast data and additional
10 budget dollars shall be obligated or reobligated
11 as appropriate.

12 (4) To ensure that indexed renewable energy
13 credit prices remain predictable and affordable,
14 the Agency may consider the institution of a price
15 collar on REC prices paid under indexed renewable
16 energy credit procurements establishing floor and
17 ceiling REC prices applicable to indexed REC
18 contract prices. Any price collars applicable to
19 indexed REC procurements shall be proposed by the
20 Agency through its long-term renewable resources
21 procurement plan.

22 (vi) All procurements under this subparagraph (G),
23 including the procurement of renewable energy credits
24 from hydropower facilities, shall comply with the
25 geographic requirements in subparagraph (I) of this
26 paragraph (1) and shall follow the procurement

1 processes and procedures described in this Section and
2 Section 16-111.5 of the Public Utilities Act to the
3 extent practicable, and these processes and procedures
4 may be expedited to accommodate the schedule
5 established by this subparagraph (G).

6 (vii) On and after the effective date of this
7 amendatory Act of the 103rd General Assembly, for all
8 procurements of renewable energy credits from
9 hydropower facilities, the Agency shall establish
10 contract terms designed to optimize existing
11 hydropower facilities through modernization or
12 retooling and establish new hydropower facilities at
13 existing dams. Procurements made under this item (vii)
14 shall prioritize projects located in designated
15 environmental justice communities, as defined in
16 subsection (b) of Section 1-56 of this Act, or in
17 projects located in units of local government with
18 median incomes that do not exceed 82% of the median
19 income of the State.

20 (H) The procurement of renewable energy resources for
21 a given delivery year shall be reduced as described in
22 this subparagraph (H) if an alternative retail electric
23 supplier meets the requirements described in this
24 subparagraph (H).

25 (i) Within 45 days after June 1, 2017 (the
26 effective date of Public Act 99-906), an alternative

1 retail electric supplier or its successor shall submit
2 an informational filing to the Illinois Commerce
3 Commission certifying that, as of December 31, 2015,
4 the alternative retail electric supplier owned one or
5 more electric generating facilities that generates
6 renewable energy resources as defined in Section 1-10
7 of this Act, provided that such facilities are not
8 powered by wind or photovoltaics, and the facilities
9 generate one renewable energy credit for each
10 megawatthour of energy produced from the facility.

11 The informational filing shall identify each
12 facility that was eligible to satisfy the alternative
13 retail electric supplier's obligations under Section
14 16-115D of the Public Utilities Act as described in
15 this item (i).

16 (ii) For a given delivery year, the alternative
17 retail electric supplier may elect to supply its
18 retail customers with renewable energy credits from
19 the facility or facilities described in item (i) of
20 this subparagraph (H) that continue to be owned by the
21 alternative retail electric supplier.

22 (iii) The alternative retail electric supplier
23 shall notify the Agency and the applicable utility, no
24 later than February 28 of the year preceding the
25 applicable delivery year or 15 days after June 1, 2017
26 (the effective date of Public Act 99-906), whichever

1 is later, of its election under item (ii) of this
2 subparagraph (H) to supply renewable energy credits to
3 retail customers of the utility. Such election shall
4 identify the amount of renewable energy credits to be
5 supplied by the alternative retail electric supplier
6 to the utility's retail customers and the source of
7 the renewable energy credits identified in the
8 informational filing as described in item (i) of this
9 subparagraph (H), subject to the following
10 limitations:

11 For the delivery year beginning June 1, 2018,
12 the maximum amount of renewable energy credits to
13 be supplied by an alternative retail electric
14 supplier under this subparagraph (H) shall be 68%
15 multiplied by 25% multiplied by 14.5% multiplied
16 by the amount of metered electricity
17 (megawatt-hours) delivered by the alternative
18 retail electric supplier to Illinois retail
19 customers during the delivery year ending May 31,
20 2016.

21 For delivery years beginning June 1, 2019 and
22 each year thereafter, the maximum amount of
23 renewable energy credits to be supplied by an
24 alternative retail electric supplier under this
25 subparagraph (H) shall be 68% multiplied by 50%
26 multiplied by 16% multiplied by the amount of

1 metered electricity (megawatt-hours) delivered by
2 the alternative retail electric supplier to
3 Illinois retail customers during the delivery year
4 ending May 31, 2016, provided that the 16% value
5 shall increase by 1.5% each delivery year
6 thereafter to 25% by the delivery year beginning
7 June 1, 2025, and thereafter the 25% value shall
8 apply to each delivery year.

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

22 If the requirements set forth in items (i) through
23 (iii) of this subparagraph (H) are met, the charges
24 that would otherwise be applicable to the retail
25 customers of the alternative retail electric supplier
26 under paragraph (6) of this subsection (c) for the

1 applicable delivery year shall be reduced by the ratio
2 of the quantity of renewable energy credits supplied
3 by the alternative retail electric supplier compared
4 to that supplier's target renewable energy credit
5 quantity. The supplier's target renewable energy
6 credit quantity for the delivery year beginning June
7 1, 2018 is 14.5% multiplied by the total amount of
8 metered electricity (megawatt-hours) delivered by the
9 alternative retail supplier in that delivery year,
10 provided that the 14.5% shall increase by 1.5% each
11 delivery year thereafter to 25% by the delivery year
12 beginning June 1, 2025, and thereafter the 25% value
13 shall apply to each delivery year.

14 On or before April 1 of each year, the Agency shall
15 annually publish a report on its website that
16 identifies the aggregate amount of renewable energy
17 credits supplied by alternative retail electric
18 suppliers under this subparagraph (H).

19 (I) The Agency shall design its long-term renewable
20 energy procurement plan to maximize the State's interest
21 in the health, safety, and welfare of its residents,
22 including but not limited to minimizing sulfur dioxide,
23 nitrogen oxide, particulate matter and other pollution
24 that adversely affects public health in this State,
25 increasing fuel and resource diversity in this State,
26 enhancing the reliability and resiliency of the

1 electricity distribution system in this State, meeting
2 goals to limit carbon dioxide emissions under federal or
3 State law, and contributing to a cleaner and healthier
4 environment for the citizens of this State. In order to
5 further these legislative purposes, renewable energy
6 credits shall be eligible to be counted toward the
7 renewable energy requirements of this subsection (c) if
8 they are generated from facilities located in this State.
9 The Agency may qualify renewable energy credits from
10 facilities located in states adjacent to Illinois or
11 renewable energy credits associated with the electricity
12 generated by a utility-scale wind energy facility or
13 utility-scale photovoltaic facility and transmitted by a
14 qualifying direct current project described in subsection
15 (b-5) of Section 8-406 of the Public Utilities Act to a
16 delivery point on the electric transmission grid located
17 in this State or a state adjacent to Illinois, if the
18 generator demonstrates and the Agency determines that the
19 operation of such facility or facilities will help promote
20 the State's interest in the health, safety, and welfare of
21 its residents based on the public interest criteria
22 described above. For the purposes of this Section,
23 renewable resources that are delivered via a high voltage
24 direct current converter station located in Illinois shall
25 be deemed generated in Illinois at the time and location
26 the energy is converted to alternating current by the high

1 voltage direct current converter station if the high
2 voltage direct current transmission line: (i) after the
3 effective date of this amendatory Act of the 102nd General
4 Assembly, was constructed with a project labor agreement;
5 (ii) is capable of transmitting electricity at 525kv;
6 (iii) has an Illinois converter station located and
7 interconnected in the region of the PJM Interconnection,
8 LLC; (iv) does not operate as a public utility; and (v) if
9 the high voltage direct current transmission line was
10 energized after June 1, 2023. To ensure that the public
11 interest criteria are applied to the procurement and given
12 full effect, the Agency's long-term procurement plan shall
13 describe in detail how each public interest factor shall
14 be considered and weighted for facilities located in
15 states adjacent to Illinois.

16 (J) In order to promote the competitive development of
17 renewable energy resources in furtherance of the State's
18 interest in the health, safety, and welfare of its
19 residents, renewable energy credits shall not be eligible
20 to be counted toward the renewable energy requirements of
21 this subsection (c) if they are sourced from a generating
22 unit whose costs were being recovered through rates
23 regulated by this State or any other state or states on or
24 after January 1, 2017. Each contract executed to purchase
25 renewable energy credits under this subsection (c) shall
26 provide for the contract's termination if the costs of the

1 generating unit supplying the renewable energy credits
2 subsequently begin to be recovered through rates regulated
3 by this State or any other state or states; and each
4 contract shall further provide that, in that event, the
5 supplier of the credits must return 110% of all payments
6 received under the contract. Amounts returned under the
7 requirements of this subparagraph (J) shall be retained by
8 the utility and all of these amounts shall be used for the
9 procurement of additional renewable energy credits from
10 new wind or new photovoltaic resources as defined in this
11 subsection (c). The long-term plan shall provide that
12 these renewable energy credits shall be procured in the
13 next procurement event.

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

1 eligible to be counted toward the renewable energy
2 requirements of this subsection (c).

3 (K) The long-term renewable resources procurement plan
4 developed by the Agency in accordance with subparagraph
5 (A) of this paragraph (1) shall include an Adjustable
6 Block program for the procurement of renewable energy
7 credits from new photovoltaic projects that are
8 distributed renewable energy generation devices or new
9 photovoltaic community renewable generation projects. The
10 Adjustable Block program shall be generally designed to
11 provide for the steady, predictable, and sustainable
12 growth of new solar photovoltaic development in Illinois.
13 To this end, the Adjustable Block program shall provide a
14 transparent annual schedule of prices and quantities to
15 enable the photovoltaic market to scale up and for
16 renewable energy credit prices to adjust at a predictable
17 rate over time. The prices set by the Adjustable Block
18 program can be reflected as a set value or as the product
19 of a formula.

20 The Adjustable Block program shall include for each
21 category of eligible projects for each delivery year: a
22 single block of nameplate capacity, a price for renewable
23 energy credits within that block, and the terms and
24 conditions for securing a spot on a waitlist once the
25 block is fully committed or reserved. Except as outlined
26 below, the waitlist of projects in a given year will carry

1 over to apply to the subsequent year when another block is
2 opened. Only projects energized on or after June 1, 2017
3 shall be eligible for the Adjustable Block program. For
4 each category for each delivery year the Agency shall
5 determine the amount of generation capacity in each block,
6 and the purchase price for each block, provided that the
7 purchase price provided and the total amount of generation
8 in all blocks for all categories shall be sufficient to
9 meet the goals in this subsection (c). The Agency shall
10 strive to issue a single block sized to provide for
11 stability and market growth. The Agency shall establish
12 program eligibility requirements that ensure that projects
13 that enter the program are sufficiently mature to indicate
14 a demonstrable path to completion. The Agency may
15 periodically review its prior decisions establishing the
16 amount of generation capacity in each block, and the
17 purchase price for each block, and may propose, on an
18 expedited basis, changes to these previously set values,
19 including but not limited to redistributing these amounts
20 and the available funds as necessary and appropriate,
21 subject to Commission approval as part of the periodic
22 plan revision process described in Section 16-111.5 of the
23 Public Utilities Act. The Agency may define different
24 block sizes, purchase prices, or other distinct terms and
25 conditions for projects located in different utility
26 service territories if the Agency deems it necessary to

1 meet the goals in this subsection (c).

2 The Adjustable Block program shall include the
3 following categories in at least the following amounts:

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

7 (ii) At least 20% from distributed renewable
8 energy generation devices with a nameplate capacity of
9 more than 25 kilowatts and no more than 5,000
10 kilowatts. The Agency may create sub-categories within
11 this category to account for the differences between
12 projects for small commercial customers, large
13 commercial customers, and public or non-profit
14 customers.

15 (iii) At least 30% from photovoltaic community
16 renewable generation projects. Capacity for this
17 category for the first 2 delivery years after the
18 effective date of this amendatory Act of the 102nd
19 General Assembly shall be allocated to waitlist
20 projects as provided in paragraph (3) of item (iv) of
21 subparagraph (G). Starting in the third delivery year
22 after the effective date of this amendatory Act of the
23 102nd General Assembly or earlier if the Agency
24 determines there is additional capacity needed for to
25 meet previous delivery year requirements, all of the
26 following shall apply:

1 (1) The ~~the~~ Agency shall select projects on a
2 first-come, first-serve basis, however the Agency
3 may suggest additional methods to prioritize
4 projects that are submitted at the same time.†

5 (2) Projects ~~projects~~ shall have subscriptions
6 of 25 kW or less for at least 50% of the facility's
7 nameplate capacity and the Agency shall price the
8 renewable energy credits with that as a factor.†

9 (3) Projects ~~projects~~ shall not be colocated
10 with one or more other community renewable
11 generation projects, as defined in the Agency's
12 first revised long-term renewable resources
13 procurement plan approved by the Commission on
14 February 18, 2020, such that the aggregate
15 nameplate capacity exceeds 5,000 kilowatts. The
16 total nameplate capacity of colocated projects
17 shall be the sum of the capacities of the
18 individual projects. Affiliates may not have
19 shared sales or revenue-sharing arrangements or
20 common debt and equity financing arrangements. For
21 purposes of this subitem (3), separate legal
22 formation of approved vendors shall not preclude a
23 finding of affiliation. Evidence of affiliation
24 may include, but is not limited to, shared
25 personnel, common contractual or financing
26 arrangements, a shared interconnection agreement,

1 excessive fragmentation, or any demonstrable
2 pattern of coordinated action in the
3 pre-development, development, construction, and
4 management of community renewable generation
5 projects. Projects that are later sold to distinct
6 legal entities shall not be exempt from a finding
7 of affiliation if documentation indicates that the
8 projects (i) share a common origin on a parcel
9 that has been subdivided in the 5 years prior to
10 application or (ii) were pre-developed prior to
11 construction by the same legal entity or an
12 affiliated legal entity. In such cases, the
13 projects shall be treated as colocated for the
14 purposes of aggregate nameplate capacity
15 limitations and Renewable Energy Certificate
16 pricing adjustments. The Agency shall make
17 exceptions to this subitem (3) on a case-by-case
18 basis if it is demonstrated that projects on one
19 parcel or projects on adjacent parcels have
20 separate, nonaffiliated owners. A parcel shall not
21 be divided into multiple parcels within the 5
22 years preceding a project application. If a parcel
23 is divided within the preceding 5 years, a
24 colocation determination shall be made based on
25 the boundaries of the original, undivided parcel.
26 For purposes of determining colocation, an

1 approved vendor who submits an application for a
2 community renewable generation project shall be
3 required to submit sufficient documentation
4 verifying (i) the parcel on which the project is
5 sited has not been subdivided within the 5 years
6 preceding the project application, and (ii) the
7 project is not affiliated with any other community
8 renewable generation project such that, if the 2
9 projects are deemed colocated, the projects would
10 exceed the 5,000 kilowatts nameplate capacity
11 limitation.

12 For purposes of this subitem (3): ~~and~~

13 "Colocated" means 2 or more community
14 renewable generation projects located on (i) a
15 single parcel or (ii) adjacent parcels, unless it
16 is demonstrated that the projects are developed by
17 unaffiliated entities.

18 "Affiliate" means any other entity that,
19 directly or indirectly through one or more
20 intermediaries, controls, is controlled by, or is
21 under common control of the primary entity or a
22 third entity. "Affiliate" includes family members
23 for the purposes of colocation between projects.

24 "Control" means the possession, directly or
25 indirectly, of the power to direct the management
26 and policies of an entity, whether through the

1 ownership of voting securities, by contract, or
2 otherwise.

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

8 (5) A project shall not be colocated with one
9 or more other distributed renewable energy
10 generation projects such that the aggregate
11 nameplate capacity of the projects exceeds 5,000
12 kilowatts. Notwithstanding any other provision of
13 this Section, if 2 or more projects are developed,
14 controlled, or originate from the same developer
15 or an affiliated developer and the projects serve
16 affiliated loads, the projects shall be colocated
17 if the projects are located on adjacent parcels.
18 If 2 or more projects are developed, controlled,
19 or originate from the same or affiliated developer
20 and the projects serve unaffiliated loads, the
21 projects shall be colocated if documentation
22 indicates affiliated management and ownership in
23 the pre-development, development, construction,
24 and management of the projects. Projects that are
25 later sold to distinct legal entities shall not be
26 exempt from a finding of affiliation if

1 documentation indicates that the projects were
2 pre-developed by the same legal entity or an
3 affiliated legal entity. For purposes of
4 determining colocation, an approved vendor who
5 submits an application for a distributed renewable
6 energy generation project shall be required to
7 submit sufficient documentation verifying that the
8 project is not affiliated with any other
9 distributed renewable energy generation project
10 such that, if the 2 projects were deemed
11 colocated, the projects would exceed the 5,000
12 kilowatts nameplate capacity limitation.

13 For the purposes of this subitem (5):

14 "Colocated" means 2 or more distributed
15 renewable energy generation projects that are
16 located on a single parcel, unless the owner of
17 the retail electric account is confirmed to be
18 unaffiliated and the projects serve distinct
19 electrical loads.

20 "Affiliate" has the meaning given to that term
21 in subitem (3) of this item (iii).

22 "Control" has the meaning given to that term
23 in subitem (3) of this item (iii).

24 (iv) At least 15% from distributed renewable
25 generation devices or photovoltaic community renewable
26 generation projects installed on public school land.

1 The Agency may create subcategories within this
2 category to account for the differences between
3 project size or location. Projects located within
4 environmental justice communities or within
5 Organizational Units that fall within Tier 1 or Tier 2
6 shall be given priority. Each of the Agency's periodic
7 updates to its long-term renewable resources
8 procurement plan to incorporate the procurement
9 described in this subparagraph (iv) shall also include
10 the proposed quantities or blocks, pricing, and
11 contract terms applicable to the procurement as
12 indicated herein. In each such update and procurement,
13 the Agency shall set the renewable energy credit price
14 and establish payment terms for the renewable energy
15 credits procured pursuant to this subparagraph (iv)
16 that make it feasible and affordable for public
17 schools to install photovoltaic distributed renewable
18 energy devices on their premises, including, but not
19 limited to, those public schools subject to the
20 prioritization provisions of this subparagraph. For
21 the purposes of this item (iv):

22 "Environmental Justice Community" shall have the
23 same meaning set forth in the Agency's long-term
24 renewable resources procurement plan;

25 "Organization Unit", "Tier 1" and "Tier 2" shall
26 have the meanings set forth ~~for~~ in Section 18-8.15 of

1 the School Code;

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

6 (v) At least 5% from community-driven community
7 solar projects intended to provide more direct and
8 tangible connection and benefits to the communities
9 which they serve or in which they operate and,
10 additionally, to increase the variety of community
11 solar locations, models, and options in Illinois. As
12 part of its long-term renewable resources procurement
13 plan, the Agency shall develop selection criteria for
14 projects participating in this category. Nothing in
15 this Section shall preclude the Agency from creating a
16 selection process that maximizes community ownership
17 and community benefits in selecting projects to
18 receive renewable energy credits. Selection criteria
19 shall include:

20 (1) community ownership or community
21 wealth-building;

22 (2) additional direct and indirect community
23 benefit, beyond project participation as a
24 subscriber, including, but not limited to,
25 economic, environmental, social, cultural, and
26 physical benefits;

1 (3) meaningful involvement in project
2 organization and development by community members
3 or nonprofit organizations or public entities
4 located in or serving the community;

5 (4) engagement in project operations and
6 management by nonprofit organizations, public
7 entities, or community members; and

8 (5) whether a project is developed in response
9 to a site-specific RFP developed by community
10 members or a nonprofit organization or public
11 entity located in or serving the community.

12 Selection criteria may also prioritize projects
13 that:

14 (1) are developed in collaboration with or to
15 provide complementary opportunities for the Clean
16 Jobs Workforce Network Program, the Illinois
17 Climate Works Preapprenticeship Program, the
18 Returning Residents Clean Jobs Training Program,
19 the Clean Energy Contractor Incubator Program, or
20 the Clean Energy Primes Contractor Accelerator
21 Program;

22 (2) increase the diversity of locations of
23 community solar projects in Illinois, including by
24 locating in urban areas and population centers;

25 (3) are located in Equity Investment Eligible
26 Communities;

- 1 (4) are not greenfield projects;
- 2 (5) serve only local subscribers;
- 3 (6) have a nameplate capacity that does not
4 exceed 500 kW;
- 5 (7) are developed by an equity eligible
6 contractor; or
- 7 (8) otherwise meaningfully advance the goals
8 of providing more direct and tangible connection
9 and benefits to the communities which they serve
10 or in which they operate and increasing the
11 variety of community solar locations, models, and
12 options in Illinois.

13 For the purposes of this item (v):

14 "Community" means a social unit in which people
15 come together regularly to effect change; a social
16 unit in which participants are marked by a cooperative
17 spirit, a common purpose, or shared interests or
18 characteristics; or a space understood by its
19 residents to be delineated through geographic
20 boundaries or landmarks.

21 "Community benefit" means a range of services and
22 activities that provide affirmative, economic,
23 environmental, social, cultural, or physical value to
24 a community; or a mechanism that enables economic
25 development, high-quality employment, and education
26 opportunities for local workers and residents, or

1 formal monitoring and oversight structures such that
2 community members may ensure that those services and
3 activities respond to local knowledge and needs.

4 "Community ownership" means an arrangement in
5 which an electric generating facility is, or over time
6 will be, in significant part, owned collectively by
7 members of the community to which an electric
8 generating facility provides benefits; members of that
9 community participate in decisions regarding the
10 governance, operation, maintenance, and upgrades of
11 and to that facility; and members of that community
12 benefit from regular use of that facility.

13 Terms and guidance within these criteria that are
14 not defined in this item (v) shall be defined by the
15 Agency, with stakeholder input, during the development
16 of the Agency's long-term renewable resources
17 procurement plan. The Agency shall develop regular
18 opportunities for projects to submit applications for
19 projects under this category, and develop selection
20 criteria that gives preference to projects that better
21 meet individual criteria as well as projects that
22 address a higher number of criteria.

23 (vi) At least 10% from distributed renewable
24 energy generation devices, which includes distributed
25 renewable energy devices with a nameplate capacity
26 under 5,000 kilowatts or photovoltaic community

1 renewable generation projects, from applicants that
2 are equity eligible contractors. The Agency may create
3 subcategories within this category to account for the
4 differences between project size and type. The Agency
5 shall propose to increase the percentage in this item
6 (vi) over time to 40% based on factors, including, but
7 not limited to, the number of equity eligible
8 contractors and capacity used in this item (vi) in
9 previous delivery years.

10 The Agency shall propose a payment structure for
11 contracts executed pursuant to this paragraph under
12 which, upon a demonstration of qualification or need,
13 applicant firms are advanced capital disbursed after
14 contract execution but before the contracted project's
15 energization. The amount or percentage of capital
16 advanced prior to project energization shall be
17 sufficient to both cover any increase in development
18 costs resulting from prevailing wage requirements or
19 project-labor agreements, and designed to overcome
20 barriers in access to capital faced by equity eligible
21 contractors. The amount or percentage of advanced
22 capital may vary by subcategory within this category
23 and by an applicant's demonstration of need, with such
24 levels to be established through the Long-Term
25 Renewable Resources Procurement Plan authorized under
26 subparagraph (A) of paragraph (1) of subsection (c) of

1 this Section.

2 Contracts developed featuring capital advanced
3 prior to a project's energization shall feature
4 provisions to ensure both the successful development
5 of applicant projects and the delivery of the
6 renewable energy credits for the full term of the
7 contract, including ongoing collateral requirements
8 and other provisions deemed necessary by the Agency,
9 and may include energization timelines longer than for
10 comparable project types. The percentage or amount of
11 capital advanced prior to project energization shall
12 not operate to increase the overall contract value,
13 however contracts executed under this subparagraph may
14 feature renewable energy credit prices higher than
15 those offered to similar projects participating in
16 other categories. Capital advanced prior to
17 energization shall serve to reduce the ratable
18 payments made after energization under items (ii) and
19 (iii) of subparagraph (L) or payments made for each
20 renewable energy credit delivery under item (iv) of
21 subparagraph (L).

22 (vii) The remaining capacity shall be allocated by
23 the Agency in order to respond to market demand. The
24 Agency shall allocate any discretionary capacity prior
25 to the beginning of each delivery year.

26 To the extent there is uncontracted capacity from any

1 block in any of categories (i) through (vi) at the end of a
2 delivery year, the Agency shall redistribute that capacity
3 to one or more other categories giving priority to
4 categories with projects on a waitlist. The redistributed
5 capacity shall be added to the annual capacity in the
6 subsequent delivery year, and the price for renewable
7 energy credits shall be the price for the new delivery
8 year. Redistributed capacity shall not be considered
9 redistributed when determining whether the goals in this
10 subsection (K) have been met.

11 Notwithstanding anything to the contrary, as the
12 Agency increases the capacity in item (vi) to 40% over
13 time, the Agency may reduce the capacity of items (i)
14 through (v) proportionate to the capacity of the
15 categories of projects in item (vi), to achieve a balance
16 of project types.

17 The Adjustable Block program shall be designed to
18 ensure that renewable energy credits are procured from
19 projects in diverse locations and are not concentrated in
20 a few regional areas.

21 (L) Notwithstanding provisions for advancing capital
22 prior to project energization found in item (vi) of
23 subparagraph (K), the procurement of photovoltaic
24 renewable energy credits under items (i) through (vi) of
25 subparagraph (K) of this paragraph (1) shall otherwise be
26 subject to the following contract and payment terms:

1 (i) (Blank).

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

22 (iii) For those renewable energy credits that
23 qualify and are procured under item (ii) and (v) of
24 subparagraph (K) of this paragraph (1) and any like
25 projects similar category that qualify and are
26 procured under item (vi), the contract length shall be

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

17 (iv) For those renewable energy credits that
18 qualify and are procured under items (iii) and (iv) of
19 subparagraph (K) of this paragraph (1), and any like
20 projects that qualify and are procured under item
21 (vi), the renewable energy credit delivery contract
22 length shall be 20 years and shall be paid over the
23 delivery term, not to exceed during each delivery year
24 the contract price multiplied by the estimated annual
25 renewable energy credit generation amount. If
26 generation of renewable energy credits during a

1 delivery year exceeds the estimated annual generation
2 amount, the excess renewable energy credits shall be
3 carried forward to future delivery years and shall not
4 expire during the delivery term. If generation of
5 renewable energy credits during a delivery year,
6 including carried forward excess renewable energy
7 credits, if any, is less than the estimated annual
8 generation amount, payments during such delivery year
9 will not exceed the quantity generated plus the
10 quantity carried forward multiplied by the contract
11 price. The electric utility shall receive all
12 renewable energy credits generated by the project
13 during the first 20 years of operation and retire all
14 renewable energy credits paid for under this item (iv)
15 and return at the end of the delivery term all
16 renewable energy credits that were not paid for.
17 Renewable energy credits generated by the project
18 thereafter shall not be transferred under the
19 renewable energy credit delivery contract with the
20 counterparty electric utility. Notwithstanding the
21 preceding, for those projects participating under item
22 (iii) of subparagraph (K), the contract price for a
23 delivery year shall be based on subscription levels as
24 measured on the higher of the first business day of the
25 delivery year or the first business day 6 months after
26 the first business day of the delivery year.

1 Subscription of 90% of nameplate capacity or greater
2 shall be deemed to be fully subscribed for the
3 purposes of this item (iv). For projects receiving a
4 20-year delivery contract, REC prices shall be
5 adjusted downward for consistency with the incentive
6 levels previously determined to be necessary to
7 support projects under 15-year delivery contracts,
8 taking into consideration any additional new
9 requirements placed on the projects, including, but
10 not limited to, labor standards.

11 (v) Each contract shall include provisions to
12 ensure the delivery of the estimated quantity of
13 renewable energy credits and ongoing collateral
14 requirements and other provisions deemed appropriate
15 by the Agency.

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

22 (vii) If, at any time, approved applications for
23 the Adjustable Block program exceed funds collected by
24 the electric utility or would cause the Agency to
25 exceed the limitation described in subparagraph (E) of
26 this paragraph (1) on the amount of renewable energy

1 resources that may be procured, then the Agency may
2 consider future uncommitted funds to be reserved for
3 these contracts on a first-come, first-served basis.

4 (viii) Nothing in this Section shall require the
5 utility to advance any payment or pay any amounts that
6 exceed the actual amount of revenues anticipated to be
7 collected by the utility under paragraph (6) of this
8 subsection (c) and subsection (k) of Section 16-108 of
9 the Public Utilities Act inclusive of eligible funds
10 collected in prior years and alternative compliance
11 payments for use by the utility.

12 (ix) Notwithstanding other requirements of this
13 subparagraph (L), no modification shall be required to
14 Adjustable Block program contracts if they were
15 already executed prior to the establishment, approval,
16 and implementation of new contract forms as a result
17 of this amendatory Act of the 102nd General Assembly.

18 (x) Contracts may be assignable, but only to
19 entities first deemed by the Agency to have met
20 program terms and requirements applicable to direct
21 program participation. In developing contracts for the
22 delivery of renewable energy credits, the Agency shall
23 be permitted to establish fees applicable to each
24 contract assignment.

25 (M) The Agency shall be authorized to retain one or
26 more experts or expert consulting firms to develop,

1 administer, implement, operate, and evaluate the
2 Adjustable Block program described in subparagraph (K) of
3 this paragraph (1), and the Agency shall retain the
4 consultant or consultants in the same manner, to the
5 extent practicable, as the Agency retains others to
6 administer provisions of this Act, including, but not
7 limited to, the procurement administrator. The selection
8 of experts and expert consulting firms and the procurement
9 process described in this subparagraph (M) are exempt from
10 the requirements of Section 20-10 of the Illinois
11 Procurement Code, under Section 20-10 of that Code. The
12 Agency shall strive to minimize administrative expenses in
13 the implementation of the Adjustable Block program.

14 The Program Administrator may charge application fees
15 to participating firms to cover the cost of program
16 administration. Any application fee amounts shall
17 initially be determined through the long-term renewable
18 resources procurement plan, and modifications to any
19 application fee that deviate more than 25% from the
20 Commission's approved value must be approved by the
21 Commission as a long-term plan revision under Section
22 16-111.5 of the Public Utilities Act. The Agency shall
23 consider stakeholder feedback when making adjustments to
24 application fees and shall notify stakeholders in advance
25 of any planned changes.

26 In addition to covering the costs of program

1 administration, the Agency, in conjunction with its
2 Program Administrator, may also use the proceeds of such
3 fees charged to participating firms to support public
4 education and ongoing regional and national coordination
5 with nonprofit organizations, public bodies, and others
6 engaged in the implementation of renewable energy
7 incentive programs or similar initiatives. This work may
8 include developing papers and reports, hosting regional
9 and national conferences, and other work deemed necessary
10 by the Agency to position the State of Illinois as a
11 national leader in renewable energy incentive program
12 development and administration.

13 The Agency and its consultant or consultants shall
14 monitor block activity, share program activity with
15 stakeholders and conduct quarterly meetings to discuss
16 program activity and market conditions. If necessary, the
17 Agency may make prospective administrative adjustments to
18 the Adjustable Block program design, such as making
19 adjustments to purchase prices as necessary to achieve the
20 goals of this subsection (c). Program modifications to any
21 block price that do not deviate from the Commission's
22 approved value by more than 10% shall take effect
23 immediately and are not subject to Commission review and
24 approval. Program modifications to any block price that
25 deviate more than 10% from the Commission's approved value
26 must be approved by the Commission as a long-term plan

1 amendment under Section 16-111.5 of the Public Utilities
2 Act. The Agency shall consider stakeholder feedback when
3 making adjustments to the Adjustable Block design and
4 shall notify stakeholders in advance of any planned
5 changes.

6 The Agency and its program administrators for both the
7 Adjustable Block program and the Illinois Solar for All
8 Program, consistent with the requirements of this
9 subsection (c) and subsection (b) of Section 1-56 of this
10 Act, shall propose the Adjustable Block program terms,
11 conditions, and requirements, including the prices to be
12 paid for renewable energy credits, where applicable, and
13 requirements applicable to participating entities and
14 project applications, through the development, review, and
15 approval of the Agency's long-term renewable resources
16 procurement plan described in this subsection (c) and
17 paragraph (5) of subsection (b) of Section 16-111.5 of the
18 Public Utilities Act. Terms, conditions, and requirements
19 for program participation shall include the following:

20 (i) The Agency shall establish a registration
21 process for entities seeking to qualify for
22 program-administered incentive funding and establish
23 baseline qualifications for vendor approval. The
24 Agency must maintain a list of approved entities on
25 each program's website, and may revoke a vendor's
26 ability to receive program-administered incentive

1 funding status upon a determination that the vendor
2 failed to comply with contract terms, the law, or
3 other program requirements.

4 (ii) The Agency shall establish program
5 requirements and minimum contract terms to ensure
6 projects are properly installed and produce their
7 expected amounts of energy. Program requirements may
8 include on-site inspections and photo documentation of
9 projects under construction. The Agency may require
10 repairs, alterations, or additions to remedy any
11 material deficiencies discovered. Vendors who have a
12 disproportionately high number of deficient systems
13 may lose their eligibility to continue to receive
14 State-administered incentive funding through Agency
15 programs and procurements.

16 (iii) To discourage deceptive marketing or other
17 bad faith business practices, the Agency may require
18 direct program participants, including agents
19 operating on their behalf, to provide standardized
20 disclosures to a customer prior to that customer's
21 execution of a contract for the development of a
22 distributed generation system or a subscription to a
23 community solar project.

24 (iv) The Agency shall establish one or multiple
25 Consumer Complaints Centers to accept complaints
26 regarding businesses that participate in, or otherwise

1 benefit from, State-administered incentive funding
2 through Agency-administered programs. The Agency shall
3 maintain a public database of complaints with any
4 confidential or particularly sensitive information
5 redacted from public entries.

6 (v) Through a filing in the proceeding for the
7 approval of its long-term renewable energy resources
8 procurement plan, the Agency shall provide an annual
9 written report to the Illinois Commerce Commission
10 documenting the frequency and nature of complaints and
11 any enforcement actions taken in response to those
12 complaints.

13 (vi) The Agency shall schedule regular meetings
14 with representatives of the Office of the Attorney
15 General, the Illinois Commerce Commission, consumer
16 protection groups, and other interested stakeholders
17 to share relevant information about consumer
18 protection, project compliance, and complaints
19 received.

20 (vii) To the extent that complaints received
21 implicate the jurisdiction of the Office of the
22 Attorney General, the Illinois Commerce Commission, or
23 local, State, or federal law enforcement, the Agency
24 shall also refer complaints to those entities as
25 appropriate.

26 (N) The Agency shall establish the terms, conditions,

1 and program requirements for photovoltaic community
2 renewable generation projects with a goal to expand access
3 to a broader group of energy consumers, to ensure robust
4 participation opportunities for residential and small
5 commercial customers and those who cannot install
6 renewable energy on their own properties. Subject to
7 reasonable limitations, any plan approved by the
8 Commission shall allow subscriptions to community
9 renewable generation projects to be portable and
10 transferable. For purposes of this subparagraph (N),
11 "portable" means that subscriptions may be retained by the
12 subscriber even if the subscriber relocates or changes its
13 address within the same utility service territory; and
14 "transferable" means that a subscriber may assign or sell
15 subscriptions to another person within the same utility
16 service territory.

17 Through the development of its long-term renewable
18 resources procurement plan, the Agency may consider
19 whether community renewable generation projects utilizing
20 technologies other than photovoltaics should be supported
21 through State-administered incentive funding, and may
22 issue requests for information to gauge market demand.

23 Electric utilities shall provide a monetary credit to
24 a subscriber's subsequent bill for service for the
25 proportional output of a community renewable generation
26 project attributable to that subscriber as specified in

1 Section 16-107.5 of the Public Utilities Act.

2 The Agency shall purchase renewable energy credits
3 from subscribed shares of photovoltaic community renewable
4 generation projects through the Adjustable Block program
5 described in subparagraph (K) of this paragraph (1) or
6 through the Illinois Solar for All Program described in
7 Section 1-56 of this Act. The electric utility shall
8 purchase any unsubscribed energy from community renewable
9 generation projects that are Qualifying Facilities ("QF")
10 under the electric utility's tariff for purchasing the
11 output from QFs under Public Utilities Regulatory Policies
12 Act of 1978.

13 The owners of and any subscribers to a community
14 renewable generation project shall not be considered
15 public utilities or alternative retail electricity
16 suppliers under the Public Utilities Act solely as a
17 result of their interest in or subscription to a community
18 renewable generation project and shall not be required to
19 become an alternative retail electric supplier by
20 participating in a community renewable generation project
21 with a public utility.

22 (O) For the delivery year beginning June 1, 2018, the
23 long-term renewable resources procurement plan required by
24 this subsection (c) shall provide for the Agency to
25 procure contracts to continue offering the Illinois Solar
26 for All Program described in subsection (b) of Section

1 1-56 of this Act, and the contracts approved by the
2 Commission shall be executed by the utilities that are
3 subject to this subsection (c). The long-term renewable
4 resources procurement plan shall allocate up to
5 \$50,000,000 per delivery year to fund the programs, and
6 the plan shall determine the amount of funding to be
7 apportioned to the programs identified in subsection (b)
8 of Section 1-56 of this Act; provided that for the
9 delivery years beginning June 1, 2021, June 1, 2022, and
10 June 1, 2023, the long-term renewable resources
11 procurement plan may average the annual budgets over a
12 3-year period to account for program ramp-up. For the
13 delivery years beginning June 1, 2021, June 1, 2024, June
14 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
15 be provided to the Department of Commerce and Economic
16 Opportunity to implement the workforce development
17 programs and reporting as outlined in Section 16-108.12 of
18 the Public Utilities Act. In making the determinations
19 required under this subparagraph (O), the Commission shall
20 consider the experience and performance under the programs
21 and any evaluation reports. The Commission shall also
22 provide for an independent evaluation of those programs on
23 a periodic basis that are funded under this subparagraph
24 (O).

25 (P) All programs and procurements under this
26 subsection (c) shall be designed to encourage

1 participating projects to use a diverse and equitable
2 workforce and a diverse set of contractors, including
3 minority-owned businesses, disadvantaged businesses,
4 trade unions, graduates of any workforce training programs
5 administered under this Act, and small businesses.

6 The Agency shall develop a method to optimize
7 procurement of renewable energy credits from proposed
8 utility-scale projects that are located in communities
9 eligible to receive Energy Transition Community Grants
10 pursuant to Section 10-20 of the Energy Community
11 Reinvestment Act. If this requirement conflicts with other
12 provisions of law or the Agency determines that full
13 compliance with the requirements of this subparagraph (P)
14 would be unreasonably costly or administratively
15 impractical, the Agency is to propose alternative
16 approaches to achieve development of renewable energy
17 resources in communities eligible to receive Energy
18 Transition Community Grants pursuant to Section 10-20 of
19 the Energy Community Reinvestment Act or seek an exemption
20 from this requirement from the Commission.

21 (Q) Each facility listed in subitems (i) through (ix)
22 of item (1) of this subparagraph (Q) for which a renewable
23 energy credit delivery contract is signed after the
24 effective date of this amendatory Act of the 102nd General
25 Assembly is subject to the following requirements through
26 the Agency's long-term renewable resources procurement

1 plan:

2 (1) Each facility shall be subject to the
3 prevailing wage requirements included in the
4 Prevailing Wage Act. The Agency shall require
5 verification that all construction performed on the
6 facility by the renewable energy credit delivery
7 contract holder, its contractors, or its
8 subcontractors relating to construction of the
9 facility is performed by construction employees
10 receiving an amount for that work equal to or greater
11 than the general prevailing rate, as that term is
12 defined in Section 3 of the Prevailing Wage Act. For
13 purposes of this item (1), "house of worship" means
14 property that is both (1) used exclusively by a
15 religious society or body of persons as a place for
16 religious exercise or religious worship and (2)
17 recognized as exempt from taxation pursuant to Section
18 15-40 of the Property Tax Code. This item (1) shall
19 apply to any the following:

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

21 (ii) all new utility-scale photovoltaic
22 projects and repowered wind projects;

23 (iii) all new brownfield photovoltaic
24 projects;

25 (iv) all new photovoltaic community renewable
26 energy facilities that qualify for item (iii) of

1 subparagraph (K) of this paragraph (1);

2 (v) all new community driven community
3 photovoltaic projects that qualify for item (v) of
4 subparagraph (K) of this paragraph (1);

5 (vi) all new photovoltaic projects on public
6 school land that qualify for item (iv) of
7 subparagraph (K) of this paragraph (1);

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

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

26 (ix) all new, modernized, or retooled

1 hydropower facilities.

2 (2) Renewable energy credits procured from new
3 utility-scale wind projects, new utility-scale solar
4 projects, new brownfield solar projects, repowered
5 wind projects, and retooled hydropower facilities
6 pursuant to Agency procurement events occurring after
7 the effective date of this amendatory Act of the 102nd
8 General Assembly must be from facilities built by
9 general contractors that must enter into a project
10 labor agreement, as defined by this Act, prior to
11 construction. The project labor agreement shall be
12 filed with the Director in accordance with procedures
13 established by the Agency through its long-term
14 renewable resources procurement plan. Any information
15 submitted to the Agency in this item (2) shall be
16 considered commercially sensitive information. At a
17 minimum, the project labor agreement must provide the
18 names, addresses, and occupations of the owner of the
19 plant and the individuals representing the labor
20 organization employees participating in the project
21 labor agreement consistent with the Project Labor
22 Agreements Act. The agreement must also specify the
23 terms and conditions as defined by this Act.

24 (3) It is the intent of this Section to ensure that
25 economic development occurs across Illinois
26 communities, that emerging businesses may grow, and

1 that there is improved access to the clean energy
2 economy by persons who have greater economic burdens
3 to success. The Agency shall take into consideration
4 the unique cost of compliance of this subparagraph (Q)
5 that might be borne by equity eligible contractors,
6 shall include such costs when determining the price of
7 renewable energy credits in the Adjustable Block
8 program, and shall take such costs into consideration
9 in a nondiscriminatory manner when comparing bids for
10 competitive procurements. The Agency shall consider
11 costs associated with compliance whether in the
12 development, financing, or construction of projects.
13 The Agency shall periodically review the assumptions
14 in these costs and may adjust prices, in compliance
15 with subparagraph (M) of this paragraph (1).

16 (R) In its long-term renewable resources procurement
17 plan, the Agency shall establish a self-direct renewable
18 portfolio standard compliance program for eligible
19 self-direct customers that purchase renewable energy
20 credits from utility-scale wind and solar projects through
21 long-term agreements for purchase of renewable energy
22 credits as described in this Section. Such long-term
23 agreements may include the purchase of energy or other
24 products on a physical or financial basis and may involve
25 an alternative retail electric supplier as defined in
26 Section 16-102 of the Public Utilities Act. This program

1 shall take effect in the delivery year commencing June 1,
2 2023.

3 (1) For the purposes of this subparagraph:

4 "Eligible self-direct customer" means any retail
5 customers of an electric utility that serves 3,000,000
6 or more retail customers in the State and whose total
7 highest 30-minute demand was more than 10,000
8 kilowatts, or any retail customers of an electric
9 utility that serves less than 3,000,000 retail
10 customers but more than 500,000 retail customers in
11 the State and whose total highest 15-minute demand was
12 more than 10,000 kilowatts.

13 "Retail customer" has the meaning set forth in
14 Section 16-102 of the Public Utilities Act and
15 multiple retail customer accounts under the same
16 corporate parent may aggregate their account demands
17 to meet the 10,000 kilowatt threshold. The criteria
18 for determining whether this subparagraph is
19 applicable to a retail customer shall be based on the
20 12 consecutive billing periods prior to the start of
21 the year in which the application is filed.

22 (2) For renewable energy credits to count toward
23 the self-direct renewable portfolio standard
24 compliance program, they must:

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

1 (ii) be sourced from one or more renewable
2 energy generating facilities that comply with the
3 geographic requirements as set forth in
4 subparagraph (I) of paragraph (1) of subsection
5 (c) as interpreted through the Agency's long-term
6 renewable resources procurement plan, or, where
7 applicable, the geographic requirements that
8 governed utility-scale renewable energy credits at
9 the time the eligible self-direct customer entered
10 into the applicable renewable energy credit
11 purchase agreement;

12 (iii) be procured through long-term contracts
13 with term lengths of at least 10 years either
14 directly with the renewable energy generating
15 facility or through a bundled power purchase
16 agreement, a virtual power purchase agreement, an
17 agreement between the renewable generating
18 facility, an alternative retail electric supplier,
19 and the customer, or such other structure as is
20 permissible under this subparagraph (R);

21 (iv) be equivalent in volume to at least 40%
22 of the eligible self-direct customer's usage,
23 determined annually by the eligible self-direct
24 customer's usage during the previous delivery
25 year, measured to the nearest megawatt-hour;

26 (v) be retired by or on behalf of the large

1 energy customer;

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

4 (vii) if the contracts for renewable energy
5 credits are entered into after the effective date
6 of this amendatory Act of the 102nd General
7 Assembly, the new utility-scale wind projects or
8 new utility-scale solar projects must comply with
9 the requirements established in subparagraphs (P)
10 and (Q) of paragraph (1) of this subsection (c)
11 and subsection (c-10).

12 (3) The self-direct renewable portfolio standard
13 compliance program shall be designed to allow eligible
14 self-direct customers to procure new renewable energy
15 credits from new utility-scale wind projects or new
16 utility-scale photovoltaic projects. The Agency shall
17 annually determine the amount of utility-scale
18 renewable energy credits it will include each year
19 from the self-direct renewable portfolio standard
20 compliance program, subject to receiving qualifying
21 applications. In making this determination, the Agency
22 shall evaluate publicly available analyses and studies
23 of the potential market size for utility-scale
24 renewable energy long-term purchase agreements by
25 commercial and industrial energy customers and make
26 that report publicly available. If demand for

1 participation in the self-direct renewable portfolio
2 standard compliance program exceeds availability, the
3 Agency shall ensure participation is evenly split
4 between commercial and industrial users to the extent
5 there is sufficient demand from both customer classes.
6 Each renewable energy credit procured pursuant to this
7 subparagraph (R) by a self-direct customer shall
8 reduce the total volume of renewable energy credits
9 the Agency is otherwise required to procure from new
10 utility-scale projects pursuant to subparagraph (C) of
11 paragraph (1) of this subsection (c) on behalf of
12 contracting utilities where the eligible self-direct
13 customer is located. The self-direct customer shall
14 file an annual compliance report with the Agency
15 pursuant to terms established by the Agency through
16 its long-term renewable resources procurement plan to
17 be eligible for participation in this program.
18 Customers must provide the Agency with their most
19 recent electricity billing statements or other
20 information deemed necessary by the Agency to
21 demonstrate they are an eligible self-direct customer.

22 (4) The Commission shall approve a reduction in
23 the volumetric charges collected pursuant to Section
24 16-108 of the Public Utilities Act for approved
25 eligible self-direct customers equivalent to the
26 anticipated cost of renewable energy credit deliveries

1 under contracts for new utility-scale wind and new
2 utility-scale solar entered for each delivery year
3 after the large energy customer begins retiring
4 eligible new utility scale renewable energy credits
5 for self-compliance. The self-direct credit amount
6 shall be determined annually and is equal to the
7 estimated portion of the cost authorized by
8 subparagraph (E) of paragraph (1) of this subsection
9 (c) that supported the annual procurement of
10 utility-scale renewable energy credits in the prior
11 delivery year using a methodology described in the
12 long-term renewable resources procurement plan,
13 expressed on a per kilowatthour basis, and does not
14 include (i) costs associated with any contracts
15 entered into before the delivery year in which the
16 customer files the initial compliance report to be
17 eligible for participation in the self-direct program,
18 and (ii) costs associated with procuring renewable
19 energy credits through existing and future contracts
20 through the Adjustable Block Program, subsection (c-5)
21 of this Section 1-75, and the Solar for All Program.
22 The Agency shall assist the Commission in determining
23 the current and future costs. The Agency must
24 determine the self-direct credit amount for new and
25 existing eligible self-direct customers and submit
26 this to the Commission in an annual compliance filing.

1 The Commission must approve the self-direct credit
2 amount by June 1, 2023 and June 1 of each delivery year
3 thereafter.

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

16 (i) the customer's certification that, at the
17 time of the customer's application, the customer
18 qualifies to be a self-direct eligible customer,
19 including documents demonstrating that
20 qualification;

21 (ii) the customer's certification that the
22 customer has entered into or will enter into by
23 the beginning of the applicable procurement year,
24 one or more bilateral contracts for new wind
25 projects or new photovoltaic projects, including
26 supporting documentation;

1 (iii) certification that the contract or
2 contracts for new renewable energy resources are
3 long-term contracts with term lengths of at least
4 10 years, including supporting documentation;

5 (iv) certification of the quantities of
6 renewable energy credits that the customer will
7 purchase each year under such contract or
8 contracts, including supporting documentation;

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

14 (vi) certification that the customer intends
15 to maintain the contract for the duration of the
16 length of the contract.

17 (6) If a customer receives the self-direct credit
18 but fails to properly procure and retire renewable
19 energy credits as required under this subparagraph
20 (R), the Commission, on petition from the Agency and
21 after notice and hearing, may direct such customer's
22 utility to recover the cost of the wrongfully received
23 self-direct credits plus interest through an adder to
24 charges assessed pursuant to Section 16-108 of the
25 Public Utilities Act. Self-direct customers who
26 knowingly fail to properly procure and retire

1 renewable energy credits and do not notify the Agency
2 are ineligible for continued participation in the
3 self-direct renewable portfolio standard compliance
4 program.

5 (2) (Blank).

6 (3) (Blank).

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

9 (5) Beginning with the 2010 delivery year and ending
10 June 1, 2017, an electric utility subject to this
11 subsection (c) shall apply the lesser of the maximum
12 alternative compliance payment rate or the most recent
13 estimated alternative compliance payment rate for its
14 service territory for the corresponding compliance period,
15 established pursuant to subsection (d) of Section 16-115D
16 of the Public Utilities Act to its retail customers that
17 take service pursuant to the electric utility's hourly
18 pricing tariff or tariffs. The electric utility shall
19 retain all amounts collected as a result of the
20 application of the alternative compliance payment rate or
21 rates to such customers, and, beginning in 2011, the
22 utility shall include in the information provided under
23 item (1) of subsection (d) of Section 16-111.5 of the
24 Public Utilities Act the amounts collected under the
25 alternative compliance payment rate or rates for the prior
26 year ending May 31. Notwithstanding any limitation on the

1 procurement of renewable energy resources imposed by item
2 (2) of this subsection (c), the Agency shall increase its
3 spending on the purchase of renewable energy resources to
4 be procured by the electric utility for the next plan year
5 by an amount equal to the amounts collected by the utility
6 under the alternative compliance payment rate or rates in
7 the prior year ending May 31.

8 (6) The electric utility shall be entitled to recover
9 all of its costs associated with the procurement of
10 renewable energy credits under plans approved under this
11 Section and Section 16-111.5 of the Public Utilities Act.
12 These costs shall include associated reasonable expenses
13 for implementing the procurement programs, including, but
14 not limited to, the costs of administering and evaluating
15 the Adjustable Block program, through an automatic
16 adjustment clause tariff in accordance with subsection (k)
17 of Section 16-108 of the Public Utilities Act.

18 (7) Renewable energy credits procured from new
19 photovoltaic projects or new distributed renewable energy
20 generation devices under this Section after June 1, 2017
21 (the effective date of Public Act 99-906) must be procured
22 from devices installed by a qualified person in compliance
23 with the requirements of Section 16-128A of the Public
24 Utilities Act and any rules or regulations adopted
25 thereunder.

26 In meeting the renewable energy requirements of this

1 subsection (c), to the extent feasible and consistent with
2 State and federal law, the renewable energy credit
3 procurements, Adjustable Block solar program, and
4 community renewable generation program shall provide
5 employment opportunities for all segments of the
6 population and workforce, including minority-owned and
7 female-owned business enterprises, and shall not,
8 consistent with State and federal law, discriminate based
9 on race or socioeconomic status.

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

14 (1) In addition to the procurement of renewable energy
15 credits pursuant to long-term renewable resources
16 procurement plans in accordance with subsection (c) of
17 this Section and Section 16-111.5 of the Public Utilities
18 Act, the Agency shall conduct procurement events in
19 accordance with this subsection (c-5) for the procurement
20 by electric utilities that served more than 300,000 retail
21 customers in this State as of January 1, 2019 of renewable
22 energy credits from new renewable energy facilities to be
23 installed at or adjacent to the sites of electric
24 generating facilities that, as of January 1, 2016, burned
25 coal as their primary fuel source and meet the other
26 criteria specified in this subsection (c-5). For purposes

1 of this subsection (c-5), "new renewable energy facility"
2 means a new utility-scale solar project as defined in this
3 Section 1-75. The renewable energy credits procured
4 pursuant to this subsection (c-5) may be included or
5 counted for purposes of compliance with the amounts of
6 renewable energy credits required to be procured pursuant
7 to subsection (c) of this Section to the extent that there
8 are otherwise shortfalls in compliance with such
9 requirements. The procurement of renewable energy credits
10 by electric utilities pursuant to this subsection (c-5)
11 shall be funded solely by revenues collected from the Coal
12 to Solar and Energy Storage Initiative Charge provided for
13 in this subsection (c-5) and subsection (i-5) of Section
14 16-108 of the Public Utilities Act, shall not be funded by
15 revenues collected through any of the other funding
16 mechanisms provided for in subsection (c) of this Section,
17 and shall not be subject to the limitation imposed by
18 subsection (c) on charges to retail customers for costs to
19 procure renewable energy resources pursuant to subsection
20 (c), and shall not be subject to any other requirements or
21 limitations of subsection (c).

22 (2) The Agency shall conduct 2 procurement events to
23 select owners of electric generating facilities meeting
24 the eligibility criteria specified in this subsection
25 (c-5) to enter into long-term contracts to sell renewable
26 energy credits to electric utilities serving more than

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

22 (A) The applicant owns an electric generating
23 facility located in this State that: (i) as of January
24 1, 2016, burned coal as its primary fuel to generate
25 electricity; and (ii) has, or had prior to retirement,
26 an electric generating capacity of at least 150

1 megawatts. The electric generating facility can be
2 either: (i) retired as of the date of the procurement
3 event; or (ii) still operating as of the date of the
4 procurement event.

5 (B) The applicant is not (i) an electric
6 cooperative as defined in Section 3-119 of the Public
7 Utilities Act, or (ii) an entity described in
8 subsection (b)(1) of Section 3-105 of the Public
9 Utilities Act, or an association or consortium of or
10 an entity owned by entities described in (i) or (ii);
11 and the coal-fueled electric generating facility was
12 at one time owned, in whole or in part, by a public
13 utility as defined in Section 3-105 of the Public
14 Utilities Act.

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

1 to construct and operate, at the site, and if
2 necessary for sufficient space on property adjacent to
3 the existing property, at which the electric
4 generating facility identified in paragraph (A) is
5 located: (i) a new renewable energy facility of at
6 least 5 megawatts but no more than 20 megawatts of
7 electric generating capacity, and (ii) an energy
8 storage facility having a storage capacity equal to at
9 least 0.5 megawatts and at most one megawatt.

10 (D) The applicant agrees that the new renewable
11 energy facility and the energy storage facility will
12 be constructed or installed by a qualified entity or
13 entities in compliance with the requirements of
14 subsection (g) of Section 16-128A of the Public
15 Utilities Act and any rules adopted thereunder.

16 (E) The applicant agrees that personnel operating
17 the new renewable energy facility and the energy
18 storage facility will have the requisite skills,
19 knowledge, training, experience, and competence, which
20 may be demonstrated by completion or current
21 participation and ultimate completion by employees of
22 an accredited or otherwise recognized apprenticeship
23 program for the employee's particular craft, trade, or
24 skill, including through training and education
25 courses and opportunities offered by the owner to
26 employees of the coal-fueled electric generating

1 facility or by previous employment experience
2 performing the employee's particular work skill or
3 function.

4 (F) The applicant commits that not less than the
5 prevailing wage, as determined pursuant to the
6 Prevailing Wage Act, will be paid to the applicant's
7 employees engaged in construction activities
8 associated with the new renewable energy facility and
9 the new energy storage facility and to the employees
10 of applicant's contractors engaged in construction
11 activities associated with the new renewable energy
12 facility and the new energy storage facility, and
13 that, on or before the commercial operation date of
14 the new renewable energy facility, the applicant shall
15 file a report with the Agency certifying that the
16 requirements of this subparagraph (F) have been met.

17 (G) The applicant commits that if selected, it
18 will negotiate a project labor agreement for the
19 construction of the new renewable energy facility and
20 associated energy storage facility that includes
21 provisions requiring the parties to the agreement to
22 work together to establish diversity threshold
23 requirements and to ensure best efforts to meet
24 diversity targets, improve diversity at the applicable
25 job site, create diverse apprenticeship opportunities,
26 and create opportunities to employ former coal-fired

1 power plant workers.

2 (H) The applicant commits to enter into a contract
3 or contracts for the applicable duration to provide
4 specified numbers of renewable energy credits each
5 year from the new renewable energy facility to
6 electric utilities that served more than 300,000
7 retail customers in this State as of January 1, 2019,
8 at a price of \$30 per renewable energy credit. The
9 price per renewable energy credit shall be fixed at
10 \$30 for the applicable duration and the renewable
11 energy credits shall not be indexed renewable energy
12 credits as provided for in item (v) of subparagraph
13 (G) of paragraph (1) of subsection (c) of Section 1-75
14 of this Act. The applicable duration of each contract
15 shall be 20 years, unless the applicant is physically
16 interconnected to the PJM Interconnection, LLC
17 transmission grid and had a generating capacity of at
18 least 1,200 megawatts as of January 1, 2021, in which
19 case the applicable duration of the contract shall be
20 15 years.

21 (I) The applicant's application is certified by an
22 officer of the applicant and by an officer of the
23 applicant's ultimate parent company, if any.

24 (3) An applicant may submit applications to contract
25 to supply renewable energy credits from more than one new
26 renewable energy facility to be constructed at or adjacent

1 to one or more qualifying electric generating facilities
2 owned by the applicant. The Agency may select new
3 renewable energy facilities to be located at or adjacent
4 to the sites of more than one qualifying electric
5 generation facility owned by an applicant to contract with
6 electric utilities to supply renewable energy credits from
7 such facilities.

8 (4) The Agency shall assess fees to each applicant to
9 recover the Agency's costs incurred in receiving and
10 evaluating applications, conducting the procurement event,
11 developing contracts for sale, delivery and purchase of
12 renewable energy credits, and monitoring the
13 administration of such contracts, as provided for in this
14 subsection (c-5), including fees paid to a procurement
15 administrator retained by the Agency for one or more of
16 these purposes.

17 (5) The Agency shall select the applicants and the new
18 renewable energy facilities to contract with electric
19 utilities to supply renewable energy credits in accordance
20 with this subsection (c-5). In the first procurement
21 event, the Agency shall select applicants and new
22 renewable energy facilities to supply renewable energy
23 credits, at a price of \$30 per renewable energy credit,
24 aggregating to no less than 400,000 renewable energy
25 credits per year for the applicable duration, assuming
26 sufficient qualifying applications to supply, in the

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

17 (6) The obligation to purchase renewable energy
18 credits from the applicants and their new renewable energy
19 facilities selected by the Agency shall be allocated to
20 the electric utilities based on their respective
21 percentages of kilowatthours delivered to delivery
22 services customers to the aggregate kilowatthour
23 deliveries by the electric utilities to delivery services
24 customers for the year ended December 31, 2021. In order
25 to achieve these allocation percentages between or among
26 the electric utilities, the Agency shall require each

1 applicant that is selected in the procurement event to
2 enter into a contract with each electric utility for the
3 sale and purchase of renewable energy credits from each
4 new renewable energy facility to be constructed and
5 operated by the applicant, with the sale and purchase
6 obligations under the contracts to aggregate to the total
7 number of renewable energy credits per year to be supplied
8 by the applicant from the new renewable energy facility.

9 (7) The Agency shall submit its proposed selection of
10 applicants, new renewable energy facilities to be
11 constructed, and renewable energy credit amounts for each
12 procurement event to the Commission for approval. The
13 Commission shall, within 2 business days after receipt of
14 the Agency's proposed selections, approve the proposed
15 selections if it determines that the applicants and the
16 new renewable energy facilities to be constructed meet the
17 selection criteria set forth in this subsection (c-5) and
18 that the Agency seeks approval for contracts of applicable
19 durations aggregating to no more than the maximum amount
20 of renewable energy credits per year authorized by this
21 subsection (c-5) for the procurement event, at a price of
22 \$30 per renewable energy credit.

23 (8) The Agency, in conjunction with its procurement
24 administrator if one is retained, the electric utilities,
25 and potential applicants for contracts to produce and
26 supply renewable energy credits pursuant to this

1 subsection (c-5), shall develop a standard form contract
2 for the sale, delivery and purchase of renewable energy
3 credits pursuant to this subsection (c-5). Each contract
4 resulting from the first procurement event shall allow for
5 a commercial operation date for the new renewable energy
6 facility of either June 1, 2023 or June 1, 2024, with such
7 dates subject to adjustment as provided in this paragraph.
8 Each contract resulting from the second procurement event
9 shall provide for a commercial operation date on June 1
10 next occurring up to 48 months after execution of the
11 contract. Each contract shall provide that the owner shall
12 receive payments for renewable energy credits for the
13 applicable durations beginning with the commercial
14 operation date of the new renewable energy facility. The
15 form contract shall provide for adjustments to the
16 commercial operation and payment start dates as needed due
17 to any delays in completing the procurement and
18 contracting processes, in finalizing interconnection
19 agreements and installing interconnection facilities, and
20 in obtaining other necessary governmental permits and
21 approvals. The form contract shall be, to the maximum
22 extent possible, consistent with standard electric
23 industry contracts for sale, delivery, and purchase of
24 renewable energy credits while taking into account the
25 specific requirements of this subsection (c-5). The form
26 contract shall provide for over-delivery and

1 under-delivery of renewable energy credits within
2 reasonable ranges during each 12-month period and penalty,
3 default, and enforcement provisions for failure of the
4 selling party to deliver renewable energy credits as
5 specified in the contract and to comply with the
6 requirements of this subsection (c-5). The standard form
7 contract shall specify that all renewable energy credits
8 delivered to the electric utility pursuant to the contract
9 shall be retired. The Agency shall make the proposed
10 contracts available for a reasonable period for comment by
11 potential applicants, and shall publish the final form
12 contract at least 30 days before the date of the first
13 procurement event.

14 (9) Coal to Solar and Energy Storage Initiative
15 Charge.

16 (A) By no later than July 1, 2022, each electric
17 utility that served more than 300,000 retail customers
18 in this State as of January 1, 2019 shall file a tariff
19 with the Commission for the billing and collection of
20 a Coal to Solar and Energy Storage Initiative Charge
21 in accordance with subsection (i-5) of Section 16-108
22 of the Public Utilities Act, with such tariff to be
23 effective, following review and approval or
24 modification by the Commission, beginning January 1,
25 2023. The tariff shall provide for the calculation and
26 setting of the electric utility's Coal to Solar and

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

22 (B) Each electric utility shall remit on a monthly
23 basis to the State Treasurer, for deposit in the Coal
24 to Solar and Energy Storage Initiative Fund provided
25 for in this subsection (c-5), the electric utility's
26 collections of the Coal to Solar and Energy Storage

1 Initiative Charge in the amount estimated to be needed
2 by the Department for grant payments pursuant to grant
3 contracts entered into by the Department pursuant to
4 paragraph (10) of this subsection (c-5).

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

6 (A) The Coal to Solar and Energy Storage
7 Initiative Fund is established as a special fund in
8 the State treasury. The Coal to Solar and Energy
9 Storage Initiative Fund is authorized to receive, by
10 statutory deposit, that portion specified in item (B)
11 of paragraph (9) of this subsection (c-5) of moneys
12 collected by electric utilities through imposition of
13 the Coal to Solar and Energy Storage Initiative Charge
14 required by this subsection (c-5). The Coal to Solar
15 and Energy Storage Initiative Fund shall be
16 administered by the Department to provide grants to
17 support the installation and operation of energy
18 storage facilities at the sites of qualifying electric
19 generating facilities meeting the criteria specified
20 in this paragraph (10).

21 (B) The Coal to Solar and Energy Storage
22 Initiative Fund shall not be subject to sweeps,
23 administrative charges, or chargebacks, including, but
24 not limited to, those authorized under Section 8h of
25 the State Finance Act, that would in any way result in
26 the transfer of those funds from the Coal to Solar and

1 Energy Storage Initiative Fund to any other fund of
2 this State or in having any such funds utilized for any
3 purpose other than the express purposes set forth in
4 this paragraph (10).

5 (C) The Department shall utilize up to
6 \$280,500,000 in the Coal to Solar and Energy Storage
7 Initiative Fund for grants, assuming sufficient
8 qualifying applicants, to support installation of
9 energy storage facilities at the sites of up to 3
10 qualifying electric generating facilities located in
11 the Midcontinent Independent System Operator, Inc.,
12 region in Illinois and the sites of up to 2 qualifying
13 electric generating facilities located in the PJM
14 Interconnection, LLC region in Illinois that meet the
15 criteria set forth in this subparagraph (C). The
16 criteria for receipt of a grant pursuant to this
17 subparagraph (C) are as follows:

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

21 (2) the electric generating facility burns (or
22 burned prior to retirement) coal as its primary
23 source of fuel;

24 (3) if the electric generating facility is
25 retired, it was retired subsequent to January 1,
26 2016;

1 (4) the owner of the electric generating
2 facility has not been selected by the Agency
3 pursuant to this subsection (c-5) of this Section
4 to enter into a contract to sell renewable energy
5 credits to one or more electric utilities from a
6 new renewable energy facility located or to be
7 located at or adjacent to the site at which the
8 electric generating facility is located;

9 (5) the electric generating facility located
10 at the site was at one time owned, in whole or in
11 part, by a public utility as defined in Section
12 3-105 of the Public Utilities Act;

13 (6) the electric generating facility at the
14 site is not owned by (i) an electric cooperative
15 as defined in Section 3-119 of the Public
16 Utilities Act, or (ii) an entity described in
17 subsection (b)(1) of Section 3-105 of the Public
18 Utilities Act, or an association or consortium of
19 or an entity owned by entities described in items
20 (i) or (ii);

21 (7) the proposed energy storage facility at
22 the site will have energy storage capacity of at
23 least 37 megawatts;

24 (8) the owner commits to place the energy
25 storage facility into commercial operation on
26 either June 1, 2023, June 1, 2024, or June 1, 2025,

1 with such date subject to adjustment as needed due
2 to any delays in completing the grant contracting
3 process, in finalizing interconnection agreements
4 and in installing interconnection facilities, and
5 in obtaining necessary governmental permits and
6 approvals;

7 (9) the owner agrees that the new energy
8 storage facility will be constructed or installed
9 by a qualified entity or entities consistent with
10 the requirements of subsection (g) of Section
11 16-128A of the Public Utilities Act and any rules
12 adopted under that Section;

13 (10) the owner agrees that personnel operating
14 the energy storage facility will have the
15 requisite skills, knowledge, training, experience,
16 and competence, which may be demonstrated by
17 completion or current participation and ultimate
18 completion by employees of an accredited or
19 otherwise recognized apprenticeship program for
20 the employee's particular craft, trade, or skill,
21 including through training and education courses
22 and opportunities offered by the owner to
23 employees of the coal-fueled electric generating
24 facility or by previous employment experience
25 performing the employee's particular work skill or
26 function;

1 (11) the owner commits that not less than the
2 prevailing wage, as determined pursuant to the
3 Prevailing Wage Act, will be paid to the owner's
4 employees engaged in construction activities
5 associated with the new energy storage facility
6 and to the employees of the owner's contractors
7 engaged in construction activities associated with
8 the new energy storage facility, and that, on or
9 before the commercial operation date of the new
10 energy storage facility, the owner shall file a
11 report with the Department certifying that the
12 requirements of this subparagraph (11) have been
13 met; and

14 (12) the owner commits that if selected to
15 receive a grant, it will negotiate a project labor
16 agreement for the construction of the new energy
17 storage facility that includes provisions
18 requiring the parties to the agreement to work
19 together to establish diversity threshold
20 requirements and to ensure best efforts to meet
21 diversity targets, improve diversity at the
22 applicable job site, create diverse apprenticeship
23 opportunities, and create opportunities to employ
24 former coal-fired power plant workers.

25 The Department shall accept applications for this
26 grant program until March 31, 2022 and shall announce

1 the award of grants no later than June 1, 2022. The
2 Department shall make the grant payments to a
3 recipient in equal annual amounts for 10 years
4 following the date the energy storage facility is
5 placed into commercial operation. The annual grant
6 payments to a qualifying energy storage facility shall
7 be \$110,000 per megawatt of energy storage capacity,
8 with total annual grant payments pursuant to this
9 subparagraph (C) for qualifying energy storage
10 facilities not to exceed \$28,050,000 in any year.

11 (D) Grants of funding for energy storage
12 facilities pursuant to subparagraph (C) of this
13 paragraph (10), from the Coal to Solar and Energy
14 Storage Initiative Fund, shall be memorialized in
15 grant contracts between the Department and the
16 recipient. The grant contracts shall specify the date
17 or dates in each year on which the annual grant
18 payments shall be paid.

19 (E) All disbursements from the Coal to Solar and
20 Energy Storage Initiative Fund shall be made only upon
21 warrants of the Comptroller drawn upon the Treasurer
22 as custodian of the Fund upon vouchers signed by the
23 Director of the Department or by the person or persons
24 designated by the Director of the Department for that
25 purpose. The Comptroller is authorized to draw the
26 warrants upon vouchers so signed. The Treasurer shall

1 accept all written warrants so signed and shall be
2 released from liability for all payments made on those
3 warrants.

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

5 (A) Each applicant selected in a procurement event
6 to contract to supply renewable energy credits in
7 accordance with this subsection (c-5) and each owner
8 selected by the Department to receive a grant or
9 grants to support the construction and operation of a
10 new energy storage facility or facilities in
11 accordance with this subsection (c-5) shall, within 60
12 days following the Commission's approval of the
13 applicant to contract to supply renewable energy
14 credits or within 60 days following execution of a
15 grant contract with the Department, as applicable,
16 submit to the Commission a diversity, equity, and
17 inclusion plan setting forth the applicant's or
18 owner's numeric goals for the diversity composition of
19 its supplier entities for the new renewable energy
20 facility or new energy storage facility, as
21 applicable, which shall be referred to for purposes of
22 this paragraph (11) as the project, and the
23 applicant's or owner's action plan and schedule for
24 achieving those goals.

25 (B) For purposes of this paragraph (11), diversity
26 composition shall be based on the percentage, which

1 shall be a minimum of 25%, of eligible expenditures
2 for contract awards for materials and services (which
3 shall be defined in the plan) to business enterprises
4 owned by minority persons, women, or persons with
5 disabilities as defined in Section 2 of the Business
6 Enterprise for Minorities, Women, and Persons with
7 Disabilities Act, to LGBTQ business enterprises, to
8 veteran-owned business enterprises, and to business
9 enterprises located in environmental justice
10 communities. The diversity composition goals of the
11 plan may include eligible expenditures in areas for
12 vendor or supplier opportunities in addition to
13 development and construction of the project, and may
14 exclude from eligible expenditures materials and
15 services with limited market availability, limited
16 production and availability from suppliers in the
17 United States, such as solar panels and storage
18 batteries, and material and services that are subject
19 to critical energy infrastructure or cybersecurity
20 requirements or restrictions. The plan may provide
21 that the diversity composition goals may be met
22 through Tier 1 Direct or Tier 2 subcontracting
23 expenditures or a combination thereof for the project.

24 (C) The plan shall provide for, but not be limited
25 to: (i) internal initiatives, including multi-tier
26 initiatives, by the applicant or owner, or by its

1 engineering, procurement and construction contractor
2 if one is used for the project, which for purposes of
3 this paragraph (11) shall be referred to as the EPC
4 contractor, to enable diverse businesses to be
5 considered fairly for selection to provide materials
6 and services; (ii) requirements for the applicant or
7 owner or its EPC contractor to proactively solicit and
8 utilize diverse businesses to provide materials and
9 services; and (iii) requirements for the applicant or
10 owner or its EPC contractor to hire a diverse
11 workforce for the project. The plan shall include a
12 description of the applicant's or owner's diversity
13 recruiting efforts both for the project and for other
14 areas of the applicant's or owner's business
15 operations. The plan shall provide for the imposition
16 of financial penalties on the applicant's or owner's
17 EPC contractor for failure to exercise best efforts to
18 comply with and execute the EPC contractor's diversity
19 obligations under the plan. The plan may provide for
20 the applicant or owner to set aside a portion of the
21 work on the project to serve as an incubation program
22 for qualified businesses, as specified in the plan,
23 owned by minority persons, women, persons with
24 disabilities, LGBTQ persons, and veterans, and
25 businesses located in environmental justice
26 communities, seeking to enter the renewable energy

1 industry.

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

17 (c-10) Equity accountability system. It is the purpose of
18 this subsection (c-10) to create an equity accountability
19 system, which includes the minimum equity standards for all
20 renewable energy procurements, the equity category of the
21 Adjustable Block Program, and the equity prioritization for
22 noncompetitive procurements, that is successful in advancing
23 priority access to the clean energy economy for businesses and
24 workers from communities that have been excluded from economic
25 opportunities in the energy sector, have been subject to
26 disproportionate levels of pollution, and have

1 disproportionately experienced negative public health
2 outcomes. Further, it is the purpose of this subsection to
3 ensure that this equity accountability system is successful in
4 advancing equity across Illinois by providing access to the
5 clean energy economy for businesses and workers from
6 communities that have been historically excluded from economic
7 opportunities in the energy sector, have been subject to
8 disproportionate levels of pollution, and have
9 disproportionately experienced negative public health
10 outcomes.

11 (1) Minimum equity standards. The Agency shall create
12 programs with the purpose of increasing access to and
13 development of equity eligible contractors, who are prime
14 contractors and subcontractors, across all of the programs
15 it manages. All applications for renewable energy credit
16 procurements shall comply with specific minimum equity
17 commitments. Starting in the delivery year immediately
18 following the next long-term renewable resources
19 procurement plan, at least 10% of the project workforce
20 for each entity participating in a procurement program
21 outlined in this subsection (c-10) must be done by equity
22 eligible persons or equity eligible contractors. The
23 Agency shall increase the minimum percentage each delivery
24 year thereafter by increments that ensure a statewide
25 average of 30% of the project workforce for each entity
26 participating in a procurement program is done by equity

1 eligible persons or equity eligible contractors by 2030.
2 The Agency shall propose a schedule of percentage
3 increases to the minimum equity standards in its draft
4 revised renewable energy resources procurement plan
5 submitted to the Commission for approval pursuant to
6 paragraph (5) of subsection (b) of Section 16-111.5 of the
7 Public Utilities Act. In determining these annual
8 increases, the Agency shall have the discretion to
9 establish different minimum equity standards for different
10 types of procurements and different regions of the State
11 if the Agency finds that doing so will further the
12 purposes of this subsection (c-10). The proposed schedule
13 of annual increases shall be revisited and updated on an
14 annual basis. Revisions shall be developed with
15 stakeholder input, including from equity eligible persons,
16 equity eligible contractors, clean energy industry
17 representatives, and community-based organizations that
18 work with such persons and contractors.

19 (A) At the start of each delivery year, the Agency
20 shall require a compliance plan from each entity
21 participating in a procurement program of subsection
22 (c) of this Section that demonstrates how they will
23 achieve compliance with the minimum equity standard
24 percentage for work completed in that delivery year.
25 If an entity applies for its approved vendor or
26 designee status between delivery years, the Agency

1 shall require a compliance plan at the time of
2 application.

3 (B) Halfway through each delivery year, the Agency
4 shall require each entity participating in a
5 procurement program to confirm that it will achieve
6 compliance in that delivery year, when applicable. The
7 Agency may offer corrective action plans to entities
8 that are not on track to achieve compliance.

9 (C) At the end of each delivery year, each entity
10 participating and completing work in that delivery
11 year in a procurement program of subsection (c) shall
12 submit a report to the Agency that demonstrates how it
13 achieved compliance with the minimum equity standards
14 percentage for that delivery year.

15 (D) The Agency shall prohibit participation in
16 procurement programs by an approved vendor or
17 designee, as applicable, or entities with which an
18 approved vendor or designee, as applicable, shares a
19 common parent company if an approved vendor or
20 designee, as applicable, failed to meet the minimum
21 equity standards for the prior delivery year. Waivers
22 approved for lack of equity eligible persons or equity
23 eligible contractors in a geographic area of a project
24 shall not count against the approved vendor or
25 designee. The Agency shall offer a corrective action
26 plan for any such entities to assist them in obtaining

1 compliance and shall allow continued access to
2 procurement programs upon an approved vendor or
3 designee demonstrating compliance.

4 (E) The Agency shall pursue efficiencies achieved
5 by combining with other approved vendor or designee
6 reporting.

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

11 (3) Equity accountability system within competitive
12 procurements. Through its long-term renewable resources
13 procurement plan, the Agency shall develop requirements
14 for ensuring that competitive procurement processes,
15 including utility-scale solar, utility-scale wind, and
16 brownfield site photovoltaic projects, advance the equity
17 goals of this subsection (c-10). Subject to Commission
18 approval, the Agency shall develop bid application
19 requirements and a bid evaluation methodology for ensuring
20 that utilization of equity eligible contractors, whether
21 as bidders or as participants on project development, is
22 optimized, including requiring that winning or successful
23 applicants for utility-scale projects are or will partner
24 with equity eligible contractors and giving preference to
25 bids through which a higher portion of contract value
26 flows to equity eligible contractors. To the extent

1 practicable, entities participating in competitive
2 procurements shall also be required to meet all the equity
3 accountability requirements for approved vendors and their
4 designees under this subsection (c-10). In developing
5 these requirements, the Agency shall also consider whether
6 equity goals can be further advanced through additional
7 measures.

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

11 (A) The current status and number of equity
12 eligible contractors listed in the Energy Workforce
13 Equity Database designed in subsection (c-25),
14 including the number of equity eligible contractors
15 with current certifications as issued by the Agency.

16 (B) A mechanism for measuring, tracking, and
17 reporting project workforce at the approved vendor or
18 designee level, as applicable, which shall include a
19 measurement methodology and records to be made
20 available for audit by the Agency or the Program
21 Administrator.

22 (C) A program for approved vendors, designees,
23 eligible persons, and equity eligible contractors to
24 receive trainings, guidance, and other support from
25 the Agency or its designee regarding the equity
26 category outlined in item (vi) of subparagraph (K) of

1 paragraph (1) of subsection (c) and in meeting the
2 minimum equity standards of this subsection (c-10).

3 (D) A process for certifying equity eligible
4 contractors and equity eligible persons. The
5 certification process shall coordinate with the Energy
6 Workforce Equity Database set forth in subsection
7 (c-25).

8 (E) An application for waiver of the minimum
9 equity standards of this subsection, which the Agency
10 shall have the discretion to grant in rare
11 circumstances. The Agency may grant such a waiver
12 where the applicant provides evidence of significant
13 efforts toward meeting the minimum equity commitment,
14 including: use of the Energy Workforce Equity
15 Database; efforts to hire or contract with entities
16 that hire eligible persons; and efforts to establish
17 contracting relationships with eligible contractors.
18 The Agency shall support applicants in understanding
19 the Energy Workforce Equity Database and other
20 resources for pursuing compliance of the minimum
21 equity standards. Waivers shall be project-specific,
22 unless the Agency deems it necessary to grant a waiver
23 across a portfolio of projects, and in effect for no
24 longer than one year. Any waiver extension or
25 subsequent waiver request from an applicant shall be
26 subject to the requirements of this Section and shall

1 specify efforts made to reach compliance. When
2 considering whether to grant a waiver, and to what
3 extent, the Agency shall consider the degree to which
4 similarly situated applicants have been able to meet
5 these minimum equity commitments. For repeated waiver
6 requests for specific lack of eligible persons or
7 eligible contractors available, the Agency shall make
8 recommendations to target recruitment to add such
9 eligible persons or eligible contractors to the
10 database.

11 (5) The Agency shall collect information about work on
12 projects or portfolios of projects subject to these
13 minimum equity standards to ensure compliance with this
14 subsection (c-10). Reporting in furtherance of this
15 requirement may be combined with other annual reporting
16 requirements. Such reporting shall include proof of
17 certification of each equity eligible contractor or equity
18 eligible person during the applicable time period.

19 (6) The Agency shall keep confidential all information
20 and communication that provides private or personal
21 information.

22 (7) Modifications to the equity accountability system.
23 As part of the update of the long-term renewable resources
24 procurement plan to be initiated in 2023, or sooner if the
25 Agency deems necessary, the Agency shall determine the
26 extent to which the equity accountability system described

1 in this subsection (c-10) has advanced the goals of this
2 amendatory Act of the 102nd General Assembly, including
3 through the inclusion of equity eligible persons and
4 equity eligible contractors in renewable energy credit
5 projects. If the Agency finds that the equity
6 accountability system has failed to meet those goals to
7 its fullest potential, the Agency may revise the following
8 criteria for future Agency procurements: (A) the
9 percentage of project workforce, or other appropriate
10 workforce measure, certified as equity eligible persons or
11 equity eligible contractors; (B) definitions for equity
12 investment eligible persons and equity investment eligible
13 community; and (C) such other modifications necessary to
14 advance the goals of this amendatory Act of the 102nd
15 General Assembly effectively. Such revised criteria may
16 also establish distinct equity accountability systems for
17 different types of procurements or different regions of
18 the State if the Agency finds that doing so will further
19 the purposes of such programs. Revisions shall be
20 developed with stakeholder input, including from equity
21 eligible persons, equity eligible contractors, and
22 community-based organizations that work with such persons
23 and contractors.

24 (c-15) Racial discrimination elimination powers and
25 process.

26 (1) Purpose. It is the purpose of this subsection to

1 empower the Agency and other State actors to remedy racial
2 discrimination in Illinois' clean energy economy as
3 effectively and expediently as possible, including through
4 the use of race-conscious remedies, such as race-conscious
5 contracting and hiring goals, as consistent with State and
6 federal law.

7 (2) Racial disparity and discrimination review
8 process.

9 (A) Within one year after awarding contracts using
10 the equity actions processes established in this
11 Section, the Agency shall publish a report evaluating
12 the effectiveness of the equity actions point criteria
13 of this Section in increasing participation of equity
14 eligible persons and equity eligible contractors. The
15 report shall disaggregate participating workers and
16 contractors by race and ethnicity. The report shall be
17 forwarded to the Governor, the General Assembly, and
18 the Illinois Commerce Commission and be made available
19 to the public.

20 (B) As soon as is practicable thereafter, the
21 Agency, in consultation with the Department of
22 Commerce and Economic Opportunity, Department of
23 Labor, and other agencies that may be relevant, shall
24 commission and publish a disparity and availability
25 study that measures the presence and impact of
26 discrimination on minority businesses and workers in

1 Illinois' clean energy economy. The Agency may hire
2 consultants and experts to conduct the disparity and
3 availability study, with the retention of those
4 consultants and experts exempt from the requirements
5 of Section 20-10 of the Illinois Procurement Code. The
6 Illinois Power Agency shall forward a copy of its
7 findings and recommendations to the Governor, the
8 General Assembly, and the Illinois Commerce
9 Commission. If the disparity and availability study
10 establishes a strong basis in evidence that there is
11 discrimination in Illinois' clean energy economy, the
12 Agency, Department of Commerce and Economic
13 Opportunity, Department of Labor, Department of
14 Corrections, and other appropriate agencies shall take
15 appropriate remedial actions, including race-conscious
16 remedial actions as consistent with State and federal
17 law, to effectively remedy this discrimination. Such
18 remedies may include modification of the equity
19 accountability system as described in subsection
20 (c-10).

21 (c-20) Program data collection.

22 (1) Purpose. Data collection, data analysis, and
23 reporting are critical to ensure that the benefits of the
24 clean energy economy provided to Illinois residents and
25 businesses are equitably distributed across the State. The
26 Agency shall collect data from program applicants in order

1 to track and improve equitable distribution of benefits
2 across Illinois communities for all procurements the
3 Agency conducts. The Agency shall use this data to, among
4 other things, measure any potential impact of racial
5 discrimination on the distribution of benefits and provide
6 information necessary to correct any discrimination
7 through methods consistent with State and federal law.

8 (2) Agency collection of program data. The Agency
9 shall collect demographic and geographic data for each
10 entity awarded contracts under any Agency-administered
11 program.

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

15 (A) demographic information, including racial or
16 ethnic identity for real persons employed, contracted,
17 or subcontracted through the program and owners of
18 businesses or entities that apply to receive renewable
19 energy credits from the Agency;

20 (B) geographic location of the residency of real
21 persons employed, contracted, or subcontracted through
22 the program and geographic location of the
23 headquarters of the business or entity that applies to
24 receive renewable energy credits from the Agency; and

25 (C) any other information the Agency determines is
26 necessary for the purpose of achieving the purpose of

1 this subsection.

2 (4) Publication of collected information. The Agency
3 shall publish, at least annually, information on the
4 demographics of program participants on an aggregate
5 basis.

6 (5) Nothing in this subsection shall be interpreted to
7 limit the authority of the Agency, or other agency or
8 department of the State, to require or collect demographic
9 information from applicants of other State programs.

10 (c-25) Energy Workforce Equity Database.

11 (1) The Agency, in consultation with the Department of
12 Commerce and Economic Opportunity, shall create an Energy
13 Workforce Equity Database, and may contract with a third
14 party to do so ("database program administrator"). If the
15 Department decides to contract with a third party, that
16 third party shall be exempt from the requirements of
17 Section 20-10 of the Illinois Procurement Code. The Energy
18 Workforce Equity Database shall be a searchable database
19 of suppliers, vendors, and subcontractors for clean energy
20 industries that is:

21 (A) publicly accessible;

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

23 (C) organized by company specialty or field;

24 (D) region-specific; and

25 (E) populated with information including, but not
26 limited to, contacts for suppliers, vendors, or

1 subcontractors who are minority and women-owned
2 business enterprise certified or who participate or
3 have participated in any of the programs described in
4 this Act.

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

8 (A) a map of environmental justice and equity
9 investment eligible communities;

10 (B) job postings and recruiting opportunities;

11 (C) a means by which recruiting clean energy
12 companies can find and interact with current or former
13 participants of clean energy workforce training
14 programs;

15 (D) information on workforce training service
16 providers and training opportunities available to
17 prospective workers;

18 (E) renewable energy company diversity reporting;

19 (F) a list of equity eligible contractors with
20 their contact information, types of work performed,
21 and locations worked in;

22 (G) reporting on outcomes of the programs
23 described in the workforce programs of the Energy
24 Transition Act, including information such as, but not
25 limited to, retention rate, graduation rate, and
26 placement rates of trainees; and

1 (H) information about the Jobs and Environmental
2 Justice Grant Program, the Clean Energy Jobs and
3 Justice Fund, and other sources of capital.

4 (3) The Agency shall ensure the database is regularly
5 updated to ensure information is current and shall
6 coordinate with the Department of Commerce and Economic
7 Opportunity to ensure that it includes information on
8 individuals and entities that are or have participated in
9 the Clean Jobs Workforce Network Program, Clean Energy
10 Contractor Incubator Program, Returning Residents Clean
11 Jobs Training Program, or Clean Energy Primes Contractor
12 Accelerator Program.

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

1 standards.

2 (d) Clean coal portfolio standard.

3 (1) The procurement plans shall include electricity
4 generated using clean coal. Each utility shall enter into
5 one or more sourcing agreements with the initial clean
6 coal facility, as provided in paragraph (3) of this
7 subsection (d), covering electricity generated by the
8 initial clean coal facility representing at least 5% of
9 each utility's total supply to serve the load of eligible
10 retail customers in 2015 and each year thereafter, as
11 described in paragraph (3) of this subsection (d), subject
12 to the limits specified in paragraph (2) of this
13 subsection (d). It is the goal of the State that by January
14 1, 2025, 25% of the electricity used in the State shall be
15 generated by cost-effective clean coal facilities. For
16 purposes of this subsection (d), "cost-effective" means
17 that the expenditures pursuant to such sourcing agreements
18 do not cause the limit stated in paragraph (2) of this
19 subsection (d) to be exceeded and do not exceed cost-based
20 benchmarks, which shall be developed to assess all
21 expenditures pursuant to such sourcing agreements covering
22 electricity generated by clean coal facilities, other than
23 the initial clean coal facility, by the procurement
24 administrator, in consultation with the Commission staff,
25 Agency staff, and the procurement monitor and shall be
26 subject to Commission review and approval.

1 A utility party to a sourcing agreement shall
2 immediately retire any emission credits that it receives
3 in connection with the electricity covered by such
4 agreement.

5 Utilities shall maintain adequate records documenting
6 the purchases under the sourcing agreement to comply with
7 this subsection (d) and shall file an accounting with the
8 load forecast that must be filed with the Agency by July 15
9 of each year, in accordance with subsection (d) of Section
10 16-111.5 of the Public Utilities Act.

11 A utility shall be deemed to have complied with the
12 clean coal portfolio standard specified in this subsection
13 (d) if the utility enters into a sourcing agreement as
14 required by this subsection (d).

15 (2) For purposes of this subsection (d), the required
16 execution of sourcing agreements with the initial clean
17 coal facility for a particular year shall be measured as a
18 percentage of the actual amount of electricity
19 (megawatt-hours) supplied by the electric utility to
20 eligible retail customers in the planning year ending
21 immediately prior to the agreement's execution. For
22 purposes of this subsection (d), the amount paid per
23 kilowatthour means the total amount paid for electric
24 service expressed on a per kilowatthour basis. For
25 purposes of this subsection (d), the total amount paid for
26 electric service includes without limitation amounts paid

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

3 Notwithstanding the requirements of this subsection
4 (d), the total amount paid under sourcing agreements with
5 clean coal facilities pursuant to the procurement plan for
6 any given year shall be reduced by an amount necessary to
7 limit the annual estimated average net increase due to the
8 costs of these resources included in the amounts paid by
9 eligible retail customers in connection with electric
10 service to:

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

14 (B) in 2011, the greater of an additional 0.5% of
15 the amount paid per kilowatthour by those customers
16 during the year ending May 31, 2010 or 1% of the amount
17 paid per kilowatthour by those customers during the
18 year ending May 31, 2009;

19 (C) in 2012, the greater of an additional 0.5% of
20 the amount paid per kilowatthour by those customers
21 during the year ending May 31, 2011 or 1.5% of the
22 amount paid per kilowatthour by those customers during
23 the year ending May 31, 2009;

24 (D) in 2013, the greater of an additional 0.5% of
25 the amount paid per kilowatthour by those customers
26 during the year ending May 31, 2012 or 2% of the amount

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

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

16 No later than June 30, 2015, the Commission shall
17 review the limitation on the total amount paid under
18 sourcing agreements, if any, with clean coal facilities
19 pursuant to this subsection (d) and report to the General
20 Assembly its findings as to whether that limitation unduly
21 constrains the amount of electricity generated by
22 cost-effective clean coal facilities that is covered by
23 sourcing agreements.

24 (3) Initial clean coal facility. In order to promote
25 development of clean coal facilities in Illinois, each
26 electric utility subject to this Section shall execute a

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

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

23 (i) be determined using a cost of service
24 methodology employing either a level or deferred
25 capital recovery component, based on a capital
26 structure consisting of 45% equity and 55% debt,

1 and a return on equity as may be approved by the
2 Federal Energy Regulatory Commission, which in any
3 case may not exceed the lower of 11.5% or the rate
4 of return approved by the General Assembly
5 pursuant to paragraph (4) of this subsection (d);
6 and

7 (ii) provide that all miscellaneous net
8 revenue, including but not limited to net revenue
9 from the sale of emission allowances, if any,
10 substitute natural gas, if any, grants or other
11 support provided by the State of Illinois or the
12 United States Government, firm transmission
13 rights, if any, by-products produced by the
14 facility, energy or capacity derived from the
15 facility and not covered by a sourcing agreement
16 pursuant to paragraph (3) of this subsection (d)
17 or item (5) of subsection (d) of Section 16-115 of
18 the Public Utilities Act, whether generated from
19 the synthesis gas derived from coal, from SNG, or
20 from natural gas, shall be credited against the
21 revenue requirement for this initial clean coal
22 facility;

23 (B) power purchase provisions, which shall:

24 (i) provide that the utility party to such
25 sourcing agreement shall pay the contract price
26 for electricity delivered under such sourcing

1 agreement;

2 (ii) require delivery of electricity to the
3 regional transmission organization market of the
4 utility that is party to such sourcing agreement;

5 (iii) require the utility party to such
6 sourcing agreement to buy from the initial clean
7 coal facility in each hour an amount of energy
8 equal to all clean coal energy made available from
9 the initial clean coal facility during such hour
10 times a fraction, the numerator of which is such
11 utility's retail market sales of electricity
12 (expressed in kilowatthours sold) in the State
13 during the prior calendar month and the
14 denominator of which is the total retail market
15 sales of electricity (expressed in kilowatthours
16 sold) in the State by utilities during such prior
17 month and the sales of electricity (expressed in
18 kilowatthours sold) in the State by alternative
19 retail electric suppliers during such prior month
20 that are subject to the requirements of this
21 subsection (d) and paragraph (5) of subsection (d)
22 of Section 16-115 of the Public Utilities Act,
23 provided that the amount purchased by the utility
24 in any year will be limited by paragraph (2) of
25 this subsection (d); and

26 (iv) be considered pre-existing contracts in

1 such utility's procurement plans for eligible
2 retail customers;

3 (C) contract for differences provisions, which
4 shall:

5 (i) require the utility party to such sourcing
6 agreement to contract with the initial clean coal
7 facility in each hour with respect to an amount of
8 energy equal to all clean coal energy made
9 available from the initial clean coal facility
10 during such hour times a fraction, the numerator
11 of which is such utility's retail market sales of
12 electricity (expressed in kilowatthours sold) in
13 the utility's service territory in the State
14 during the prior calendar month and the
15 denominator of which is the total retail market
16 sales of electricity (expressed in kilowatthours
17 sold) in the State by utilities during such prior
18 month and the sales of electricity (expressed in
19 kilowatthours sold) in the State by alternative
20 retail electric suppliers during such prior month
21 that are subject to the requirements of this
22 subsection (d) and paragraph (5) of subsection (d)
23 of Section 16-115 of the Public Utilities Act,
24 provided that the amount paid by the utility in
25 any year will be limited by paragraph (2) of this
26 subsection (d);

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

19 (iii) not require the utility to take physical
20 delivery of the electricity produced by the
21 facility;

22 (D) general provisions, which shall:

23 (i) specify a term of no more than 30 years,
24 commencing on the commercial operation date of the
25 facility;

26 (ii) provide that utilities shall maintain

1 adequate records documenting purchases under the
2 sourcing agreements entered into to comply with
3 this subsection (d) and shall file an accounting
4 with the load forecast that must be filed with the
5 Agency by July 15 of each year, in accordance with
6 subsection (d) of Section 16-111.5 of the Public
7 Utilities Act;

8 (iii) provide that all costs associated with
9 the initial clean coal facility will be
10 periodically reported to the Federal Energy
11 Regulatory Commission and to purchasers in
12 accordance with applicable laws governing
13 cost-based wholesale power contracts;

14 (iv) permit the Illinois Power Agency to
15 assume ownership of the initial clean coal
16 facility, without monetary consideration and
17 otherwise on reasonable terms acceptable to the
18 Agency, if the Agency so requests no less than 3
19 years prior to the end of the stated contract
20 term;

21 (v) require the owner of the initial clean
22 coal facility to provide documentation to the
23 Commission each year, starting in the facility's
24 first year of commercial operation, accurately
25 reporting the quantity of carbon emissions from
26 the facility that have been captured and

1 sequestered and report any quantities of carbon
2 released from the site or sites at which carbon
3 emissions were sequestered in prior years, based
4 on continuous monitoring of such sites. If, in any
5 year after the first year of commercial operation,
6 the owner of the facility fails to demonstrate
7 that the initial clean coal facility captured and
8 sequestered at least 50% of the total carbon
9 emissions that the facility would otherwise emit
10 or that sequestration of emissions from prior
11 years has failed, resulting in the release of
12 carbon dioxide into the atmosphere, the owner of
13 the facility must offset excess emissions. Any
14 such carbon offsets must be permanent, additional,
15 verifiable, real, located within the State of
16 Illinois, and legally and practicably enforceable.
17 The cost of such offsets for the facility that are
18 not recoverable shall not exceed \$15 million in
19 any given year. No costs of any such purchases of
20 carbon offsets may be recovered from a utility or
21 its customers. All carbon offsets purchased for
22 this purpose and any carbon emission credits
23 associated with sequestration of carbon from the
24 facility must be permanently retired. The initial
25 clean coal facility shall not forfeit its
26 designation as a clean coal facility if the

1 facility fails to fully comply with the applicable
2 carbon sequestration requirements in any given
3 year, provided the requisite offsets are
4 purchased. However, the Attorney General, on
5 behalf of the People of the State of Illinois, may
6 specifically enforce the facility's sequestration
7 requirement and the other terms of this contract
8 provision. Compliance with the sequestration
9 requirements and offset purchase requirements
10 specified in paragraph (3) of this subsection (d)
11 shall be reviewed annually by an independent
12 expert retained by the owner of the initial clean
13 coal facility, with the advance written approval
14 of the Attorney General. The Commission may, in
15 the course of the review specified in item (vii),
16 reduce the allowable return on equity for the
17 facility if the facility willfully fails to comply
18 with the carbon capture and sequestration
19 requirements set forth in this item (v);

20 (vi) include limits on, and accordingly
21 provide for modification of, the amount the
22 utility is required to source under the sourcing
23 agreement consistent with paragraph (2) of this
24 subsection (d);

25 (vii) require Commission review: (1) to
26 determine the justness, reasonableness, and

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

14 (viii) limit the utility's obligation to such
15 amount as the utility is allowed to recover
16 through tariffs filed with the Commission,
17 provided that neither the clean coal facility nor
18 the utility waives any right to assert federal
19 pre-emption or any other argument in response to a
20 purported disallowance of recovery costs;

21 (ix) limit the utility's or alternative retail
22 electric supplier's obligation to incur any
23 liability until such time as the facility is in
24 commercial operation and generating power and
25 energy and such power and energy is being
26 delivered to the facility busbar;

1 (x) provide that the owner or owners of the
2 initial clean coal facility, which is the
3 counterparty to such sourcing agreement, shall
4 have the right from time to time to elect whether
5 the obligations of the utility party thereto shall
6 be governed by the power purchase provisions or
7 the contract for differences provisions;

8 (xi) append documentation showing that the
9 formula rate and contract, insofar as they relate
10 to the power purchase provisions, have been
11 approved by the Federal Energy Regulatory
12 Commission pursuant to Section 205 of the Federal
13 Power Act;

14 (xii) provide that any changes to the terms of
15 the contract, insofar as such changes relate to
16 the power purchase provisions, are subject to
17 review under the public interest standard applied
18 by the Federal Energy Regulatory Commission
19 pursuant to Sections 205 and 206 of the Federal
20 Power Act; and

21 (xiii) conform with customary lender
22 requirements in power purchase agreements used as
23 the basis for financing non-utility generators.

24 (4) Effective date of sourcing agreements with the
25 initial clean coal facility. Any proposed sourcing
26 agreement with the initial clean coal facility shall not

1 become effective unless the following reports are prepared
2 and submitted and authorizations and approvals obtained:

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

16 (ii) Commission report. Within 6 months following
17 receipt of the facility cost report, the Commission,
18 in consultation with the Agency, shall submit a report
19 to the General Assembly setting forth its analysis of
20 the facility cost report. Such report shall include,
21 but not be limited to, a comparison of the costs
22 associated with electricity generated by the initial
23 clean coal facility to the costs associated with
24 electricity generated by other types of generation
25 facilities, an analysis of the rate impacts on
26 residential and small business customers over the life

1 of the sourcing agreements, and an analysis of the
2 likelihood that the initial clean coal facility will
3 commence commercial operation by and be delivering
4 power to the facility's busbar by 2016. To assist in
5 the preparation of its report, the Commission, in
6 consultation with the Agency, may hire one or more
7 experts or consultants, the costs of which shall be
8 paid for by the owner of the initial clean coal
9 facility. The Commission and Agency may begin the
10 process of selecting such experts or consultants prior
11 to receipt of the facility cost report.

12 (iii) General Assembly approval. The proposed
13 sourcing agreements shall not take effect unless,
14 based on the facility cost report and the Commission's
15 report, the General Assembly enacts authorizing
16 legislation approving (A) the projected price, stated
17 in cents per kilowatthour, to be charged for
18 electricity generated by the initial clean coal
19 facility, (B) the projected impact on residential and
20 small business customers' bills over the life of the
21 sourcing agreements, and (C) the maximum allowable
22 return on equity for the project; and

23 (iv) Commission review. If the General Assembly
24 enacts authorizing legislation pursuant to
25 subparagraph (iii) approving a sourcing agreement, the
26 Commission shall, within 90 days of such enactment,

1 complete a review of such sourcing agreement. During
2 such time period, the Commission shall implement any
3 directive of the General Assembly, resolve any
4 disputes between the parties to the sourcing agreement
5 concerning the terms of such agreement, approve the
6 form of such agreement, and issue an order finding
7 that the sourcing agreement is prudent and reasonable.
8 The facility cost report shall be prepared as follows:

9 (A) The facility cost report shall be prepared by
10 duly licensed engineering and construction firms
11 detailing the estimated capital costs payable to one
12 or more contractors or suppliers for the engineering,
13 procurement and construction of the components
14 comprising the initial clean coal facility and the
15 estimated costs of operation and maintenance of the
16 facility. The facility cost report shall include:

17 (i) an estimate of the capital cost of the
18 core plant based on one or more front end
19 engineering and design studies for the
20 gasification island and related facilities. The
21 core plant shall include all civil, structural,
22 mechanical, electrical, control, and safety
23 systems.

24 (ii) an estimate of the capital cost of the
25 balance of the plant, including any capital costs
26 associated with sequestration of carbon dioxide

1 emissions and all interconnects and interfaces
2 required to operate the facility, such as
3 transmission of electricity, construction or
4 backfeed power supply, pipelines to transport
5 substitute natural gas or carbon dioxide, potable
6 water supply, natural gas supply, water supply,
7 water discharge, landfill, access roads, and coal
8 delivery.

9 The quoted construction costs shall be expressed
10 in nominal dollars as of the date that the quote is
11 prepared and shall include capitalized financing costs
12 during construction, taxes, insurance, and other
13 owner's costs, and an assumed escalation in materials
14 and labor beyond the date as of which the construction
15 cost quote is expressed.

16 (B) The front end engineering and design study for
17 the gasification island and the cost study for the
18 balance of plant shall include sufficient design work
19 to permit quantification of major categories of
20 materials, commodities and labor hours, and receipt of
21 quotes from vendors of major equipment required to
22 construct and operate the clean coal facility.

23 (C) The facility cost report shall also include an
24 operating and maintenance cost quote that will provide
25 the estimated cost of delivered fuel, personnel,
26 maintenance contracts, chemicals, catalysts,

1 consumables, spares, and other fixed and variable
2 operations and maintenance costs. The delivered fuel
3 cost estimate will be provided by a recognized third
4 party expert or experts in the fuel and transportation
5 industries. The balance of the operating and
6 maintenance cost quote, excluding delivered fuel
7 costs, will be developed based on the inputs provided
8 by duly licensed engineering and construction firms
9 performing the construction cost quote, potential
10 vendors under long-term service agreements and plant
11 operating agreements, or recognized third party plant
12 operator or operators.

13 The operating and maintenance cost quote
14 (including the cost of the front end engineering and
15 design study) shall be expressed in nominal dollars as
16 of the date that the quote is prepared and shall
17 include taxes, insurance, and other owner's costs, and
18 an assumed escalation in materials and labor beyond
19 the date as of which the operating and maintenance
20 cost quote is expressed.

21 (D) The facility cost report shall also include an
22 analysis of the initial clean coal facility's ability
23 to deliver power and energy into the applicable
24 regional transmission organization markets and an
25 analysis of the expected capacity factor for the
26 initial clean coal facility.

1 (E) Amounts paid to third parties unrelated to the
2 owner or owners of the initial clean coal facility to
3 prepare the core plant construction cost quote,
4 including the front end engineering and design study,
5 and the operating and maintenance cost quote will be
6 reimbursed through Coal Development Bonds.

7 (5) Re-powering and retrofitting coal-fired power
8 plants previously owned by Illinois utilities to qualify
9 as clean coal facilities. During the 2009 procurement
10 planning process and thereafter, the Agency and the
11 Commission shall consider sourcing agreements covering
12 electricity generated by power plants that were previously
13 owned by Illinois utilities and that have been or will be
14 converted into clean coal facilities, as defined by
15 Section 1-10 of this Act. Pursuant to such procurement
16 planning process, the owners of such facilities may
17 propose to the Agency sourcing agreements with utilities
18 and alternative retail electric suppliers required to
19 comply with subsection (d) of this Section and item (5) of
20 subsection (d) of Section 16-115 of the Public Utilities
21 Act, covering electricity generated by such facilities. In
22 the case of sourcing agreements that are power purchase
23 agreements, the contract price for electricity sales shall
24 be established on a cost of service basis. In the case of
25 sourcing agreements that are contracts for differences,
26 the contract price from which the reference price is

1 subtracted shall be established on a cost of service
2 basis. The Agency and the Commission may approve any such
3 utility sourcing agreements that do not exceed cost-based
4 benchmarks developed by the procurement administrator, in
5 consultation with the Commission staff, Agency staff and
6 the procurement monitor, subject to Commission review and
7 approval. The Commission shall have authority to inspect
8 all books and records associated with these clean coal
9 facilities during the term of any such contract.

10 (6) Costs incurred under this subsection (d) or
11 pursuant to a contract entered into under this subsection
12 (d) shall be deemed prudently incurred and reasonable in
13 amount and the electric utility shall be entitled to full
14 cost recovery pursuant to the tariffs filed with the
15 Commission.

16 (d-5) Zero emission standard.

17 (1) Beginning with the delivery year commencing on
18 June 1, 2017, the Agency shall, for electric utilities
19 that serve at least 100,000 retail customers in this
20 State, procure contracts with zero emission facilities
21 that are reasonably capable of generating cost-effective
22 zero emission credits in an amount approximately equal to
23 16% of the actual amount of electricity delivered by each
24 electric utility to retail customers in the State during
25 calendar year 2014. For an electric utility serving fewer
26 than 100,000 retail customers in this State that

1 requested, under Section 16-111.5 of the Public Utilities
2 Act, that the Agency procure power and energy for all or a
3 portion of the utility's Illinois load for the delivery
4 year commencing June 1, 2016, the Agency shall procure
5 contracts with zero emission facilities that are
6 reasonably capable of generating cost-effective zero
7 emission credits in an amount approximately equal to 16%
8 of the portion of power and energy to be procured by the
9 Agency for the utility. The duration of the contracts
10 procured under this subsection (d-5) shall be for a term
11 of 10 years ending May 31, 2027. The quantity of zero
12 emission credits to be procured under the contracts shall
13 be all of the zero emission credits generated by the zero
14 emission facility in each delivery year; however, if the
15 zero emission facility is owned by more than one entity,
16 then the quantity of zero emission credits to be procured
17 under the contracts shall be the amount of zero emission
18 credits that are generated from the portion of the zero
19 emission facility that is owned by the winning supplier.

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

24 The procurement process shall be subject to the
25 following provisions:

26 (A) Those zero emission facilities that intend to

1 participate in the procurement shall submit to the
2 Agency the following eligibility information for each
3 zero emission facility on or before the date
4 established by the Agency:

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

7 (ii) the amount of power generated annually
8 for each of the years 2005 through 2015, and the
9 projected zero emission credits to be generated
10 over the remaining useful life of the zero
11 emission facility, which shall be used to
12 determine the capability of each facility;

13 (iii) the annual zero emission facility cost
14 projections, expressed on a per megawatthour
15 basis, over the next 6 delivery years, which shall
16 include the following: operation and maintenance
17 expenses; fully allocated overhead costs, which
18 shall be allocated using the methodology developed
19 by the Institute for Nuclear Power Operations;
20 fuel expenditures; non-fuel capital expenditures;
21 spent fuel expenditures; a return on working
22 capital; the cost of operational and market risks
23 that could be avoided by ceasing operation; and
24 any other costs necessary for continued
25 operations, provided that "necessary" means, for
26 purposes of this item (iii), that the costs could

1 reasonably be avoided only by ceasing operations
2 of the zero emission facility; and

3 (iv) a commitment to continue operating, for
4 the duration of the contract or contracts executed
5 under the procurement held under this subsection
6 (d-5), the zero emission facility that produces
7 the zero emission credits to be procured in the
8 procurement.

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

20 (B) The price for each zero emission credit
21 procured under this subsection (d-5) for each delivery
22 year shall be in an amount that equals the Social Cost
23 of Carbon, expressed on a price per megawatthour
24 basis. However, to ensure that the procurement remains
25 affordable to retail customers in this State if
26 electricity prices increase, the price in an

1 applicable delivery year shall be reduced below the
2 Social Cost of Carbon by the amount ("Price
3 Adjustment") by which the market price index for the
4 applicable delivery year exceeds the baseline market
5 price index for the consecutive 12-month period ending
6 May 31, 2016. If the Price Adjustment is greater than
7 or equal to the Social Cost of Carbon in an applicable
8 delivery year, then no payments shall be due in that
9 delivery year. The components of this calculation are
10 defined as follows:

11 (i) Social Cost of Carbon: The Social Cost of
12 Carbon is \$16.50 per megawatthour, which is based
13 on the U.S. Interagency Working Group on Social
14 Cost of Carbon's price in the August 2016
15 Technical Update using a 3% discount rate,
16 adjusted for inflation for each year of the
17 program. Beginning with the delivery year
18 commencing June 1, 2023, the price per
19 megawatthour shall increase by \$1 per
20 megawatthour, and continue to increase by an
21 additional \$1 per megawatthour each delivery year
22 thereafter.

23 (ii) Baseline market price index: The baseline
24 market price index for the consecutive 12-month
25 period ending May 31, 2016 is \$31.40 per
26 megawatthour, which is based on the sum of (aa)

1 the average day-ahead energy price across all
2 hours of such 12-month period at the PJM
3 Interconnection LLC Northern Illinois Hub, (bb)
4 50% multiplied by the Base Residual Auction, or
5 its successor, capacity price for the rest of the
6 RTO zone group determined by PJM Interconnection
7 LLC, divided by 24 hours per day, and (cc) 50%
8 multiplied by the Planning Resource Auction, or
9 its successor, capacity price for Zone 4
10 determined by the Midcontinent Independent System
11 Operator, Inc., divided by 24 hours per day.

12 (iii) Market price index: The market price
13 index for a delivery year shall be the sum of
14 projected energy prices and projected capacity
15 prices determined as follows:

16 (aa) Projected energy prices: the
17 projected energy prices for the applicable
18 delivery year shall be calculated once for the
19 year using the forward market price for the
20 PJM Interconnection, LLC Northern Illinois
21 Hub. The forward market price shall be
22 calculated as follows: the energy forward
23 prices for each month of the applicable
24 delivery year averaged for each trade date
25 during the calendar year immediately preceding
26 that delivery year to produce a single energy

1 forward price for the delivery year. The
2 forward market price calculation shall use
3 data published by the Intercontinental
4 Exchange, or its successor.

5 (bb) Projected capacity prices:

6 (I) For the delivery years commencing
7 June 1, 2017, June 1, 2018, and June 1,
8 2019, the projected capacity price shall
9 be equal to the sum of (1) 50% multiplied
10 by the Base Residual Auction, or its
11 successor, price for the rest of the RTO
12 zone group as determined by PJM
13 Interconnection LLC, divided by 24 hours
14 per day and, (2) 50% multiplied by the
15 resource auction price determined in the
16 resource auction administered by the
17 Midcontinent Independent System Operator,
18 Inc., in which the largest percentage of
19 load cleared for Local Resource Zone 4,
20 divided by 24 hours per day, and where
21 such price is determined by the
22 Midcontinent Independent System Operator,
23 Inc.

24 (II) For the delivery year commencing
25 June 1, 2020, and each year thereafter,
26 the projected capacity price shall be

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

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

16 "Rest of the RTO" and "ComEd Zone" shall have
17 the meaning ascribed to them by PJM
18 Interconnection, LLC.

19 "RTO" means regional transmission
20 organization.

21 (C) No later than 45 days after June 1, 2017 (the
22 effective date of Public Act 99-906), the Agency shall
23 publish its proposed zero emission standard
24 procurement plan. The plan shall be consistent with
25 the provisions of this paragraph (1) and shall provide
26 that winning bids shall be selected based on public

1 interest criteria that include, but are not limited
2 to, minimizing carbon dioxide emissions that result
3 from electricity consumed in Illinois and minimizing
4 sulfur dioxide, nitrogen oxide, and particulate matter
5 emissions that adversely affect the citizens of this
6 State. In particular, the selection of winning bids
7 shall take into account the incremental environmental
8 benefits resulting from the procurement, such as any
9 existing environmental benefits that are preserved by
10 the procurements held under Public Act 99-906 and
11 would cease to exist if the procurements were not
12 held, including the preservation of zero emission
13 facilities. The plan shall also describe in detail how
14 each public interest factor shall be considered and
15 weighted in the bid selection process to ensure that
16 the public interest criteria are applied to the
17 procurement and given full effect.

18 For purposes of developing the plan, the Agency
19 shall consider any reports issued by a State agency,
20 board, or commission under House Resolution 1146 of
21 the 98th General Assembly and paragraph (4) of
22 subsection (d) of this Section, as well as publicly
23 available analyses and studies performed by or for
24 regional transmission organizations that serve the
25 State and their independent market monitors.

26 Upon publishing of the zero emission standard

1 procurement plan, copies of the plan shall be posted
2 and made publicly available on the Agency's website.
3 All interested parties shall have 10 days following
4 the date of posting to provide comment to the Agency on
5 the plan. All comments shall be posted to the Agency's
6 website. Following the end of the comment period, but
7 no more than 60 days later than June 1, 2017 (the
8 effective date of Public Act 99-906), the Agency shall
9 revise the plan as necessary based on the comments
10 received and file its zero emission standard
11 procurement plan with the Commission.

12 If the Commission determines that the plan will
13 result in the procurement of cost-effective zero
14 emission credits, then the Commission shall, after
15 notice and hearing, but no later than 45 days after the
16 Agency filed the plan, approve the plan or approve
17 with modification. For purposes of this subsection
18 (d-5), "cost effective" means the projected costs of
19 procuring zero emission credits from zero emission
20 facilities do not cause the limit stated in paragraph
21 (2) of this subsection to be exceeded.

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

26 (i) identify how the winning bids satisfy the

1 public interest criteria described in subparagraph
2 (C) of this paragraph (1) of minimizing carbon
3 dioxide emissions that result from electricity
4 consumed in Illinois and minimizing sulfur
5 dioxide, nitrogen oxide, and particulate matter
6 emissions that adversely affect the citizens of
7 this State;

8 (ii) specifically address how the selection of
9 winning bids takes into account the incremental
10 environmental benefits resulting from the
11 procurement, including any existing environmental
12 benefits that are preserved by the procurements
13 held under Public Act 99-906 and would have ceased
14 to exist if the procurements had not been held,
15 such as the preservation of zero emission
16 facilities;

17 (iii) quantify the environmental benefit of
18 preserving the resources identified in item (ii)
19 of this subparagraph (C-5), including the
20 following:

21 (aa) the value of avoided greenhouse gas
22 emissions measured as the product of the zero
23 emission facilities' output over the contract
24 term multiplied by the U.S. Environmental
25 Protection Agency eGrid subregion carbon
26 dioxide emission rate and the U.S. Interagency

1 Working Group on Social Cost of Carbon's price
2 in the August 2016 Technical Update using a 3%
3 discount rate, adjusted for inflation for each
4 delivery year; and

5 (bb) the costs of replacement with other
6 zero carbon dioxide resources, including wind
7 and photovoltaic, based upon the simple
8 average of the following:

9 (I) the price, or if there is more
10 than one price, the average of the prices,
11 paid for renewable energy credits from new
12 utility-scale wind projects in the
13 procurement events specified in item (i)
14 of subparagraph (G) of paragraph (1) of
15 subsection (c) of this Section; and

16 (II) the price, or if there is more
17 than one price, the average of the prices,
18 paid for renewable energy credits from new
19 utility-scale solar projects and
20 brownfield site photovoltaic projects in
21 the procurement events specified in item
22 (ii) of subparagraph (G) of paragraph (1)
23 of subsection (c) of this Section and,
24 after January 1, 2015, renewable energy
25 credits from photovoltaic distributed
26 generation projects in procurement events

1 held under subsection (c) of this Section.

2 Each utility shall enter into binding contractual
3 arrangements with the winning suppliers.

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

22 (D) Following the procurement event described in
23 this paragraph (1) and consistent with subparagraph
24 (B) of this paragraph (1), the Agency shall calculate
25 the payments to be made under each contract for the
26 next delivery year based on the market price index for

1 that delivery year. The Agency shall publish the
2 payment calculations no later than May 25, 2017 and
3 every May 25 thereafter.

4 (E) Notwithstanding the requirements of this
5 subsection (d-5), the contracts executed under this
6 subsection (d-5) shall provide that the zero emission
7 facility may, as applicable, suspend or terminate
8 performance under the contracts in the following
9 instances:

10 (i) A zero emission facility shall be excused
11 from its performance under the contract for any
12 cause beyond the control of the resource,
13 including, but not restricted to, acts of God,
14 flood, drought, earthquake, storm, fire,
15 lightning, epidemic, war, riot, civil disturbance
16 or disobedience, labor dispute, labor or material
17 shortage, sabotage, acts of public enemy,
18 explosions, orders, regulations or restrictions
19 imposed by governmental, military, or lawfully
20 established civilian authorities, which, in any of
21 the foregoing cases, by exercise of commercially
22 reasonable efforts the zero emission facility
23 could not reasonably have been expected to avoid,
24 and which, by the exercise of commercially
25 reasonable efforts, it has been unable to
26 overcome. In such event, the zero emission

1 facility shall be excused from performance for the
2 duration of the event, including, but not limited
3 to, delivery of zero emission credits, and no
4 payment shall be due to the zero emission facility
5 during the duration of the event.

6 (ii) A zero emission facility shall be
7 permitted to terminate the contract if legislation
8 is enacted into law by the General Assembly that
9 imposes or authorizes a new tax, special
10 assessment, or fee on the generation of
11 electricity, the ownership or leasehold of a
12 generating unit, or the privilege or occupation of
13 such generation, ownership, or leasehold of
14 generation units by a zero emission facility.
15 However, the provisions of this item (ii) do not
16 apply to any generally applicable tax, special
17 assessment or fee, or requirements imposed by
18 federal law.

19 (iii) A zero emission facility shall be
20 permitted to terminate the contract in the event
21 that the resource requires capital expenditures in
22 excess of \$40,000,000 that were neither known nor
23 reasonably foreseeable at the time it executed the
24 contract and that a prudent owner or operator of
25 such resource would not undertake.

26 (iv) A zero emission facility shall be

1 permitted to terminate the contract in the event
2 the Nuclear Regulatory Commission terminates the
3 resource's license.

4 (F) If the zero emission facility elects to
5 terminate a contract under subparagraph (E) of this
6 paragraph (1), then the Commission shall reopen the
7 docket in which the Commission approved the zero
8 emission standard procurement plan under subparagraph
9 (C) of this paragraph (1) and, after notice and
10 hearing, enter an order acknowledging the contract
11 termination election if such termination is consistent
12 with the provisions of this subsection (d-5).

13 (2) For purposes of this subsection (d-5), the amount
14 paid per kilowatthour means the total amount paid for
15 electric service expressed on a per kilowatthour basis.
16 For purposes of this subsection (d-5), the total amount
17 paid for electric service includes, without limitation,
18 amounts paid for supply, transmission, distribution,
19 surcharges, and add-on taxes.

20 Notwithstanding the requirements of this subsection
21 (d-5), the contracts executed under this subsection (d-5)
22 shall provide that the total of zero emission credits
23 procured under a procurement plan shall be subject to the
24 limitations of this paragraph (2). For each delivery year,
25 the contractual volume receiving payments in such year
26 shall be reduced for all retail customers based on the

1 amount necessary to limit the net increase that delivery
2 year to the costs of those credits included in the amounts
3 paid by eligible retail customers in connection with
4 electric service to no more than 1.65% of the amount paid
5 per kilowatthour by eligible retail customers during the
6 year ending May 31, 2009. The result of this computation
7 shall apply to and reduce the procurement for all retail
8 customers, and all those customers shall pay the same
9 single, uniform cents per kilowatthour charge under
10 subsection (k) of Section 16-108 of the Public Utilities
11 Act. To arrive at a maximum dollar amount of zero emission
12 credits to be paid for the particular delivery year, the
13 resulting per kilowatthour amount shall be applied to the
14 actual amount of kilowatthours of electricity delivered by
15 the electric utility in the delivery year immediately
16 prior to the procurement, to all retail customers in its
17 service territory. Unpaid contractual volume for any
18 delivery year shall be paid in any subsequent delivery
19 year in which such payments can be made without exceeding
20 the amount specified in this paragraph (2). The
21 calculations required by this paragraph (2) shall be made
22 only once for each procurement plan year. Once the
23 determination as to the amount of zero emission credits to
24 be paid is made based on the calculations set forth in this
25 paragraph (2), no subsequent rate impact determinations
26 shall be made and no adjustments to those contract amounts

1 shall be allowed. All costs incurred under those contracts
2 and in implementing this subsection (d-5) shall be
3 recovered by the electric utility as provided in this
4 Section.

5 No later than June 30, 2019, the Commission shall
6 review the limitation on the amount of zero emission
7 credits procured under this subsection (d-5) and report to
8 the General Assembly its findings as to whether that
9 limitation unduly constrains the procurement of
10 cost-effective zero emission credits.

11 (3) Six years after the execution of a contract under
12 this subsection (d-5), the Agency shall determine whether
13 the actual zero emission credit payments received by the
14 supplier over the 6-year period exceed the Average ZEC
15 Payment. In addition, at the end of the term of a contract
16 executed under this subsection (d-5), or at the time, if
17 any, a zero emission facility's contract is terminated
18 under subparagraph (E) of paragraph (1) of this subsection
19 (d-5), then the Agency shall determine whether the actual
20 zero emission credit payments received by the supplier
21 over the term of the contract exceed the Average ZEC
22 Payment, after taking into account any amounts previously
23 credited back to the utility under this paragraph (3). If
24 the Agency determines that the actual zero emission credit
25 payments received by the supplier over the relevant period
26 exceed the Average ZEC Payment, then the supplier shall

1 credit the difference back to the utility. The amount of
2 the credit shall be remitted to the applicable electric
3 utility no later than 120 days after the Agency's
4 determination, which the utility shall reflect as a credit
5 on its retail customer bills as soon as practicable;
6 however, the credit remitted to the utility shall not
7 exceed the total amount of payments received by the
8 facility under its contract.

9 For purposes of this Section, the Average ZEC Payment
10 shall be calculated by multiplying the quantity of zero
11 emission credits delivered under the contract times the
12 average contract price. The average contract price shall
13 be determined by subtracting the amount calculated under
14 subparagraph (B) of this paragraph (3) from the amount
15 calculated under subparagraph (A) of this paragraph (3),
16 as follows:

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

20 (B) The average of the market price indices, as
21 defined in subparagraph (B) of paragraph (1) of this
22 subsection (d-5), during the term of the contract,
23 minus the baseline market price index, as defined in
24 subparagraph (B) of paragraph (1) of this subsection
25 (d-5).

26 If the subtraction yields a negative number, then the

1 Average ZEC Payment shall be zero.

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

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

8 (6) Electric utilities shall be entitled to recover
9 all of the costs associated with the procurement of zero
10 emission credits through an automatic adjustment clause
11 tariff in accordance with subsection (k) and (m) of
12 Section 16-108 of the Public Utilities Act, and the
13 contracts executed under this subsection (d-5) shall
14 provide that the utilities' payment obligations under such
15 contracts shall be reduced if an adjustment is required
16 under subsection (m) of Section 16-108 of the Public
17 Utilities Act.

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

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

22 (1) The General Assembly finds:

23 (A) The health, welfare, and prosperity of all
24 Illinois citizens require that the State of Illinois act
25 to avoid and not increase carbon emissions from electric
26 generation sources while continuing to ensure affordable,

1 stable, and reliable electricity to all citizens.

2 (B) Absent immediate action by the State to preserve
3 existing carbon-free energy resources, those resources may
4 retire, and the electric generation needs of Illinois'
5 retail customers may be met instead by facilities that
6 emit significant amounts of carbon pollution and other
7 harmful air pollutants at a high social and economic cost
8 until Illinois is able to develop other forms of clean
9 energy.

10 (C) The General Assembly finds that nuclear power
11 generation is necessary for the State's transition to 100%
12 clean energy, and ensuring continued operation of nuclear
13 plants advances environmental and public health interests
14 through providing carbon-free electricity while reducing
15 the air pollution profile of the Illinois energy
16 generation fleet.

17 (D) The clean energy attributes of nuclear generation
18 facilities support the State in its efforts to achieve
19 100% clean energy.

20 (E) The State currently invests in various forms of
21 clean energy, including, but not limited to, renewable
22 energy, energy efficiency, and low-emission vehicles,
23 among others.

24 (F) The Environmental Protection Agency commissioned
25 an independent audit which provided a detailed assessment
26 of the financial condition of the Illinois nuclear fleet

1 to evaluate its financial viability and whether the
2 environmental benefits of such resources were at risk. The
3 report identified the risk of losing the environmental
4 benefits of several specific nuclear units. The report
5 also identified that the LaSalle County Generating Station
6 will continue to operate through 2026 and therefore is not
7 eligible to participate in the carbon mitigation credit
8 program.

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

12 (H) The procurement of carbon mitigation credits
13 representing the environmental benefits of carbon-free
14 generation will further the State's efforts at achieving
15 100% clean energy and decarbonizing the electricity sector
16 in a safe, reliable, and affordable manner. Further, the
17 procurement of carbon emission credits will enhance the
18 health and welfare of Illinois residents through decreased
19 reliance on more highly polluting generation.

20 (I) The General Assembly therefore finds it necessary
21 to establish carbon mitigation credits to ensure decreased
22 reliance on more carbon-intensive energy resources, for
23 transitioning to a fully decarbonized electricity sector,
24 and to help ensure health and welfare of the State's
25 residents.

26 (2) As used in this subsection:

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

15 "Carbon mitigation credit" means a tradable credit that
16 represents the carbon emission reduction attributes of one
17 megawatt-hour of energy produced from a carbon-free energy
18 resource.

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

22 (3) Procurement.

23 (A) Beginning with the delivery year commencing on
24 June 1, 2022, the Agency shall, for electric utilities
25 serving at least 3,000,000 retail customers in the State,
26 seek to procure contracts for no more than approximately

1 54,500,000 cost-effective carbon mitigation credits from
2 carbon-free energy resources because such credits are
3 necessary to support current levels of carbon-free energy
4 generation and ensure the State meets its carbon dioxide
5 emissions reduction goals. The Agency shall not make a
6 partial award of a contract for carbon mitigation credits
7 covering a fractional amount of a carbon-free energy
8 resource's projected output.

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

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

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

18 (iii) a commitment to be reflected in any contract
19 entered into pursuant to this subsection (d-10) to
20 continue operating the carbon-free energy resource at
21 a capacity factor of at least 88% annually on average
22 for the duration of the contract or contracts executed
23 under the procurement held under this subsection
24 (d-10), except in an instance described in
25 subparagraph (E) of paragraph (1) of subsection (d-5)
26 of this Section or made impracticable as a result of

1 compliance with law or regulation;

2 (iv) financial need and the risk of loss of the
3 environmental benefits of such resource, which shall
4 include the following information:

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

21 (II) the carbon-free energy resource's revenue
22 projections, including energy, capacity, ancillary
23 services, any other direct State support, known or
24 anticipated federal attribute credits, known or
25 anticipated tax credits, and any other direct
26 federal support.

1 The information described in this subparagraph (B) may
2 be submitted on a confidential basis and shall be treated
3 and maintained by the Agency, the procurement
4 administrator, and the Commission as confidential and
5 proprietary and exempt from disclosure under subparagraphs
6 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
7 Information Act. The Office of the Attorney General shall
8 have access to, and maintain the confidentiality of, such
9 information pursuant to Section 6.5 of the Attorney
10 General Act.

11 (C) The Agency shall solicit bids for the contracts
12 described in this subsection (d-10) from carbon-free
13 energy resources that have satisfied the requirements of
14 subparagraph (B) of this paragraph (3). The contracts
15 procured pursuant to a procurement event shall reflect,
16 and be subject to, the following terms, requirements, and
17 limitations:

18 (i) Contracts are for delivery of carbon
19 mitigation credits, and are not energy or capacity
20 sales contracts requiring physical delivery. Pursuant
21 to item (iii), contract payments shall fully deduct
22 the value of any monetized federal production tax
23 credits, credits issued pursuant to a federal clean
24 energy standard, and other federal credits if
25 applicable.

26 (ii) Contracts for carbon mitigation credits shall

1 commence with the delivery year beginning on June 1,
2 2022 and shall be for a term of 5 delivery years
3 concluding on May 31, 2027.

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

7 (I) one of the following energy price indices,
8 selected by the bidder at the time of the bid for
9 the term of the contract:

10 (aa) the weighted-average hourly day-ahead
11 price for the applicable delivery year at the
12 busbar of all resources procured pursuant to
13 this subsection (d-10), weighted by actual
14 production from the resources; or

15 (bb) the projected energy price for the
16 PJM Interconnection, LLC Northern Illinois Hub
17 for the applicable delivery year determined
18 according to subitem (aa) of item (iii) of
19 subparagraph (B) of paragraph (1) of
20 subsection (d-5).

21 (II) the Base Residual Auction Capacity Price
22 for the ComEd zone as determined by PJM
23 Interconnection, LLC, divided by 24 hours per day,
24 for the applicable delivery year for the first 3
25 delivery years, and then any subsequent delivery
26 years unless the PJM Interconnection, LLC applies

1 the Minimum Offer Price Rule to participating
2 carbon-free energy resources because they supply
3 carbon mitigation credits pursuant to this Section
4 at which time, upon notice by the carbon-free
5 energy resource to the Commission and subject to
6 the Commission's confirmation, the value under
7 this subitem shall be zero, as further described
8 in the carbon mitigation credit procurement plan;
9 and

10 (III) any value of monetized federal tax
11 credits, direct payments, or similar subsidy
12 provided to the carbon-free energy resource from
13 any unit of government that is not already
14 reflected in energy prices.

15 If the price-per-megawatt-hour calculation
16 performed under item (iii) of this subparagraph (C)
17 for a given delivery year results in a net positive
18 value, then the electric utility counterparty to the
19 contract shall multiply such net value by the
20 applicable contract quantity and remit the amount to
21 the supplier.

22 To protect retail customers from retail rate
23 impacts that may arise upon the initiation of carbon
24 policy changes, if the price-per-megawatt-hour
25 calculation performed under item (iii) of this
26 subparagraph (C) for a given delivery year results in

1 a net negative value, then the supplier counterparty
2 to the contract shall multiply such net value by the
3 applicable contract quantity and remit such amount to
4 the electric utility counterparty. The electric
5 utility shall reflect such amounts remitted by
6 suppliers as a credit on its retail customer bills as
7 soon as practicable.

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

15 The baseline costs for the applicable year shall
16 be the following:

17 (I) For the delivery year beginning June 1,
18 2022, the baseline costs shall be an amount equal
19 to \$30.30 per megawatt-hour.

20 (II) For the delivery year beginning June 1,
21 2023, the baseline costs shall be an amount equal
22 to \$32.50 per megawatt-hour.

23 (III) For the delivery year beginning June 1,
24 2024, the baseline costs shall be an amount equal
25 to \$33.43 per megawatt-hour.

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

1 2025, the baseline costs shall be an amount equal
2 to \$33.50 per megawatt-hour.

3 (V) For the delivery year beginning June 1,
4 2026, the baseline costs shall be an amount equal
5 to \$34.50 per megawatt-hour.

6 An Environmental Protection Agency consultant
7 forecast, included in a report issued April 14, 2021,
8 projects that a carbon-free energy resource has the
9 opportunity to earn on average approximately \$30.28
10 per megawatt-hour, for the sale of energy and capacity
11 during the time period between 2022 and 2027.
12 Therefore, the sale of carbon mitigation credits
13 provides the opportunity to receive an additional
14 amount per megawatt-hour in addition to the projected
15 prices for energy and capacity.

16 Although actual energy and capacity prices may
17 vary from year-to-year, the General Assembly finds
18 that this customer protection cap will help ensure
19 that the cost of carbon mitigation credits will be
20 less than its value, based upon the social cost of
21 carbon identified in the Technical Support Document
22 issued in February 2021 by the U.S. Interagency
23 Working Group on Social Cost of Greenhouse Gases and
24 the PJM Interconnection, LLC carbon dioxide marginal
25 emission rate for 2020, and that a carbon-free energy
26 resource receiving payment for carbon mitigation

1 credits receives no more than necessary to keep those
2 units in operation.

3 (D) No later than 7 days after the effective date of
4 this amendatory Act of the 102nd General Assembly, the
5 Agency shall publish its proposed carbon mitigation credit
6 procurement plan. The Plan shall provide that winning bids
7 shall be selected by taking into consideration which
8 resources best match public interest criteria that
9 include, but are not limited to, minimizing carbon dioxide
10 emissions that result from electricity consumed in
11 Illinois and minimizing sulfur dioxide, nitrogen oxide,
12 and particulate matter emissions that adversely affect the
13 citizens of this State. The selection of winning bids
14 shall also take into account the incremental environmental
15 benefits resulting from the procurement or procurements,
16 such as any existing environmental benefits that are
17 preserved by a procurement held under this subsection
18 (d-10) and would cease to exist if the procurement were
19 not held, including the preservation of carbon-free energy
20 resources. For those bidders having the same public
21 interest criteria score, the relative ranking of such
22 bidders shall be determined by price. The Plan shall
23 describe in detail how each public interest factor shall
24 be considered and weighted in the bid selection process to
25 ensure that the public interest criteria are applied to
26 the procurement. The Plan shall, to the extent practical

1 and permissible by federal law, ensure that successful
2 bidders make commercially reasonable efforts to apply for
3 federal tax credits, direct payments, or similar subsidy
4 programs that support carbon-free generation and for which
5 the successful bidder is eligible. Upon publishing of the
6 carbon mitigation credit procurement plan, copies of the
7 plan shall be posted and made publicly available on the
8 Agency's website. All interested parties shall have 7 days
9 following the date of posting to provide comment to the
10 Agency on the plan. All comments shall be posted to the
11 Agency's website. Following the end of the comment period,
12 but no more than 19 days later than the effective date of
13 this amendatory Act of the 102nd General Assembly, the
14 Agency shall revise the plan as necessary based on the
15 comments received and file its carbon mitigation credit
16 procurement plan with the Commission.

17 (E) If the Commission determines that the plan is
18 likely to result in the procurement of cost-effective
19 carbon mitigation credits, then the Commission shall,
20 after notice and hearing and opportunity for comment, but
21 no later than 42 days after the Agency filed the plan,
22 approve the plan or approve it with modification. For
23 purposes of this subsection (d-10), "cost-effective" means
24 carbon mitigation credits that are procured from
25 carbon-free energy resources at prices that are within the
26 limits specified in this paragraph (3). As part of the

1 Commission's review and acceptance or rejection of the
2 procurement results, the Commission shall, in its public
3 notice of successful bidders:

4 (i) identify how the selected carbon-free energy
5 resources satisfy the public interest criteria
6 described in this paragraph (3) of minimizing carbon
7 dioxide emissions that result from electricity
8 consumed in Illinois and minimizing sulfur dioxide,
9 nitrogen oxide, and particulate matter emissions that
10 adversely affect the citizens of this State;

11 (ii) specifically address how the selection of
12 carbon-free energy resources takes into account the
13 incremental environmental benefits resulting from the
14 procurement, including any existing environmental
15 benefits that are preserved by the procurements held
16 under this amendatory Act of the 102nd General
17 Assembly and would have ceased to exist if the
18 procurements had not been held, such as the
19 preservation of carbon-free energy resources;

20 (iii) quantify the environmental benefit of
21 preserving the carbon-free energy resources procured
22 pursuant to this subsection (d-10), including the
23 following:

24 (I) an assessment value of avoided greenhouse
25 gas emissions measured as the product of the
26 carbon-free energy resources' output over the

1 contract term, using generally accepted
2 methodologies for the valuation of avoided
3 emissions; and

4 (II) an assessment of costs of replacement
5 with other carbon-free energy resources and
6 renewable energy resources, including wind and
7 photovoltaic generation, based upon an assessment
8 of the prices paid for renewable energy credits
9 through programs and procurements conducted
10 pursuant to subsection (c) of Section 1-75 of this
11 Act, and the additional storage necessary to
12 produce the same or similar capability of matching
13 customer usage patterns.

14 (F) The procurements described in this paragraph (3),
15 including, but not limited to, the execution of all
16 contracts procured, shall be completed no later than
17 December 3, 2021. The procurement and plan approval
18 processes required by this paragraph (3) shall be
19 conducted in conjunction with the procurement and plan
20 approval processes required by Section 16-111.5 of the
21 Public Utilities Act, to the extent practicable. However,
22 the Agency and Commission may, as appropriate, modify the
23 various dates and timelines under this subparagraph and
24 subparagraphs (D) and (E) of this paragraph (3) to meet
25 the December 3, 2021 contract execution deadline.
26 Following the completion of such procurements, and

1 consistent with this paragraph (3), the Agency shall
2 calculate the payments to be made under each contract in a
3 timely fashion.

4 (F-1) Costs incurred by the electric utility pursuant
5 to a contract authorized by this subsection (d-10) shall
6 be deemed prudently incurred and reasonable in amount, and
7 the electric utility shall be entitled to full cost
8 recovery pursuant to a tariff or tariffs filed with the
9 Commission.

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

13 (H) If a carbon-free energy resource is sold to
14 another owner, the rights, obligations, and commitments
15 under this subsection (d-10) shall continue to the
16 subsequent owner.

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

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

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

26 (g) The Agency shall assess fees to each affected utility

1 to recover the costs incurred in preparation of the annual
2 procurement plan for the utility.

3 (h) The Agency shall assess fees to each bidder to recover
4 the costs incurred in connection with a competitive
5 procurement process.

6 (i) A renewable energy credit, carbon emission credit,
7 zero emission credit, or carbon mitigation credit can only be
8 used once to comply with a single portfolio or other standard
9 as set forth in subsection (c), subsection (d), or subsection
10 (d-5) of this Section, respectively. A renewable energy
11 credit, carbon emission credit, zero emission credit, or
12 carbon mitigation credit cannot be used to satisfy the
13 requirements of more than one standard. If more than one type
14 of credit is issued for the same megawatt hour of energy, only
15 one credit can be used to satisfy the requirements of a single
16 standard. After such use, the credit must be retired together
17 with any other credits issued for the same megawatt hour of
18 energy.

19 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
20 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)".