



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5607

Introduced 2/13/2026, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

New Act

Creates the Advanced Technology Leadership Act. Sets forth findings. Defines terms. Sets forth provisions concerning the qualification of credits under the Act. Provides that, beginning calendar year 2027, each covered data center shall self-generate or procure and then retire eligible energy attribute certificates equal to the certain percentages of the covered data center's annual State electricity consumption. Provides that a covered data center's compliance requirement shall be otherwise met by retirements of eligible energy attribute certificates produced by eligible energy facilities that are physically interconnected and located in the applicable grid region. Requires a covered data center to retire eligible energy attribute certificates that are matched on an hourly basis to the certain percentages of the covered data center's total State electricity consumption for the following compliance years. Provides that covered data centers shall account for and comply with the Act exclusively through the retirement of eligible energy attribute certificates. Requires the Illinois Power Agency to, on an ongoing basis, identify facilities that meet the definition of covered data center. Provides that the Agency shall strive to minimize administrative expenses in the implementation and regulation of activities related to the Act. Makes other changes. Effective immediately.

LRB104 18886 AAS 32331 b

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be cited as the
5 Advanced Technology Leadership Act.

6 Section 5. Findings. The General Assembly finds that:

7 (1) Advanced technology companies have made
8 contributions in furthering the efficacy of the State and
9 nation's economy, including setting new standards in clean
10 energy development.

11 (2) The General Assembly formalizes those
12 contributions to the energy sector in this Act.

13 (3) This Act will allow covered data centers with
14 information technology loads greater than or equal to 5
15 megawatts to construct, generate, or procure clean energy
16 resources equivalent to a percentage of the data center's
17 annual electricity usage.

18 Section 10. Definitions. As used in this Act:

19 "Agency" means the Illinois Power Agency.

20 "Applicable grid region" means an independent system
21 operator's or regional transmission organization's subregion
22 from which a covered data center may procure energy and

1 eligible energy attribute certificates pursuant to Sections 12
2 and 15 of this Act.

3 (1) For covered data centers physically located in
4 region of the PJM Interconnection, LLC, "applicable grid
5 region" means the PJM control zones currently known as
6 ComEd (COMED); American Electric Power Co., Inc (AEP);
7 Dayton Power and Light Company (DAY); Ohio Valley Electric
8 Corporation (OVEC); Duke Energy Ohio/Kentucky (DUKE);
9 Eastern Kentucky Power Cooperative (EKPC); American
10 Transmission Systems, Inc. (ATSI); Allegheny Power Company
11 (APS); and Duquesne Light (DUO). Electric cooperatives and
12 municipal utilities that are physically interconnected to
13 the PJM Interconnection, LLC and located within the
14 borders of these control zones will be deemed to be
15 located within the applicable grid region.

16 (2) For covered data centers physically located in the
17 Midcontinent Independent System Operator (MISO) region,
18 "applicable grid region" means MISO's Local Resource Zones
19 1, 2, 3, 4, 5, and 6. Electric cooperatives and municipal
20 utilities that are physically interconnected to MISO and
21 located within the borders of these local resource zones
22 shall be deemed to be located within the applicable grid
23 region.

24 "Battery discharge credits" or "BDCs" means energy
25 attribute certificates representing the discharge of stored
26 energy generation.

1 "Commercial operation date" means, when used in reference
2 to electric generating facilities, battery facilities, or
3 geothermal heating and cooling systems, the date when
4 commissioning tests have been completed, to the extent
5 applicable, and the facility has been energized and starts to
6 generate power or discharge power or leverage geothermal
7 energy.

8 "Commission" means the Illinois Commerce Commission.

9 "Covered data center" means an Illinois-sited facility
10 primarily used to house networked computer servers that:

11 (1) has an aggregated information technology load
12 greater than or equal to 5 megawatts measured as the
13 average demand over any rolling 12-month period and;

14 (2) a load factor of at least 50%.

15 "Double counting" means a situation in which 2 separate
16 entities use the same energy attribute certificate to make
17 separate energy generation, consumption, or attribute claims.

18 "Double claiming" means a situation in which one entity
19 makes an energy generation, consumption, or attribute claim
20 substantiated by an energy attribute certificate retirement
21 and another entity makes an energy generation, consumption, or
22 attribute claim advertently or inadvertently based on the same
23 megawatt-hour but substantiated by non-EAC data, such as
24 generation data or sales data.

25 "EAC" means energy attribute certificate.

26 "Eligible energy" means electricity generated by wind,

1 solar, hydropower, geothermal, and nuclear resources, as well
2 as exclusively biogenic waste-to-energy electricity or clean
3 hydrogen electricity generated by facilities that do not use
4 fossil fuels. "Eligible energy" includes the discharge of
5 eligible energy by battery resources, as well as geothermal
6 energy leveraged by geothermal heating and cooling systems.

7 "Eligible energy attribute certificate" or "eligible EAC"
8 means a serialized accounting instrument, expressed in
9 megawatt-hour units, representing eligible energy that is
10 registered, exchanged, and retired on an Agency-approved
11 tracking system and meets all of the requirements of this Act.
12 "Eligible energy attribute certificate" or "eligible EAC"
13 includes RECs, GRECs, NECs, BDCs, AECs, and zero-emission
14 credits that represent eligible energy.

15 "Geothermal heating and cooling system" means a system
16 that meets all of the following requirements:

17 (1) the system exchanges thermal energy from
18 groundwater or a shallow ground source to generate or
19 leverage thermal energy through an electric geothermal
20 heat pump or a system of electric geothermal heat pumps
21 interconnected with any geothermal extraction facility
22 that is:

23 (A) a closed loop or a series of closed loop
24 systems in which fluid is permanently confined within
25 a pipe or tubing and does not come in contact with the
26 outside environment; or

1 (B) an open loop system in which ground or surface
2 water is circulated in an environmentally safe manner
3 directly into the facility and returned to the same
4 aquifer or surface water source;

5 (2) the system meets or exceeds federal Energy Star
6 product specification standards for geothermal heat pumps
7 established on January 1, 2012, as clarified by the
8 Environmental Protection Agency guidance document released
9 on February 28, 2012 entitled Clarification to the
10 Geothermal Heat Pump Verification Testing Requirements and
11 Basic Model Group Definition or any successor standards
12 that meet or exceed these standards;

13 (3) the system replaces or displaces less efficient
14 space or water heating systems, regardless of fuel type;

15 (4) the system replaces or displaces less efficient
16 space cooling systems, when applicable; and

17 (5) the system does not feed electricity back to the
18 grid, as defined at the level of the geothermal heat pump.

19 "Geothermal renewable energy credit" or "GREC" means an
20 energy attribute certificate derived from geothermal heating
21 and cooling systems expressed in megawatt-hour units.

22 "M-RETS" means the energy attribute certificate tracking
23 system, or successor platform, approved by the Agency for the
24 tracking, retirement, and auditing of EACs produced by
25 facilities in the MISO region.

26 "Nuclear energy credits" or "NEC" means an energy

1 attribute certificate derived from nuclear energy resources,
2 including both fission and fusion processes, that are
3 physically located in the State of Illinois. "Nuclear energy
4 credits" or "NEC" includes zero-emission credits on PJM-GATS
5 or alternative energy credits on M-RETS, including
6 CleanCounts. "Nuclear energy credits" or "NEC" does not
7 include an energy attribute certificate derived from nuclear
8 energy resources outside of the State of Illinois.

9 "PJM-GATS" means the PJM Environmental Information
10 Services Generation Attribute Tracking System for energy
11 attribute certificates, or successor platform approved by the
12 Agency for tracking, retirement, and auditing of EACs produced
13 in the PJM Interconnection LLC region.

14 "Renewable energy credit" or "REC" means an energy
15 attribute certificate subject to this Act that is derived from
16 wind, solar, hydropower, geothermal, and exclusively biogenic
17 waste-to-energy electricity or clean hydrogen electricity
18 generated by facilities that do not use fossil fuels.

19 "Repowered project" means a project featuring the removal,
20 replacement, or expansion of individual turbines or generators
21 at an existing project site that is completed after the
22 effective date of this Act.

23 Section 14. Credits; qualification under the Act.

24 (a) BDCs shall be derived from metered battery discharge
25 data and shall be expressed in megawatt-hour units. In order

1 for BDCs to be considered an eligible EAC and thus qualify for
2 use by covered data centers under this Act, BDCs must be
3 temporally matched with generation-based eligible EACs that
4 represent the battery's discharged eligible energy as produced
5 by eligible generation facilities located within the battery's
6 own applicable grid region. Both the BDC and the BDC's
7 temporally matched must meet all of the requirements in this
8 Act.

9 (b) Repowered projects shall have a commercial operations
10 date concomitant with completion of the repowering project,
11 when the repowered facility or repowered individual units have
12 been reenergized and begin once again to generate power or
13 discharge power or leverage geothermal energy. Only energy
14 attribute certificates produced by individual repowered
15 generator units that meet all of the requirements of this Act
16 shall be eligible for compliance with this Act.

17 (c) Other than geothermal renewable energy credits
18 produced by geothermal heating and cooling systems and battery
19 discharge credits that qualify under this Act, all eligible
20 EACs that qualify for compliance with this Act must represent
21 electricity generation.

22 (d) GREC calculation shall correspond with the
23 Agency-approved methodology in use for the Geothermal Homes &
24 Businesses Act.

25 (e) NECs must exclusively represent electricity generation
26 in megawatt-hour units and the State-sited generating facility

1 must meet all of the requirements of this Act.

2 Section 15. Procurement and accounting framework;
3 resources, deliverability, and temporality.

4 (a) Beginning calendar year 2027, each covered data center
5 shall self-generate or procure and then retire eligible EACs
6 equal to the following percentages of the covered data
7 center's annual State electricity consumption:

8 (1) for 2027, 70%;

9 (2) for 2028, 80%;

10 (3) for 2029, 90%; and

11 (4) for 2030 and thereafter, 100%.

12 In the 2027 compliance year, at least 40% of that year's
13 requirement shall be met with retirements of eligible EACs
14 produced by eligible energy facilities physically located in
15 this State. At least 2% of that year's requirement shall be met
16 with retirements of eligible battery discharge credits
17 produced by batteries physically located in this State. 5% of
18 that year's requirement shall be met with retirements of
19 eligible EACs produced by geothermal heating and cooling
20 systems physically located in the applicable grid region.

21 In the 2028 compliance year, at least 45% of that year's
22 requirement shall be met with retirements of eligible EACs
23 produced by eligible energy facilities physically located in
24 this State. At least 5% of that year's requirement shall be met
25 with retirements of eligible battery discharge credits

1 produced by batteries physically located in this State. 7% of
2 that year's requirement shall be met with retirements of
3 eligible EACs produced by geothermal heating and cooling
4 systems physically located in the applicable grid region.

5 In the 2029 compliance year, at least 50% of that year's
6 requirement shall be met with retirements of eligible EACs
7 produced by eligible energy facilities physically located in
8 this State. At least 7% of that year's requirement shall be met
9 with retirements of eligible battery discharge credits
10 produced by batteries physically located in this State. 10% of
11 that year's requirement shall be met with retirements of
12 eligible EACs produced by geothermal heating and cooling
13 systems physically located in the applicable grid region.

14 In the 2030 compliance year and all years thereafter, at
15 least 60% of the annual requirement shall be met with
16 retirements of eligible EACs produced by eligible energy
17 facilities physically located in this State. At least 10% of
18 that year's requirement shall be met with retirements of
19 eligible battery discharge credits produced by batteries
20 physically located in this State. 15% of that year's
21 requirement shall be met with retirements of eligible EACs
22 produced by geothermal heating and cooling systems physically
23 located in the applicable grid region.

24 (b) In addition to the requirements of subsection (a), a
25 covered data center's compliance requirement shall be
26 otherwise met by retirements of eligible EACs produced by

1 eligible energy facilities that are physically interconnected
2 and located in the applicable grid region.

3 (c) For compliance years up to and through 2029, all
4 eligible energy represented by eligible EACs that were retired
5 in order to comply with this Act must have been generated,
6 discharged, or leveraged within the same year, or one year
7 prior, as the year for which the data center is making a
8 compliance claim.

9 (d) For compliance years 2030 and after, covered data
10 centers shall account for electricity consumption on an hourly
11 basis and match each hour's total electricity usage with
12 eligible EACs that represent eligible energy generated,
13 discharged, or leveraged during that same hour.

14 (e) A covered data center shall retire eligible EACs that
15 are matched on an hourly basis to the following percentages of
16 the covered data center's total State electricity consumption
17 for the following compliance years:

- 18 (1) for 2030, 20% hourly matching;
- 19 (2) for 2031, 30% hourly matching;
- 20 (3) for 2032, 40% hourly matching;
- 21 (4) for 2033, 60% hourly matching;
- 22 (5) for 2034, 80% hourly matching; and
- 23 (6) for 2035 and thereafter, 100% hourly matching.

24 Hourly data shall be substantiated using either:

- 25 (1) hourly EAC retirements on an approved EAC tracking
26 registry to the extent practicable, or

1 (2) a document submitted to the Agency, such as a
2 spreadsheet, containing metered generation data for
3 eligible energy that fully corresponds to the covered data
4 center's EAC retirements, accounted for on an hourly basis
5 at minimum. Hourly generation data shall, at minimum,
6 include timestamps, the type of energy generated, and the
7 name of the facility for each hour of generation.

8 (e) Eligible EACs retired in order to comply with this Act
9 must have been produced by electric generation facilities and
10 batteries that have a commercial operations date that is no
11 more than 7 years older than the compliance year for which the
12 EACs are retired. For geothermal heating and cooling systems,
13 geothermal renewable energy credits retired for compliance
14 with this Act must have been produced by systems that became
15 operational no more than 5 years prior to the effective date of
16 this Act.

17 (f) In order to meet the requirements of this Act, in no
18 year may any covered data center use nuclear energy credits to
19 account for more than 33% of any hour of the covered data
20 center's State electricity consumption. In no year may any
21 covered data center use renewable energy credits from
22 repowered wind projects to account for more than 10% of any
23 hour of the covered data center's State electricity
24 consumption.

25 (g) A covered data center may claim delivery of power from
26 an eligible energy generation facility located in the

1 applicable grid region in which the covered data center is not
2 located if hourly nodal or zonal locational marginal
3 electricity prices are published at the points of both
4 generation and consumption and the covered data center
5 demonstrates that the average price at the point of
6 consumption is less than 0.99 times the average price at the
7 point of generation in the hour for which a claim is made. For
8 a covered data center located in MISO, the covered data center
9 may claim power from the applicable grid region for PJM if
10 hourly nodal or zonal locational marginal electricity prices
11 meet the criteria outlined in this subsection (g). For a
12 covered data center located in PJM, the data center may claim
13 power from the applicable grid region for MISO if hourly nodal
14 or zonal locational marginal electricity prices meet the
15 criteria in this subsection (g).

16 Section 20. Tracking and verification.

17 (a) Covered data centers shall account for and comply with
18 this Act exclusively through the retirement of eligible EACs.

19 (b) The Agency shall initially approve the use of PJM-GATS
20 for issuance, transfer, banking, and retirement of eligible
21 EACs for covered data centers. The Agency shall also approve
22 the use of M-RETS, including CleanCounts, for issuance,
23 transfer, banking, and retirement of eligible EACs for covered
24 data centers. The Agency shall have the authority to approve
25 the use of alternative EAC tracking systems for future

1 compliance years.

2 (c) The Agency may develop verification requirements,
3 consumer protection rules, and enforcement measures to ensure
4 that all covered data centers responsibly comply with this
5 Act. Verification shall at minimum, include the covered data
6 center's annual submission of:

7 (1) prior-year State electricity consumption in
8 megawatt-hours;

9 (2) an itemized spreadsheet of eligible EAC
10 retirements for each year of compliance with this Act; and

11 (3) any deficiency payments made.

12 (d) Notwithstanding the EAC eligibility criteria laid out
13 in this Act, EACs will not be eligible for compliance with this
14 Act if the retirement of those EACs would result in the double
15 counting or double claiming of otherwise eligible energy.

16 (1) Eligible EACs retired by covered data centers for
17 compliance with this Act are only valid for compliance
18 with this Act if those EACs have not been previously
19 retired by another entity that is not the covered data
20 center on any tracking system, carbon registry, or other
21 accounting mechanism at any time for any other purpose.

22 (2) An eligible EAC retired by a covered data center
23 for compliance with this Act is only valid for compliance
24 if that EAC, and its underlying electricity or geothermal
25 energy, has not been used to substantiate an energy
26 generation or energy usage claim by any other entity that

1 is not the covered data center, of any type and at any
2 time, whether or not the EAC itself was actually retired
3 on a tracking system, registry, or other accounting
4 mechanism at the time of the claim. An ineligible EAC
5 includes an EAC for which the EAC itself, or the
6 attributes of the EAC's underlying energy such as
7 electricity comprising Standard Supply Service delivered
8 to customers, has been claimed by a utility in the form of
9 marketing, customer communications, regulatory reporting,
10 or environmental reporting, or has been otherwise claimed
11 by an obligated entity in a regulatory program such as,
12 but not limited to, a renewable portfolio standard or
13 carbon-free standard.

14 (3) An eligible EAC is valid only if retired once, and
15 claimed once, by the covered data center and for which no
16 additional or alternative claims have been made concerning
17 the EAC's underlying electricity or geothermal energy. The
18 requirements of this paragraph (3) also apply to hourly
19 accounting as of compliance year 2030.

20 Section 25. Enforcement.

21 (a) The Agency shall, on an ongoing basis, identify
22 facilities that meet the definition of covered data center.
23 The Agency shall inform those facilities of the compliance
24 obligations required by this Act in a timely fashion and offer
25 those facilities relevant onboarding information to better

1 facilitate such compliance.

2 (b) If, in any year, a covered data center is unable to
3 meet the obligations of this Act, or if the cost to comply with
4 this Act exceeds \$200 per megawatt-hour, a covered data center
5 shall be obligated to make a deficiency payment equal to \$200
6 for each megawatt-hour shortfall for the year of
7 noncompliance. The amount of any deficiency payment shall
8 increase by 1% annually after 2027.

9 (c) Any deficiency payments made by a covered data center
10 shall be deposited into a dedicated Environmental Justice
11 Clean Energy and Affordability Fund, administered by the
12 Agency, and dedicated to lowering consumer energy costs for
13 low-income qualifying residences.

14 Section 30. Administration.

15 (a) The Agency shall strive to minimize administrative
16 expenses in the implementation and regulation of activities
17 related to this Act. The Agency may use any existing program
18 administrator and any applicable subcontractors to develop,
19 administer, implement, operate, and evaluate activities and
20 reporting related to this Act. If deemed necessary, the Agency
21 may charge an annual participation fee from covered data
22 centers to cover any expenses related to the administration
23 and regulation of activities related to this Act.

24 (b) The Agency and its consultant or consultants shall
25 monitor activity related to this Act. The Agency and its

1 consultant or consultants may share program activity with
2 external stakeholders and conduct quarterly meetings to
3 discuss activity and market conditions related to this Act.

4 (c) To the extent that any complaints received implicate
5 the jurisdiction of the Attorney General, the Commission, or
6 local, State, or federal law enforcement, the Agency shall
7 also refer complaints to those entities as appropriate.

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