

104TH GENERAL ASSEMBLY**State of Illinois****2025 and 2026****SB3705**

Introduced 2/5/2026, by Sen. Sue Rezin

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Finance Authority Act. Provides that the Illinois Finance Authority shall have power to issue revenue bonds for energy storage projects that seek State-level energy storage credits or utility cost recovery. Provides that the Authority shall coordinate with the Illinois Power Agency to ensure that the financing terms of the revenue bonds are structured to minimize costs to State ratepayers. In provisions concerning Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project financing, provides that bonds issued by the Authority shall be limited obligations of the Authority and payable solely from the revenues and receipts derived from the energy storage projects for which the bonds are issued. Requires the bonds to contain on their face a certain statement. Amends the Illinois Power Agency Act. In provisions concerning the Planning and Procurement Bureau, provides that an energy storage project shall not be eligible for the procurement of energy storage credits under provisions concerning the equity accountability system unless the owner or developer of the energy storage project demonstrates, as a condition of bid eligibility, that the energy storage project's long-term debt financing is secured through bonds issued by the Authority. Provides that the Agency shall not execute any procurement plan or enter into contracts for energy storage or renewable energy credits that would result in the average retail customer's bill exceeding cost-control caps set forth in certain provisions of the Public Utilities Act, unless the excess amount is approved by the General Assembly. Amends the Public Utilities Act. Requires the Illinois Commerce Commission to conduct an annual Energy Affordability and Rate Impact Study. Sets forth requirements for the content of the Study. In provisions concerning distributed generation rebates, provides that, if a Multi-Year Integrated Grid Plan or any subsequent integrated resource plan submitted by a utility or the Commission includes a proposal to increase, suspend, or otherwise exceed any existing statutory rate caps or cost-control benchmarks in certain provisions of the Act, such adjustment shall not take effect unless specifically approved by a joint resolution of the General Assembly. Amends the Environmental Protection Act by repealing provisions concerning greenhouse gases. Makes other changes. Effective immediately.

LRB104 19032 AAS 32477 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. This Act may be referred to as the Energy
5 Reliability and Affordability Act

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

7 (1) the Resource Adequacy Study prepared and released
8 by the Environmental Protection Agency, the Illinois Power
9 Agency, and the Illinois Commerce Commission identifies a
10 growing and material shortfall in reliable electric
11 generation capacity in Illinois that is driven by
12 accelerating load growth, the electrification of the
13 economy, the retirement of dispatchable generation
14 resources, and delays in the development of replacement
15 capacity;

16 (2) the Resource Adequacy Study demonstrates that
17 capacity and energy prices in Illinois and the surrounding
18 region have increased sharply and are projected to remain
19 elevated, resulting in escalating costs for residential,
20 commercial, and industrial ratepayers;

21 (3) the price increases and risks to reliability pose
22 a direct threat to household energy affordability,
23 particularly for low-income and moderate-income customers,

1 and undermine the competitiveness of energy-intensive
2 manufacturers and employers in Illinois;

3 (4) electric generation resources that are capable of
4 providing reliable capacity during periods of peak demand
5 and system stress are essential to maintaining grid
6 reliability, preventing involuntary load shedding, and
7 protecting public health and safety;

8 (5) no single resource type is sufficient, in
9 isolation, to address Illinois' near-term and medium-term
10 resource adequacy challenges and that a diverse portfolio
11 of generation resources is necessary to ensure energy
12 reliability while new technologies are being deployed at
13 scale;

14 (6) premature or inflexible restrictions on existing
15 generation resources, without demonstrated replacement
16 capacity that provides an equivalent level of reliability
17 and capacity value, increase the risk of energy shortages
18 and impose unnecessary costs on ratepayers;

19 (7) it is the intent of the General Assembly to
20 preserve access to all available and reliable generation
21 resources while maintaining existing environmental,
22 health, and safety protections administered by the State;

23 (8) financing mechanisms used to support new energy
24 infrastructure must protect taxpayers from direct fiscal
25 exposure and avoid the creation of general obligation debt
26 or obligations backed by the full faith and credit of the

1 State; and

2 (9) energy affordability must be evaluated on a
3 cumulative basis, taking into account the combined impacts
4 of State energy policies, programs, and mandates on
5 ratepayers over time.

6 Section 10. The Illinois Finance Authority Act is amended
7 by changing Sections 801-40 and 825-65 as follows:

8 (20 ILCS 3501/801-40)

9 Sec. 801-40. In addition to the powers otherwise
10 authorized by law and in addition to the foregoing general
11 corporate powers, the Authority shall also have the following
12 additional specific powers to be exercised in furtherance of
13 the purposes of this Act.

14 (a) The Authority shall have power (i) to accept grants,
15 loans or appropriations from the federal government or the
16 State, or any agency or instrumentality thereof, or, in the
17 case of clean energy projects, any not-for-profit
18 philanthropic or other charitable organization, public or
19 private, to be used for the operating expenses of the
20 Authority, or for any purposes of the Authority, including the
21 making of direct loans of such funds with respect to projects,
22 and (ii) to enter into any agreement with the federal
23 government or the State, or any agency or instrumentality
24 thereof, in relationship to such grants, loans or

1 appropriations.

2 (b) The Authority shall have power to procure and enter
3 into contracts for any type of insurance and indemnity
4 agreements covering loss or damage to property from any cause,
5 including loss of use and occupancy, or covering any other
6 insurable risk.

7 (c) The Authority shall have the continuing power to issue
8 bonds for its corporate purposes. Bonds may be issued by the
9 Authority in one or more series and may provide for the payment
10 of any interest deemed necessary on such bonds, of the costs of
11 issuance of such bonds, of any premium on any insurance, or of
12 the cost of any guarantees, letters of credit or other similar
13 documents, may provide for the funding of the reserves deemed
14 necessary in connection with such bonds, and may provide for
15 the refunding or advance refunding of any bonds or for
16 accounts deemed necessary in connection with any purpose of
17 the Authority. The bonds may bear interest payable at any time
18 or times and at any rate or rates, notwithstanding any other
19 provision of law to the contrary, and such rate or rates may be
20 established by an index or formula which may be implemented or
21 established by persons appointed or retained therefor by the
22 Authority, or may bear no interest or may bear interest
23 payable at maturity or upon redemption prior to maturity, may
24 bear such date or dates, may be payable at such time or times
25 and at such place or places, may mature at any time or times
26 not later than 40 years from the date of issuance, may be sold

1 at public or private sale at such time or times and at such
2 price or prices, may be secured by such pledges, reserves,
3 guarantees, letters of credit, insurance contracts or other
4 similar credit support or liquidity instruments, may be
5 executed in such manner, may be subject to redemption prior to
6 maturity, may provide for the registration of the bonds, and
7 may be subject to such other terms and conditions all as may be
8 provided by the resolution or indenture authorizing the
9 issuance of such bonds. The holder or holders of any bonds
10 issued by the Authority may bring suits at law or proceedings
11 in equity to compel the performance and observance by any
12 person or by the Authority or any of its agents or employees of
13 any contract or covenant made with the holders of such bonds
14 and to compel such person or the Authority and any of its
15 agents or employees to perform any duties required to be
16 performed for the benefit of the holders of any such bonds by
17 the provision of the resolution authorizing their issuance,
18 and to enjoin such person or the Authority and any of its
19 agents or employees from taking any action in conflict with
20 any such contract or covenant. Notwithstanding the form and
21 tenor of any such bonds and in the absence of any express
22 recital on the face thereof that it is non-negotiable, all
23 such bonds shall be negotiable instruments. Pending the
24 preparation and execution of any such bonds, temporary bonds
25 may be issued as provided by the resolution. The bonds shall be
26 sold by the Authority in such manner as it shall determine. The

1 bonds may be secured as provided in the authorizing resolution
2 by the receipts, revenues, income and other available funds of
3 the Authority and by any amounts derived by the Authority from
4 the loan agreement or lease agreement with respect to the
5 project or projects; and bonds may be issued as general
6 obligations of the Authority payable from such revenues, funds
7 and obligations of the Authority as the bond resolution shall
8 provide, or may be issued as limited obligations with a claim
9 for payment solely from such revenues, funds and obligations
10 as the bond resolution shall provide. The Authority may grant
11 a specific pledge or assignment of and lien on or security
12 interest in such rights, revenues, income, or amounts and may
13 grant a specific pledge or assignment of and lien on or
14 security interest in any reserves, funds or accounts
15 established in the resolution authorizing the issuance of
16 bonds. Any such pledge, assignment, lien or security interest
17 for the benefit of the holders of the Authority's bonds shall
18 be valid and binding from the time the bonds are issued without
19 any physical delivery or further act, and shall be valid and
20 binding as against and prior to the claims of all other parties
21 having claims against the Authority or any other person
22 irrespective of whether the other parties have notice of the
23 pledge, assignment, lien or security interest. As evidence of
24 such pledge, assignment, lien and security interest, the
25 Authority may execute and deliver a mortgage, trust agreement,
26 indenture or security agreement or an assignment thereof. A

1 remedy for any breach or default of the terms of any such
2 agreement by the Authority may be by mandamus proceedings in
3 any court of competent jurisdiction to compel the performance
4 and compliance therewith, but the agreement may prescribe by
5 whom or on whose behalf such action may be instituted. It is
6 expressly understood that the Authority may, but need not,
7 acquire title to any project with respect to which it
8 exercises its authority.

9 (d) With respect to the powers granted by this Act, the
10 Authority may adopt rules and regulations prescribing the
11 procedures by which persons may apply for assistance under
12 this Act. Nothing herein shall be deemed to preclude the
13 Authority, prior to the filing of any formal application, from
14 conducting preliminary discussions and investigations with
15 respect to the subject matter of any prospective application.

16 (e) The Authority shall have power to acquire by purchase,
17 lease, gift or otherwise any property or rights therein from
18 any person useful for its purposes, whether improved for the
19 purposes of any prospective project, or unimproved. The
20 Authority may also accept any donation of funds for its
21 purposes from any such source. The Authority shall have no
22 independent power of condemnation but may acquire any property
23 or rights therein obtained upon condemnation by any other
24 authority, governmental entity or unit of local government
25 with such power.

26 (f) The Authority shall have power to develop, construct

1 and improve either under its own direction, or through
2 collaboration with any approved applicant, or to acquire
3 through purchase or otherwise, any project, using for such
4 purpose the proceeds derived from the sale of its bonds or from
5 governmental loans or grants, and to hold title in the name of
6 the Authority to such projects.

7 (g) The Authority shall have power to lease pursuant to a
8 lease agreement any project so developed and constructed or
9 acquired to the approved tenant on such terms and conditions
10 as may be appropriate to further the purposes of this Act and
11 to maintain the credit of the Authority. Any such lease may
12 provide for either the Authority or the approved tenant to
13 assume initially, in whole or in part, the costs of
14 maintenance, repair and improvements during the leasehold
15 period. In no case, however, shall the total rentals from any
16 project during any initial leasehold period or the total loan
17 repayments to be made pursuant to any loan agreement, be less
18 than an amount necessary to return over such lease or loan
19 period (1) all costs incurred in connection with the
20 development, construction, acquisition or improvement of the
21 project and for repair, maintenance and improvements thereto
22 during the period of the lease or loan; provided, however,
23 that the rentals or loan repayments need not include costs met
24 through the use of funds other than those obtained by the
25 Authority through the issuance of its bonds or governmental
26 loans; (2) a reasonable percentage additive to be agreed upon

1 by the Authority and the borrower or tenant to cover a properly
2 allocable portion of the Authority's general expenses,
3 including, but not limited to, administrative expenses,
4 salaries and general insurance, and (3) an amount sufficient
5 to pay when due all principal of, interest and premium, if any
6 on, any bonds issued by the Authority with respect to the
7 project. The portion of total rentals payable under clause (3)
8 of this subsection (g) shall be deposited in such special
9 accounts, including all sinking funds, acquisition or
10 construction funds, debt service and other funds as provided
11 by any resolution, mortgage or trust agreement of the
12 Authority pursuant to which any bond is issued.

13 (h) The Authority has the power, upon the termination of
14 any leasehold period of any project, to sell or lease for a
15 further term or terms such project on such terms and
16 conditions as the Authority shall deem reasonable and
17 consistent with the purposes of the Act. The net proceeds from
18 all such sales and the revenues or income from such leases
19 shall be used to satisfy any indebtedness of the Authority
20 with respect to such project and any balance may be used to pay
21 any expenses of the Authority or be used for the further
22 development, construction, acquisition or improvement of
23 projects. In the event any project is vacated by a tenant prior
24 to the termination of the initial leasehold period, the
25 Authority shall sell or lease the facilities of the project on
26 the most advantageous terms available. The net proceeds of any

1 such disposition shall be treated in the same manner as the
2 proceeds from sales or the revenues or income from leases
3 subsequent to the termination of any initial leasehold period.

4 (i) The Authority shall have the power to make loans, or to
5 purchase loan participations in loans made, to persons to
6 finance a project, to enter into loan agreements or agreements
7 with participating lenders with respect thereto, and to accept
8 guarantees from persons of its loans or the resultant
9 evidences of obligations of the Authority.

10 (j) The Authority may fix, determine, charge and collect
11 any premiums, fees, charges, costs and expenses, including,
12 without limitation, any application fees, commitment fees,
13 program fees, financing charges or publication fees from any
14 person in connection with its activities under this Act.

15 (k) In addition to the funds established as provided
16 herein, the Authority shall have the power to create and
17 establish such reserve funds and accounts as may be necessary
18 or desirable to accomplish its purposes under this Act and to
19 deposit its available monies into the funds and accounts.

20 (l) At the request of the governing body of any unit of
21 local government, the Authority is authorized to market such
22 local government's revenue bond offerings by preparing bond
23 issues for sale, advertising for sealed bids, receiving bids
24 at its offices, making the award to the bidder that offers the
25 most favorable terms or arranging for negotiated placements or
26 underwritings of such securities. The Authority may, at its

1 discretion, offer for concurrent sale the revenue bonds of
2 several local governments. Sales by the Authority of revenue
3 bonds under this Section shall in no way imply State guarantee
4 of such debt issue. The Authority may require such financial
5 information from participating local governments as it deems
6 necessary in order to carry out the purposes of this
7 subsection (1).

8 (m) The Authority may make grants to any county to which
9 Division 5-37 of the Counties Code is applicable to assist in
10 the financing of capital development, construction and
11 renovation of new or existing facilities for hospitals and
12 health care facilities under that Act. Such grants may only be
13 made from funds appropriated for such purposes from the Build
14 Illinois Bond Fund.

15 (n) The Authority may establish an urban development
16 action grant program for the purpose of assisting
17 municipalities in Illinois which are experiencing severe
18 economic distress to help stimulate economic development
19 activities needed to aid in economic recovery. The Authority
20 shall determine the types of activities and projects for which
21 the urban development action grants may be used, provided that
22 such projects and activities are broadly defined to include
23 all reasonable projects and activities the primary objectives
24 of which are the development of viable urban communities,
25 including decent housing and a suitable living environment,
26 and expansion of economic opportunity, principally for persons

1 of low and moderate incomes. The Authority shall enter into
2 grant agreements from monies appropriated for such purposes
3 from the Build Illinois Bond Fund. The Authority shall monitor
4 the use of the grants, and shall provide for audits of the
5 funds as well as recovery by the Authority of any funds
6 determined to have been spent in violation of this subsection
7 (n) or any rule or regulation promulgated hereunder. The
8 Authority shall provide technical assistance with regard to
9 the effective use of the urban development action grants. The
10 Authority shall file an annual report to the General Assembly
11 concerning the progress of the grant program.

12 (o) The Authority may establish a Housing Partnership
13 Program whereby the Authority provides zero-interest loans to
14 municipalities for the purpose of assisting in the financing
15 of projects for the rehabilitation of affordable multi-family
16 housing for low and moderate income residents. The Authority
17 may provide such loans only upon a municipality's providing
18 evidence that it has obtained private funding for the
19 rehabilitation project. The Authority shall provide 3 State
20 dollars for every 7 dollars obtained by the municipality from
21 sources other than the State of Illinois. The loans shall be
22 made from monies appropriated for such purpose from the Build
23 Illinois Bond Fund. The total amount of loans available under
24 the Housing Partnership Program shall not exceed \$30,000,000.
25 State loan monies under this subsection shall be used only for
26 the acquisition and rehabilitation of existing buildings

1 containing 4 or more dwelling units. The terms of any loan made
2 by the municipality under this subsection shall require
3 repayment of the loan to the municipality upon any sale or
4 other transfer of the project. In addition, the Authority may
5 use any moneys appropriated for such purpose from the Build
6 Illinois Bond Fund, including funds loaned under this
7 subsection and repaid as principal or interest, and investment
8 income on such funds, to make the loans authorized by
9 subsection (z), without regard to any restrictions or
10 limitations provided in this subsection.

11 (p) The Authority may award grants to universities and
12 research institutions, research consortiums and other
13 not-for-profit entities for the purposes of: remodeling or
14 otherwise physically altering existing laboratory or research
15 facilities, expansion or physical additions to existing
16 laboratory or research facilities, construction of new
17 laboratory or research facilities or acquisition of modern
18 equipment to support laboratory or research operations
19 provided that such grants (i) be used solely in support of
20 project and equipment acquisitions which enhance technology
21 transfer, and (ii) not constitute more than 60 percent of the
22 total project or acquisition cost.

23 (q) Grants may be awarded by the Authority to units of
24 local government for the purpose of developing the appropriate
25 infrastructure or defraying other costs to the local
26 government in support of laboratory or research facilities

1 provided that such grants may not exceed 40% of the cost to the
2 unit of local government.

3 (r) In addition to the powers granted to the Authority
4 under subsection (i), and in all cases supplemental to it, the
5 Authority may establish a direct loan program to make loans
6 to, or may purchase participations in loans made by
7 participating lenders to, individuals, partnerships,
8 corporations, or other business entities for the purpose of
9 financing an industrial project, as defined in Section 801-10
10 of this Act. For the purposes of such program and not by way of
11 limitation on any other program of the Authority, including,
12 without limitation, programs established under subsection (i),
13 the Authority shall have the power to issue bonds, notes, or
14 other evidences of indebtedness including commercial paper for
15 purposes of providing a fund of capital from which it may make
16 such loans. The Authority shall have the power to use any
17 appropriations from the State made especially for the
18 Authority's direct loan program, or moneys at any time held by
19 the Authority under this Act outside the State treasury in the
20 custody of either the Treasurer of the Authority or a trustee
21 or depository appointed by the Authority, for additional
22 capital to make such loans or purchase such loan
23 participations, or for the purposes of reserve funds or
24 pledged funds which secure the Authority's obligations of
25 repayment of any bond, note or other form of indebtedness
26 established for the purpose of providing capital for which it

1 intends to make such loans or purchase such loan
2 participations. For the purpose of obtaining such capital, the
3 Authority may also enter into agreements with financial
4 institutions, participating lenders, and other persons for the
5 purpose of administering a loan participation program, selling
6 loans or developing a secondary market for such loans or loan
7 participations. Loans made under the direct loan program
8 specifically established under this subsection (r), including
9 loans under such program made by participating lenders in
10 which the Authority purchases a participation, may be in an
11 amount not to exceed \$600,000 and shall be made for a portion
12 of an industrial project which does not exceed 50% of the total
13 project. No loan may be made by the Authority unless approved
14 by the affirmative vote of at least 8 members of the board. The
15 Authority shall establish procedures and publish rules which
16 shall provide for the submission, review, and analysis of each
17 direct loan and loan participation application and which shall
18 preserve the ability of each board member and the Executive
19 Director, as applicable, to reach an individual business
20 judgment regarding the propriety of each direct loan or loan
21 participation. The collective discretion of the board to
22 approve or disapprove each loan shall be unencumbered. The
23 Authority may establish and collect such fees and charges,
24 determine and enforce such terms and conditions, and charge
25 such interest rates as it determines to be necessary and
26 appropriate to the successful administration of the direct

1 loan program, including purchasing loan participations. The
2 Authority may require such interests in collateral and such
3 guarantees as it determines are necessary to protect the
4 Authority's interest in the repayment of the principal and
5 interest of each loan and loan participation made under the
6 direct loan program. The restrictions established under this
7 subsection (r) shall not be applicable to any loan or loan
8 participation made under subsection (i) or to any loan or loan
9 participation made under any other Section of this Act.

10 (s) The Authority may guarantee private loans to third
11 parties up to a specified dollar amount in order to promote
12 economic development in this State.

13 (t) The Authority may adopt rules and regulations as may
14 be necessary or advisable to implement the powers conferred by
15 this Act.

16 (u) The Authority shall have the power to issue bonds,
17 notes or other evidences of indebtedness, which may be used to
18 make loans to units of local government which are authorized
19 to enter into loan agreements and other documents and to issue
20 bonds, notes and other evidences of indebtedness for the
21 purpose of financing the protection of storm sewer outfalls,
22 the construction of adequate storm sewer outfalls, and the
23 provision for flood protection of sanitary sewage treatment
24 plans, in counties that have established a stormwater
25 management planning committee in accordance with Section
26 5-1062 of the Counties Code. Any such loan shall be made by the

1 Authority pursuant to the provisions of Section 820-5 to
2 820-60 of this Act. The unit of local government shall pay back
3 to the Authority the principal amount of the loan, plus annual
4 interest as determined by the Authority. The Authority shall
5 have the power, subject to appropriations by the General
6 Assembly, to subsidize or buy down a portion of the interest on
7 such loans, up to 4% per annum.

8 (v) The Authority may accept security interests as
9 provided in Sections 11-3 and 11-3.3 of the Illinois Public
10 Aid Code.

11 (w) Moral Obligation. In the event that the Authority
12 determines that monies of the Authority will not be sufficient
13 for the payment of the principal of and interest on its bonds
14 during the next State fiscal year, the Chairperson, as soon as
15 practicable, shall certify to the Governor the amount required
16 by the Authority to enable it to pay such principal of and
17 interest on the bonds. The Governor shall submit the amount so
18 certified to the General Assembly as soon as practicable, but
19 no later than the end of the current State fiscal year. This
20 subsection shall apply only to any bonds or notes as to which
21 the Authority shall have determined, in the resolution
22 authorizing the issuance of the bonds or notes, that this
23 subsection shall apply. Whenever the Authority makes such a
24 determination, that fact shall be plainly stated on the face
25 of the bonds or notes and that fact shall also be reported to
26 the Governor. In the event of a withdrawal of moneys from a

1 reserve fund established with respect to any issue or issues
2 of bonds of the Authority to pay principal or interest on those
3 bonds, the Chairperson of the Authority, as soon as
4 practicable, shall certify to the Governor the amount required
5 to restore the reserve fund to the level required in the
6 resolution or indenture securing those bonds. The Governor
7 shall submit the amount so certified to the General Assembly
8 as soon as practicable, but no later than the end of the
9 current State fiscal year. The Authority shall obtain written
10 approval from the Governor for any bonds and notes to be issued
11 under this Section. In addition to any other bonds authorized
12 to be issued under Sections 825-60, 825-65(e), 830-25 and
13 845-5, the principal amount of Authority bonds outstanding
14 issued under this Section 801-40(w) or under 20 ILCS 3850/1-80
15 or 30 ILCS 360/2-6(c), which have been assumed by the
16 Authority, shall not exceed \$150,000,000. This subsection (w)
17 shall in no way be applied to any bonds issued by the Authority
18 on behalf of the Illinois Power Agency under Section 825-90 of
19 this Act.

20 (x) The Authority may enter into agreements or contracts
21 with any person necessary or appropriate to place the payment
22 obligations of the Authority under any of its bonds in whole or
23 in part on any interest rate basis, cash flow basis, or other
24 basis desired by the Authority, including without limitation
25 agreements or contracts commonly known as "interest rate swap
26 agreements", "forward payment conversion agreements", and

1 "futures", or agreements or contracts to exchange cash flows
2 or a series of payments, or agreements or contracts, including
3 without limitation agreements or contracts commonly known as
4 "options", "puts", or "calls", to hedge payment, rate spread,
5 or similar exposure; provided that any such agreement or
6 contract shall not constitute an obligation for borrowed money
7 and shall not be taken into account under Section 845-5 of this
8 Act or any other debt limit of the Authority or the State of
9 Illinois.

10 (y) The Authority shall publish summaries of projects and
11 actions approved by the members of the Authority on its
12 website. These summaries shall include, but not be limited to,
13 information regarding the:

- 14 (1) project;
- 15 (2) Board's action or actions;
- 16 (3) purpose of the project;
- 17 (4) Authority's program and contribution;
- 18 (5) volume cap;
- 19 (6) jobs retained;
- 20 (7) projected new jobs;
- 21 (8) construction jobs created;
- 22 (9) estimated sources and uses of funds;
- 23 (10) financing summary;
- 24 (11) project summary;
- 25 (12) business summary;
- 26 (13) ownership or economic disclosure statement;

1 (14) professional and financial information;

2 (15) service area; and

3 (16) legislative district.

4 The disclosure of information pursuant to this subsection
5 shall comply with the Freedom of Information Act.

6 (z) Consistent with the findings and declaration of policy
7 set forth in item (j) of Section 801-5 of this Act, the
8 Authority shall have the power to make loans to the Police
9 Officers' Pension Investment Fund authorized by Section
10 22B-120 of the Illinois Pension Code and to make loans to the
11 Firefighters' Pension Investment Fund authorized by Section
12 22C-120 of the Illinois Pension Code. Notwithstanding anything
13 in this Act to the contrary, loans authorized by Section
14 22B-120 and Section 22C-120 of the Illinois Pension Code may
15 be made from any of the Authority's funds, including, but not
16 limited to, funds in its Illinois Housing Partnership Program
17 Fund, its Industrial Project Insurance Fund, or its Illinois
18 Venture Investment Fund.

19 (aa) The Authority may finance or refinance (including,
20 without limitation, through reimbursement of prior
21 expenditures) any accounts receivable, working capital,
22 liability, or insurance or noncapital cost or operating
23 expense, or any combination thereof, for any unit of
24 government, participating health institution, private
25 institution of higher education, academic institution,
26 cultural institution, or other person authorized to borrow

1 funds from the Authority pursuant to this Act.

2 (bb) The Authority shall have the power to issue revenue
3 bonds for energy storage projects, as defined in Section 1-10
4 of the Illinois Power Agency Act, that seek State-level energy
5 storage credits or utility cost recovery. The Authority shall
6 coordinate with the Illinois Power Agency to ensure that the
7 financing terms of the revenue bonds are structured to
8 minimize costs to State ratepayers.

9 (Source: P.A. 104-6, eff. 6-16-25.)

10 (20 ILCS 3501/825-65)

11 Sec. 825-65. Clean Coal, Coal, Energy Efficiency, PACE,
12 and Renewable Energy Project Financing.

13 (a) Findings and declaration of policy.

14 (i) It is hereby found and declared that Illinois has
15 abundant coal resources and, in some areas of Illinois,
16 the demand for power exceeds the generating capacity.
17 Incentives to encourage the construction of coal-fueled
18 electric generating plants in Illinois to ensure power
19 generating capacity into the future and to advance clean
20 coal technology and the use of Illinois coal are in the
21 best interests of all of the citizens of Illinois.

22 (ii) It is further found and declared that Illinois
23 has abundant potential and resources to develop renewable
24 energy resource projects and that there are many
25 opportunities to invest in cost-effective energy

1 efficiency projects throughout the State. The development
2 of those projects will create jobs and investment as well
3 as decrease environmental impacts and promote energy
4 independence in Illinois. Accordingly, the development of
5 those projects is in the best interests of all of the
6 citizens of Illinois.

7 (iii) The Authority is authorized to issue bonds to
8 help finance Clean Coal, Coal, Energy Efficiency, PACE,
9 and Renewable Energy projects pursuant to this Section.

10 (b) Definitions.

11 (i) "Clean Coal Project" means (A) "clean coal
12 facility", as defined in Section 1-10 of the Illinois
13 Power Agency Act; (B) "clean coal SNG facility", as
14 defined in Section 1-10 of the Illinois Power Agency Act;
15 (C) transmission lines and associated equipment that
16 transfer electricity from points of supply to points of
17 delivery for projects described in this subsection (b);
18 (D) pipelines or other methods to transfer carbon dioxide
19 from the point of production to the point of storage or
20 sequestration for projects described in this subsection
21 (b); or (E) projects to provide carbon abatement
22 technology for existing generating facilities.

23 (ii) "Coal Project" means new electric generating
24 facilities or new gasification facilities, as defined in
25 Section 605-332 of the Department of Commerce and Economic
26 Opportunity Law of the Civil Administrative Code of

1 Illinois, which may include mine-mouth power plants,
2 projects that employ the use of clean coal technology,
3 projects to provide scrubber technology for existing
4 energy generating plants, or projects to provide electric
5 transmission facilities or new gasification facilities.

6 (iii) "Energy Efficiency Project" means measures that
7 reduce the amount of electricity or natural gas required
8 to achieve a given end use, consistent with Section 1-10
9 of the Illinois Power Agency Act. "Energy Efficiency
10 Project" also includes measures that reduce the total Btus
11 of electricity and natural gas needed to meet the end use
12 or uses consistent with Section 1-10 of the Illinois Power
13 Agency Act.

14 (iv) "Renewable Energy Project" means (A) a project
15 that uses renewable energy resources, as defined in
16 Section 1-10 of the Illinois Power Agency Act; (B) a
17 project that uses environmentally preferable technologies
18 and practices that result in improvements to the
19 production of renewable fuels, including but not limited
20 to, cellulosic conversion, water and energy conservation,
21 fractionation, alternative feedstocks, or reduced
22 greenhouse gas emissions; (C) transmission lines and
23 associated equipment that transfer electricity from points
24 of supply to points of delivery for projects described in
25 this subsection (b); or (D) projects that use technology
26 for the storage of renewable energy, including, without

1 limitation, the use of battery or electrochemical storage
2 technology for mobile or stationary applications.

3 (c) Creation of reserve funds. The Authority may establish
4 and maintain one or more reserve funds to enhance bonds issued
5 by the Authority for a Clean Coal Project, a Coal Project, an
6 Energy Efficiency Project, a PACE Project, or a Renewable
7 Energy Project. There may be one or more accounts in these
8 reserve funds in which there may be deposited:

9 (1) any proceeds of the bonds issued by the Authority
10 required to be deposited therein by the terms of any
11 contract between the Authority and its bondholders or any
12 resolution of the Authority;

13 (2) any other moneys or funds of the Authority that it
14 may determine to deposit therein from any other source;
15 and

16 (3) any other moneys or funds made available to the
17 Authority. Subject to the terms of any pledge to the
18 owners of any bonds, moneys in any reserve fund may be held
19 and applied to the payment of principal, premium, if any,
20 and interest of such bonds.

21 (d) Powers and duties. The Authority has the power:

22 (1) To issue bonds in one or more series pursuant to
23 one or more resolutions of the Authority for any Clean
24 Coal Project, Coal Project, Energy Efficiency Project,
25 PACE Project, or Renewable Energy Project authorized under
26 this Section, within the authorization set forth in

1 subsection (e).

2 (2) To provide for the funding of any reserves or
3 other funds or accounts deemed necessary by the Authority
4 in connection with any bonds issued by the Authority.

5 (3) To pledge any funds of the Authority or funds made
6 available to the Authority that may be applied to such
7 purpose as security for any bonds or any guarantees,
8 letters of credit, insurance contracts or similar credit
9 support or liquidity instruments securing the bonds.

10 (4) To enter into agreements or contracts with third
11 parties, whether public or private, including, without
12 limitation, the United States of America, the State or any
13 department or agency thereof, to obtain any
14 appropriations, grants, loans or guarantees that are
15 deemed necessary or desirable by the Authority. Any such
16 guarantee, agreement or contract may contain terms and
17 provisions necessary or desirable in connection with the
18 program, subject to the requirements established by the
19 Act.

20 (4.5) To make loans under subsection (i) of Section
21 801-40 to finance loans for PACE Projects.

22 (5) To exercise such other powers as are necessary or
23 incidental to the foregoing.

24 (e) Clean Coal Project, Coal Project, Energy Efficiency
25 Project, PACE Project, and Renewable Energy Project bond
26 authorization and financing limits. In addition to any other

1 bonds authorized to be issued under Sections 801-40(w),
2 825-60, 830-25 and 845-5, the Authority may have outstanding,
3 at any time, bonds for the purpose enumerated in this Section
4 825-65 in an aggregate principal amount that shall not exceed
5 \$3,000,000,000, subject to the following limitations: (i) up
6 to \$300,000,000 may be issued to finance projects, as
7 described in clause (C) of subsection (b)(i) and clause (C) of
8 subsection (b)(iv) of this Section 825-65; (ii) up to
9 \$500,000,000 may be issued to finance projects, as described
10 in clauses (D) and (E) of subsection (b)(i) of this Section
11 825-65; (iii) up to \$2,000,000,000 may be issued to finance
12 Clean Coal Projects, as described in clauses (A) and (B) of
13 subsection (b)(i) of this Section 825-65 and Coal Projects, as
14 described in subsection (b)(ii) of this Section 825-65; and
15 (iv) up to \$2,000,000,000 may be issued to finance Energy
16 Efficiency Projects, as described in subsection (b)(iii) of
17 this Section 825-65, Renewable Energy Projects, as described
18 in clauses (A), (B), and (D) of subsection (b)(iv) of this
19 Section 825-65, and PACE Projects. An application for a loan
20 financed from bond proceeds from a borrower or its affiliates
21 for a Clean Coal Project, a Coal Project, Energy Efficiency
22 Project, PACE Project, or a Renewable Energy Project may not
23 be approved by the Authority for an amount in excess of
24 \$450,000,000 for any borrower or its affiliates. A Clean Coal
25 Project, Coal Project, or PACE Project must be located within
26 the State. An Energy Efficiency Project may be located within

1 the State or outside the State, provided that, if the Energy
2 Efficiency Project is located outside of the State, it must be
3 owned, operated, leased, or managed by an entity located
4 within the State or any entity affiliated with an entity
5 located within the State. These bonds shall not constitute an
6 indebtedness or obligation of the State of Illinois and it
7 shall be plainly stated on the face of each bond that it does
8 not constitute an indebtedness or obligation of the State of
9 Illinois, but is payable solely from the revenues, income or
10 other assets of the Authority pledged therefor.

11 (f) The bonding authority granted under this Section is in
12 addition to and not limited by the provisions of Section
13 845-5.

14 (g) Bonds issued pursuant to this Section shall be limited
15 obligations of the Authority payable solely from the revenues
16 and receipts derived from the energy storage projects for
17 which the bonds are issued. The bonds shall not be a debt of
18 this State or a pledge of the full faith and credit of this
19 State, and this State shall not be liable for the payment of
20 the principal of or interest on the bonds. The bonds shall
21 contain on their face the following statement: "The State of
22 Illinois is not obligated to pay the principal of or interest
23 on this bond. Neither the full faith and credit nor the taxing
24 power of the State is pledged to the payment of the principal
25 of or interest on this bond. This bond is payable solely from
26 the specific revenues that were pledged for the bond's

1 payment.".

2 (h) Bonds issued for battery storage projects pursuant to
3 the requirements of Section 1-75 of the Illinois Power Agency
4 Act or Section 16-107.6 of the Public Utilities Act shall be
5 limited obligations of the Authority payable solely from the
6 revenues and receipts derived from the battery storage
7 projects. The bonds shall not be a debt of this State or a
8 pledge of the full faith and credit of this State, and this
9 State shall not be liable for the payment of the principal of
10 or interest on the bonds.

11 (Source: P.A. 100-201, eff. 8-18-17; 100-919, eff. 8-17-18.)

12 Section 15. The Illinois Power Agency Act is amended by
13 changing Section 1-75 as follows:

14 (20 ILCS 3855/1-75)

15 (Text of Section before amendment by P.A. 104-458)

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

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

1 100,000 customers in Illinois. Beginning with the delivery
2 year commencing on June 1, 2017, the Planning and Procurement
3 Bureau shall develop plans and processes for the procurement
4 of zero emission credits from zero emission facilities in
5 accordance with the requirements of subsection (d-5) of this
6 Section. Beginning on the effective date of this amendatory
7 Act of the 102nd General Assembly, the Planning and
8 Procurement Bureau shall develop plans and processes for the
9 procurement of carbon mitigation credits from carbon-free
10 energy resources in accordance with the requirements of
11 subsection (d-10) of this Section. The Planning and
12 Procurement Bureau shall also develop procurement plans and
13 conduct competitive procurement processes in accordance with
14 the requirements of Section 16-111.5 of the Public Utilities
15 Act for the eligible retail customers of small
16 multi-jurisdictional electric utilities that (i) on December
17 31, 2005 served less than 100,000 customers in Illinois and
18 (ii) request a procurement plan for their Illinois
19 jurisdictional load. This Section shall not apply to a small
20 multi-jurisdictional utility until such time as a small
21 multi-jurisdictional utility requests the Agency to prepare a
22 procurement plan for their Illinois jurisdictional load. For
23 the purposes of this Section, the term "eligible retail
24 customers" has the same definition as found in Section
25 16-111.5(a) of the Public Utilities Act.

26 Beginning with the plan or plans to be implemented in the

1 2017 delivery year, the Agency shall no longer include the
2 procurement of renewable energy resources in the annual
3 procurement plans required by this subsection (a), except as
4 provided in subsection (q) of Section 16-111.5 of the Public
5 Utilities Act, and shall instead develop a long-term renewable
6 resources procurement plan in accordance with subsection (c)
7 of this Section and Section 16-111.5 of the Public Utilities
8 Act.

9 In accordance with subsection (c-5) of this Section, the
10 Planning and Procurement Bureau shall oversee the procurement
11 by electric utilities that served more than 300,000 retail
12 customers in this State as of January 1, 2019 of renewable
13 energy credits from new utility-scale solar projects to be
14 installed, along with energy storage facilities, at or
15 adjacent to the sites of electric generating facilities that,
16 as of January 1, 2016, burned coal as their primary fuel
17 source.

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

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

1 (B) an advanced degree in economics, mathematics,
2 engineering, risk management, or a related area of
3 study;

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

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

10 (E) expertise in credit protocols and familiarity
11 with contract protocols;

12 (F) adequate resources to perform and fulfill the
13 required functions and responsibilities; and

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

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

23 (A) direct previous experience administering a
24 large-scale competitive procurement process;

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

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

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

7 (E) expertise in credit and contract protocols;

8 (F) adequate resources to perform and fulfill the
9 required functions and responsibilities; and

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

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

1 firms on the lists. Objections shall be based on:

2 (A) failure to satisfy qualification criteria;

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

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

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

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

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

24 (6) The Agency shall select an expert or expert
25 consulting firm, with approval of the Commission, to serve
26 as procurement administrator based on the proposals

1 submitted. If the Commission rejects, within 5 days, the
2 Agency's selection, the Agency shall submit another
3 recommendation within 3 days based on the proposals
4 submitted. The Agency shall award a 5-year contract to the
5 expert or expert consulting firm so selected with
6 Commission approval.

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

21 (c) Renewable portfolio standard.

22 (1) (A) The Agency shall develop a long-term renewable
23 resources procurement plan that shall include procurement
24 programs and competitive procurement events necessary to
25 meet the goals set forth in this subsection (c). The
26 initial long-term renewable resources procurement plan

1 shall be released for comment no later than 160 days after
2 June 1, 2017 (the effective date of Public Act 99-906).
3 The Agency shall review, and may revise on an expedited
4 basis, the long-term renewable resources procurement plan
5 at least every 2 years, which shall be conducted in
6 conjunction with the procurement plan under Section
7 16-111.5 of the Public Utilities Act to the extent
8 practicable to minimize administrative expense. No later
9 than 120 days after the effective date of this amendatory
10 Act of the 103rd General Assembly, the Agency shall
11 release for comment a revision to the long-term renewable
12 resources procurement plan, updating elements of the most
13 recently approved plan as needed to comply with this
14 amendatory Act of the 103rd General Assembly, and any
15 long-term renewable resources procurement plan update
16 published by the Agency but not yet approved by the
17 Illinois Commerce Commission shall be withdrawn. The
18 long-term renewable resources procurement plans shall be
19 subject to review and approval by the Commission under
20 Section 16-111.5 of the Public Utilities Act.

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

1 25% by the 2025 delivery year; increasing by at least 3%
2 each delivery year thereafter to at least 40% by the 2030
3 delivery year, and continuing at no less than 40% for each
4 delivery year thereafter. The Agency shall attempt to
5 procure 50% by delivery year 2040. The Agency shall
6 determine the annual increase between delivery year 2030
7 and delivery year 2040, if any, taking into account energy
8 demand, other energy resources, and other public policy
9 goals. In the event of a conflict between these goals and
10 the new wind, new photovoltaic, and hydropower procurement
11 requirements described in items (i) through (iii) of
12 subparagraph (C) of this paragraph (1), the long-term plan
13 shall prioritize compliance with the new wind, new
14 photovoltaic, and hydropower procurement requirements
15 described in items (i) through (iii) of subparagraph (C)
16 of this paragraph (1) over the annual percentage targets
17 described in this subparagraph (B). The Agency shall not
18 comply with the annual percentage targets described in
19 this subparagraph (B) by procuring renewable energy
20 credits that are unlikely to lead to the development of
21 new renewable resources or new, modernized, or retooled
22 hydropower facilities.

23 For the delivery year beginning June 1, 2017, the
24 procurement plan shall attempt to include, subject to the
25 prioritization outlined in this subparagraph (B),
26 cost-effective renewable energy resources equal to at

1 least 13% of each utility's load for eligible retail
2 customers and 13% of the applicable portion of each
3 utility's load for retail customers who are not eligible
4 retail customers, which applicable portion shall equal 50%
5 of the utility's load for retail customers who are not
6 eligible retail customers on February 28, 2017.

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

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

1 for each delivery year thereafter. The Agency shall
2 attempt to procure 50% by delivery year 2040. The Agency
3 shall determine the annual increase between delivery year
4 2030 and delivery year 2040, if any, taking into account
5 energy demand, other energy resources, and other public
6 policy goals.

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

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

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

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

24 In developing the long-term renewable resources
25 procurement plan, the Agency shall consider other
26 approaches, in addition to competitive procurements,

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

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

1 outlined in item (i) of this subparagraph (C).

2 (iii) For purposes of this Section:

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

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

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

22 For purposes of calculating whether the Agency has
23 procured enough new wind and solar renewable energy
24 credits required by this subparagraph (C), renewable
25 energy facilities that have a multi-year renewable
26 energy credit delivery contract with the utility

1 through at least delivery year 2030 shall be
2 considered new, however no renewable energy credits
3 from contracts entered into before June 1, 2021 shall
4 be used to calculate whether the Agency has procured
5 the correct proportion of new wind and new solar
6 contracts described in this subparagraph (C) for
7 delivery year 2021 and thereafter.

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

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

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

1 delivery year ending immediately prior to the procurement,
2 to all retail customers in its service territory. For
3 purposes of this subsection (c), the amount paid per
4 kilowatthour means the total amount paid for electric
5 service expressed on a per kilowatthour basis. For
6 purposes of this subsection (c), the total amount paid for
7 electric service includes without limitation amounts paid
8 for supply, transmission, capacity, distribution,
9 surcharges, and add-on taxes.

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

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

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

1 to a seller under existing contracts executed under this
2 Section or executed under Section 1-56 of this Act, then
3 the following provisions shall apply to ensure full and
4 uninterrupted payment is made to such seller or sellers:

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

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

21 (iii) The Agency shall promptly notify the
22 Commission that existing contractual obligations are
23 reasonably expected to exceed the maximum collection
24 authorized under subparagraph (E) of paragraph (1) of
25 this subsection (c) for the applicable delivery year.
26 The Agency shall also explain and confirm how the

1 operation of items (i) and (ii) of this subparagraph
2 (E-5) ensures that the electric utility will continue
3 to make prompt and uninterrupted payment under
4 existing contractual obligations. The Agency shall
5 provide this information to the Commission through a
6 notice filed in the Commission docket approving the
7 Agency's operative Long-Term Renewable Resources
8 Procurement Plan that includes the applicable delivery
9 year.

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

1 (aa) If the Agency determines that additional
2 renewable energy credit procurement contract
3 awards could be made without exceeding the
4 limitations of subparagraph (E), then the
5 procurements shall be authorized at a scale
6 determined not to exceed the limitations of
7 subparagraph (E) in a manner consistent with the
8 priorities of this Section.

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

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

24 (dd) With respect to the procurement of
25 renewable energy credits authorized through
26 programs administered under subsection (b) of

1 Section 1-56 and subparagraphs (K) through (M) of
2 paragraph (1) of subsection (k) of Section 1-75 of
3 this Act, the award of contracts for the
4 procurement of renewable energy credits shall be
5 suspended or reduced only at the conclusion of the
6 program year in which the notice provided for
7 under item (iii) of this subparagraph (E-5) is
8 made.

9 (ee) The contract shall provide that, so long
10 as at least one of: (i) the cost recovery
11 mechanisms referenced in subsection (k) of Section
12 16-108 and subsection (1) of Section 16-111.5 of
13 the Public Utilities Act remains in full force
14 without limitation or (ii) the utility is
15 otherwise authorized and or entitled to full,
16 prompt, and uninterrupted recovery of its costs
17 through any other mechanism, then such seller
18 shall be entitled to full, prompt, and
19 uninterrupted payment under the applicable
20 contract notwithstanding the application of this
21 subparagraph (E).

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

1 subsection (c) regarding renewable energy credits in the
2 following order:

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

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

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

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

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

17 (i) Notwithstanding whether a long-term renewable
18 resources procurement plan has been approved, the
19 Agency shall conduct an initial forward procurement
20 for renewable energy credits from new utility-scale
21 wind projects within 160 days after June 1, 2017 (the
22 effective date of Public Act 99-906). For the purposes
23 of this initial forward procurement, the Agency shall
24 solicit 15-year contracts for delivery of 1,000,000
25 renewable energy credits delivered annually from new
26 utility-scale wind projects to begin delivery on June

1 1, 2019, if available, but not later than June 1, 2021,
2 unless the project has delays in the establishment of
3 an operating interconnection with the applicable
4 transmission or distribution system as a result of the
5 actions or inactions of the transmission or
6 distribution provider, or other causes for force
7 majeure as outlined in the procurement contract, in
8 which case, not later than June 1, 2022. Payments to
9 suppliers of renewable energy credits shall commence
10 upon delivery. Renewable energy credits procured under
11 this initial procurement shall be included in the
12 Agency's long-term plan and shall apply to all
13 renewable energy goals in this subsection (c).

14 (ii) Notwithstanding whether a long-term renewable
15 resources procurement plan has been approved, the
16 Agency shall conduct an initial forward procurement
17 for renewable energy credits from new utility-scale
18 solar projects and brownfield site photovoltaic
19 projects within one year 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 solar projects and brownfield site
25 photovoltaic projects to begin delivery on June 1,
26 2019, if available, but not later than June 1, 2021,

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

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

1, 2021.

(iv) Notwithstanding whether the Commission has approved the periodic long-term renewable resources procurement plan revision described in Section 16-111.5 of the Public Utilities Act, the Agency shall open capacity for each category in the Adjustable Block program within 90 days after the effective date of this amendatory Act of the 102nd General Assembly manner:

(1) The Agency shall open the first block of annual capacity for the category described in item (i) of subparagraph (K) of this paragraph (1). The first block of annual capacity for item (i) shall be for at least 75 megawatts of total nameplate capacity. The price of the renewable energy credit for this block of capacity shall be 4% less than the price of the last open block in this category. Projects on a waitlist shall be awarded contracts first in the order in which they appear on the waitlist. Notwithstanding anything to the contrary, for those renewable energy credits that qualify and are procured under this subitem (1) of this item (iv), the renewable energy credit delivery contract value shall be paid in full, based on the estimated generation during the first 15 years of operation, by the contracting

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

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

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

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

1 thereafter shall not be transferred under the
2 renewable energy credit delivery contract with
3 the counterparty electric utility.

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

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

1 and only those projects previously determined to
2 be eligible for the Agency's April 2019 community
3 solar project selection process.

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

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

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

23 (i) Each applicant firm having a
24 waitlisted project eligible for selection
25 shall receive no less than 500 kilowatts
26 in awarded capacity across all groups, and

1 no approved vendor may receive more than
2 20% of each Group's waitlist allocation.

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

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

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

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

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

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

1 (i) Renewable energy credit prices
2 shall be fixed, without further adjustment
3 under any other provision of this Act or
4 for any other reason, at 10% lower than
5 prices applicable to the last open block
6 for this category, inclusive of any adders
7 available for achieving a minimum of 50%
8 of subscribers to the project's nameplate
9 capacity being residential or small
10 commercial customers with subscriptions of
11 below 25 kilowatts in size;

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

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

1 contract instrument, the Agency may
2 consider whether other circumstances
3 outside of the control of the applicant
4 firm should also warrant project
5 substitution rights.

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

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

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

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

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

1 contract terms outlined in item (iii) of
2 subsection (L) of this paragraph (1).

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

24 (v) Upon the effective date of this amendatory Act
25 of the 102nd General Assembly, for all competitive
26 procurements and any procurements of renewable energy

1 credit from new utility-scale wind and new
2 utility-scale photovoltaic projects, the Agency shall
3 procure indexed renewable energy credits and direct
4 respondents to offer a strike price.

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

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

23 (3) To ensure funding in the annual budget
24 established under subparagraph (E) for indexed
25 renewable energy credit procurements for each year
26 of the term of such contracts, which must have a

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

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

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

24 (vi) All procurements under this subparagraph (G),
25 including the procurement of renewable energy credits
26 from hydropower facilities, shall comply with the

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

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

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

1 (i) Within 45 days after June 1, 2017 (the
2 effective date of Public Act 99-906), an alternative
3 retail electric supplier or its successor shall submit
4 an informational filing to the Illinois Commerce
5 Commission certifying that, as of December 31, 2015,
6 the alternative retail electric supplier owned one or
7 more electric generating facilities that generates
8 renewable energy resources as defined in Section 1-10
9 of this Act, provided that such facilities are not
10 powered by wind or photovoltaics, and the facilities
11 generate one renewable energy credit for each
12 megawatthour of energy produced from the facility.

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

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

24 (iii) The alternative retail electric supplier
25 shall notify the Agency and the applicable utility, no
26 later than February 28 of the year preceding the

1 applicable delivery year or 15 days after June 1, 2017
2 (the effective date of Public Act 99-906), whichever
3 is later, of its election under item (ii) of this
4 subparagraph (H) to supply renewable energy credits to
5 retail customers of the utility. Such election shall
6 identify the amount of renewable energy credits to be
7 supplied by the alternative retail electric supplier
8 to the utility's retail customers and the source of
9 the renewable energy credits identified in the
10 informational filing as described in item (i) of this
11 subparagraph (H), subject to the following
12 limitations:

13 For the delivery year beginning June 1, 2018,
14 the maximum amount of renewable energy credits to
15 be supplied by an alternative retail electric
16 supplier under this subparagraph (H) shall be 68%
17 multiplied by 25% multiplied by 14.5% multiplied
18 by the amount of metered electricity
19 (megawatt-hours) delivered by the alternative
20 retail electric supplier to Illinois retail
21 customers during the delivery year ending May 31,
22 2016.

23 For delivery years beginning June 1, 2019 and
24 each year thereafter, the maximum amount of
25 renewable energy credits to be supplied by an
26 alternative retail electric supplier under this

1 subparagraph (H) shall be 68% multiplied by 50%
2 multiplied by 16% multiplied by the amount of
3 metered electricity (megawatt-hours) delivered by
4 the alternative retail electric supplier to
5 Illinois retail customers during the delivery year
6 ending May 31, 2016, provided that the 16% value
7 shall increase by 1.5% each delivery year
8 thereafter to 25% by the delivery year beginning
9 June 1, 2025, and thereafter the 25% value shall
10 apply to each delivery year.

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

24 If the requirements set forth in items (i) through
25 (iii) of this subparagraph (H) are met, the charges
26 that would otherwise be applicable to the retail

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

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

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

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

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

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

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

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

1 HVDC renewable energy credits associated with that
2 generating unit or identifiable portion thereof shall be
3 eligible to be counted toward the renewable energy
4 requirements of this subsection (c).

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

22 The Adjustable Block program shall include for each
23 category of eligible projects for each delivery year: a
24 single block of nameplate capacity, a price for renewable
25 energy credits within that block, and the terms and
26 conditions for securing a spot on a waitlist once the

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

1 conditions for projects located in different utility
2 service territories if the Agency deems it necessary to
3 meet the goals in this subsection (c).

4 The Adjustable Block program shall include the
5 following categories in at least the following amounts:

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

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

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

1 meet previous delivery year requirements, the
2 following shall apply:

3 (1) the Agency shall select projects on a
4 first-come, first-serve basis, however the Agency
5 may suggest additional methods to prioritize
6 projects that are submitted at the same time;

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

11 (3) projects shall not be colocated with one
12 or more other community renewable generation
13 projects, as defined in the Agency's first revised
14 long-term renewable resources procurement plan
15 approved by the Commission on February 18, 2020,
16 such that the aggregate nameplate capacity exceeds
17 5,000 kilowatts; and

18 (4) projects greater than 2 MW may not apply
19 until after the approval of the Agency's revised
20 Long-Term Renewable Resources Procurement Plan
21 after the effective date of this amendatory Act of
22 the 102nd General Assembly.

23 (iv) At least 15% from distributed renewable
24 generation devices or photovoltaic community renewable
25 generation projects installed on public school land.
26 The Agency may create subcategories within this

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

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

24 "Organization Unit", "Tier 1" and "Tier 2" shall
25 have the meanings set for in Section 18-8.15 of the
26 School Code;

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

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

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

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

26 (3) meaningful involvement in project

1 organization and development by community members
2 or nonprofit organizations or public entities
3 located in or serving the community;

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

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

11 Selection criteria may also prioritize projects
12 that:

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

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

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

26 (4) are not greenfield projects;

1 (5) serve only local subscribers;

2 (6) have a nameplate capacity that does not
3 exceed 500 kW;

4 (7) are developed by an equity eligible
5 contractor; or

6 (8) otherwise meaningfully advance the goals
7 of providing more direct and tangible connection
8 and benefits to the communities which they serve
9 or in which they operate and increasing the
10 variety of community solar locations, models, and
11 options in Illinois.

12 For the purposes of this item (v):

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

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

1 community members may ensure that those services and
2 activities respond to local knowledge and needs.

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

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

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

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

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

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

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

25 To the extent there is uncontracted capacity from any
26 block in any of categories (i) through (vi) at the end of a

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

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

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

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

26 (i) (Blank).

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

21 (iii) For those renewable energy credits that
22 qualify and are procured under item (ii) and (v) of
23 subparagraph (K) of this paragraph (1) and any like
24 projects similar category that qualify and are
25 procured under item (vi), the contract length shall be
26 15 years. 15% of the renewable energy credit delivery

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

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

1 amount, the excess renewable energy credits shall be
2 carried forward to future delivery years and shall not
3 expire during the delivery term. If generation of
4 renewable energy credits during a delivery year,
5 including carried forward excess renewable energy
6 credits, if any, is less than the estimated annual
7 generation amount, payments during such delivery year
8 will not exceed the quantity generated plus the
9 quantity carried forward multiplied by the contract
10 price. The electric utility shall receive all
11 renewable energy credits generated by the project
12 during the first 20 years of operation and retire all
13 renewable energy credits paid for under this item (iv)
14 and return at the end of the delivery term all
15 renewable energy credits that were not paid for.
16 Renewable energy credits generated by the project
17 thereafter shall not be transferred under the
18 renewable energy credit delivery contract with the
19 counterparty electric utility. Notwithstanding the
20 preceding, for those projects participating under item
21 (iii) of subparagraph (K), the contract price for a
22 delivery year shall be based on subscription levels as
23 measured on the higher of the first business day of the
24 delivery year or the first business day 6 months after
25 the first business day of the delivery year.
26 Subscription of 90% of nameplate capacity or greater

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

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

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

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

1 consider future uncommitted funds to be reserved for
2 these contracts on a first-come, first-served basis.

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

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

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

24 (M) The Agency shall be authorized to retain one or
25 more experts or expert consulting firms to develop,
26 administer, implement, operate, and evaluate the

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

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

25 In addition to covering the costs of program
26 administration, the Agency, in conjunction with its

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

12 The Agency and its consultant or consultants shall
13 monitor block activity, share program activity with
14 stakeholders and conduct quarterly meetings to discuss
15 program activity and market conditions. If necessary, the
16 Agency may make prospective administrative adjustments to
17 the Adjustable Block program design, such as making
18 adjustments to purchase prices as necessary to achieve the
19 goals of this subsection (c). Program modifications to any
20 block price that do not deviate from the Commission's
21 approved value by more than 10% shall take effect
22 immediately and are not subject to Commission review and
23 approval. Program modifications to any block price that
24 deviate more than 10% from the Commission's approved value
25 must be approved by the Commission as a long-term plan
26 amendment under Section 16-111.5 of the Public Utilities

1 Act. The Agency shall consider stakeholder feedback when
2 making adjustments to the Adjustable Block design and
3 shall notify stakeholders in advance of any planned
4 changes.

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

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

1 failed to comply with contract terms, the law, or
2 other program requirements.

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

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

23 (iv) The Agency shall establish one or multiple
24 Consumer Complaints Centers to accept complaints
25 regarding businesses that participate in, or otherwise
26 benefit from, State-administered incentive funding

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

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

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

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

25 (N) The Agency shall establish the terms, conditions,
26 and program requirements for photovoltaic community

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

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

22 Electric utilities shall provide a monetary credit to
23 a subscriber's subsequent bill for service for the
24 proportional output of a community renewable generation
25 project attributable to that subscriber as specified in
26 Section 16-107.5 of the Public Utilities Act.

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

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

21 (O) For the delivery year beginning June 1, 2018, the
22 long-term renewable resources procurement plan required by
23 this subsection (c) shall provide for the Agency to
24 procure contracts to continue offering the Illinois Solar
25 for All Program described in subsection (b) of Section
26 1-56 of this Act, and the contracts approved by the

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

24 (P) All programs and procurements under this
25 subsection (c) shall be designed to encourage
26 participating projects to use a diverse and equitable

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

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

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

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

- 19 (i) all new utility-scale wind projects;
20 (ii) all new utility-scale photovoltaic
21 projects and repowered wind projects;
22 (iii) all new brownfield photovoltaic
23 projects;
24 (iv) all new photovoltaic community renewable
25 energy facilities that qualify for item (iii) of
26 subparagraph (K) of this paragraph (1);

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

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

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

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

23 (ix) all new, modernized, or retooled
24 hydropower facilities.

25 (2) Renewable energy credits procured from new
26 utility-scale wind projects, new utility-scale solar

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

21 (3) It is the intent of this Section to ensure that
22 economic development occurs across Illinois
23 communities, that emerging businesses may grow, and
24 that there is improved access to the clean energy
25 economy by persons who have greater economic burdens
26 to success. The Agency shall take into consideration

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

13 (R) In its long-term renewable resources procurement
14 plan, the Agency shall establish a self-direct renewable
15 portfolio standard compliance program for eligible
16 self-direct customers that purchase renewable energy
17 credits from utility-scale wind and solar projects through
18 long-term agreements for purchase of renewable energy
19 credits as described in this Section. Such long-term
20 agreements may include the purchase of energy or other
21 products on a physical or financial basis and may involve
22 an alternative retail electric supplier as defined in
23 Section 16-102 of the Public Utilities Act. This program
24 shall take effect in the delivery year commencing June 1,
25 2023.

26 (1) For the purposes of this subparagraph:

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

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

19 (2) For renewable energy credits to count toward
20 the self-direct renewable portfolio standard
21 compliance program, they must:

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

24 (ii) be sourced from one or more renewable
25 energy generating facilities that comply with the
26 geographic requirements as set forth in

1 subparagraph (I) of paragraph (1) of subsection
2 (c) as interpreted through the Agency's long-term
3 renewable resources procurement plan, or, where
4 applicable, the geographic requirements that
5 governed utility-scale renewable energy credits at
6 the time the eligible self-direct customer entered
7 into the applicable renewable energy credit
8 purchase agreement;

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

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

23 (v) be retired by or on behalf of the large
24 energy customer;

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

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

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

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

19 (4) The Commission shall approve a reduction in
20 the volumetric charges collected pursuant to Section
21 16-108 of the Public Utilities Act for approved
22 eligible self-direct customers equivalent to the
23 anticipated cost of renewable energy credit deliveries
24 under contracts for new utility-scale wind and new
25 utility-scale solar entered for each delivery year
26 after the large energy customer begins retiring

1 eligible new utility scale renewable energy credits
2 for self-compliance. The self-direct credit amount
3 shall be determined annually and is equal to the
4 estimated portion of the cost authorized by
5 subparagraph (E) of paragraph (1) of this subsection
6 (c) that supported the annual procurement of
7 utility-scale renewable energy credits in the prior
8 delivery year using a methodology described in the
9 long-term renewable resources procurement plan,
10 expressed on a per kilowatthour basis, and does not
11 include (i) costs associated with any contracts
12 entered into before the delivery year in which the
13 customer files the initial compliance report to be
14 eligible for participation in the self-direct program,
15 and (ii) costs associated with procuring renewable
16 energy credits through existing and future contracts
17 through the Adjustable Block Program, subsection (c-5)
18 of this Section 1-75, and the Solar for All Program.
19 The Agency shall assist the Commission in determining
20 the current and future costs. The Agency must
21 determine the self-direct credit amount for new and
22 existing eligible self-direct customers and submit
23 this to the Commission in an annual compliance filing.
24 The Commission must approve the self-direct credit
25 amount by June 1, 2023 and June 1 of each delivery year
26 thereafter.

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

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

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

24 (iii) certification that the contract or
25 contracts for new renewable energy resources are
26 long-term contracts with term lengths of at least

1 10 years, including supporting documentation;

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

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

11 (vi) certification that the customer intends
12 to maintain the contract for the duration of the
13 length of the contract.

14 (6) If a customer receives the self-direct credit
15 but fails to properly procure and retire renewable
16 energy credits as required under this subparagraph
17 (R), the Commission, on petition from the Agency and
18 after notice and hearing, may direct such customer's
19 utility to recover the cost of the wrongfully received
20 self-direct credits plus interest through an adder to
21 charges assessed pursuant to Section 16-108 of the
22 Public Utilities Act. Self-direct customers who
23 knowingly fail to properly procure and retire
24 renewable energy credits and do not notify the Agency
25 are ineligible for continued participation in the
26 self-direct renewable portfolio standard compliance

1 program.

2 (2) (Blank).

3 (3) (Blank).

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

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

1 be procured by the electric utility for the next plan year
2 by an amount equal to the amounts collected by the utility
3 under the alternative compliance payment rate or rates in
4 the prior year ending May 31.

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

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

23 In meeting the renewable energy requirements of this
24 subsection (c), to the extent feasible and consistent with
25 State and federal law, the renewable energy credit
26 procurements, Adjustable Block solar program, and

1 community renewable generation program shall provide
2 employment opportunities for all segments of the
3 population and workforce, including minority-owned and
4 female-owned business enterprises, and shall not,
5 consistent with State and federal law, discriminate based
6 on race or socioeconomic status.

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

11 (1) In addition to the procurement of renewable energy
12 credits pursuant to long-term renewable resources
13 procurement plans in accordance with subsection (c) of
14 this Section and Section 16-111.5 of the Public Utilities
15 Act, the Agency shall conduct procurement events in
16 accordance with this subsection (c-5) for the procurement
17 by electric utilities that served more than 300,000 retail
18 customers in this State as of January 1, 2019 of renewable
19 energy credits from new renewable energy facilities to be
20 installed at or adjacent to the sites of electric
21 generating facilities that, as of January 1, 2016, burned
22 coal as their primary fuel source and meet the other
23 criteria specified in this subsection (c-5). For purposes
24 of this subsection (c-5), "new renewable energy facility"
25 means a new utility-scale solar project as defined in this
26 Section 1-75. The renewable energy credits procured

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

19 (2) The Agency shall conduct 2 procurement events to
20 select owners of electric generating facilities meeting
21 the eligibility criteria specified in this subsection
22 (c-5) to enter into long-term contracts to sell renewable
23 energy credits to electric utilities serving more than
24 300,000 retail customers in this State as of January 1,
25 2019. The first procurement event shall be conducted no
26 later than March 31, 2022, unless the Agency elects to

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

19 (A) The applicant owns an electric generating
20 facility located in this State that: (i) as of January
21 1, 2016, burned coal as its primary fuel to generate
22 electricity; and (ii) has, or had prior to retirement,
23 an electric generating capacity of at least 150
24 megawatts. The electric generating facility can be
25 either: (i) retired as of the date of the procurement
26 event; or (ii) still operating as of the date of the

1 procurement event.

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

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

1 generating facility identified in paragraph (A) is
2 located: (i) a new renewable energy facility of at
3 least 5 megawatts but no more than 20 megawatts of
4 electric generating capacity, and (ii) an energy
5 storage facility having a storage capacity equal to at
6 least 0.5 megawatts and at most one megawatt.

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

13 (E) The applicant agrees that personnel operating
14 the new renewable energy facility and the energy
15 storage facility will have the requisite skills,
16 knowledge, training, experience, and competence, which
17 may be demonstrated by completion or current
18 participation and ultimate completion by employees of
19 an accredited or otherwise recognized apprenticeship
20 program for the employee's particular craft, trade, or
21 skill, including through training and education
22 courses 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 (F) The applicant commits that not less than the
2 prevailing wage, as determined pursuant to the
3 Prevailing Wage Act, will be paid to the applicant's
4 employees engaged in construction activities
5 associated with the new renewable energy facility and
6 the new energy storage facility and to the employees
7 of applicant's contractors engaged in construction
8 activities associated with the new renewable energy
9 facility and the new energy storage facility, and
10 that, on or before the commercial operation date of
11 the new renewable energy facility, the applicant shall
12 file a report with the Agency certifying that the
13 requirements of this subparagraph (F) have been met.

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

25 (H) The applicant commits to enter into a contract
26 or contracts for the applicable duration to provide

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

18 (I) The applicant's application is certified by an
19 officer of the applicant and by an officer of the
20 applicant's ultimate parent company, if any.

21 (3) An applicant may submit applications to contract
22 to supply renewable energy credits from more than one new
23 renewable energy facility to be constructed at or adjacent
24 to one or more qualifying electric generating facilities
25 owned by the applicant. The Agency may select new
26 renewable energy facilities to be located at or adjacent

1 to the sites of more than one qualifying electric
2 generation facility owned by an applicant to contract with
3 electric utilities to supply renewable energy credits from
4 such facilities.

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

14 (5) The Agency shall select the applicants and the new
15 renewable energy facilities to contract with electric
16 utilities to supply renewable energy credits in accordance
17 with this subsection (c-5). In the first procurement
18 event, the Agency shall select applicants and new
19 renewable energy facilities to supply renewable energy
20 credits, at a price of \$30 per renewable energy credit,
21 aggregating to no less than 400,000 renewable energy
22 credits per year for the applicable duration, assuming
23 sufficient qualifying applications to supply, in the
24 aggregate, at least that amount of renewable energy
25 credits per year; and not more than 580,000 renewable
26 energy credits per year for the applicable duration. In

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

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

1 new renewable energy facility to be constructed and
2 operated by the applicant, with the sale and purchase
3 obligations under the contracts to aggregate to the total
4 number of renewable energy credits per year to be supplied
5 by the applicant from the new renewable energy facility.

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

20 (8) The Agency, in conjunction with its procurement
21 administrator if one is retained, the electric utilities,
22 and potential applicants for contracts to produce and
23 supply renewable energy credits pursuant to this
24 subsection (c-5), shall develop a standard form contract
25 for the sale, delivery and purchase of renewable energy
26 credits pursuant to this subsection (c-5). Each contract

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

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

11 (9) Coal to Solar and Energy Storage Initiative
12 Charge.

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

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

19 (B) Each electric utility shall remit on a monthly
20 basis to the State Treasurer, for deposit in the Coal
21 to Solar and Energy Storage Initiative Fund provided
22 for in this subsection (c-5), the electric utility's
23 collections of the Coal to Solar and Energy Storage
24 Initiative Charge in the amount estimated to be needed
25 by the Department for grant payments pursuant to grant
26 contracts entered into by the Department pursuant to

1 paragraph (10) of this subsection (c-5).

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

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

18 (B) The Coal to Solar and Energy Storage
19 Initiative Fund shall not be subject to sweeps,
20 administrative charges, or chargebacks, including, but
21 not limited to, those authorized under Section 8h of
22 the State Finance Act, that would in any way result in
23 the transfer of those funds from the Coal to Solar and
24 Energy Storage Initiative Fund to any other fund of
25 this State or in having any such funds utilized for any
26 purpose other than the express purposes set forth in

1 this paragraph (10).

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

15 (1) the electric generating facility at the
16 site has, or had prior to retirement, an electric
17 generating capacity of at least 150 megawatts;

18 (2) the electric generating facility burns (or
19 burned prior to retirement) coal as its primary
20 source of fuel;

21 (3) if the electric generating facility is
22 retired, it was retired subsequent to January 1,
23 2016;

24 (4) the owner of the electric generating
25 facility has not been selected by the Agency
26 pursuant to this subsection (c-5) of this Section

1 to enter into a contract to sell renewable energy
2 credits to one or more electric utilities from a
3 new renewable energy facility located or to be
4 located at or adjacent to the site at which the
5 electric generating facility is located;

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

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

18 (7) the proposed energy storage facility at
19 the site will have energy storage capacity of at
20 least 37 megawatts;

21 (8) the owner commits to place the energy
22 storage facility into commercial operation on
23 either June 1, 2023, June 1, 2024, or June 1, 2025,
24 with such date subject to adjustment as needed due
25 to any delays in completing the grant contracting
26 process, in finalizing interconnection agreements

1 and in installing interconnection facilities, and
2 in obtaining necessary governmental permits and
3 approvals;

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

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

24 (11) the owner commits that not less than the
25 prevailing wage, as determined pursuant to the
26 Prevailing Wage Act, will be paid to the owner's

1 employees engaged in construction activities
2 associated with the new energy storage facility
3 and to the employees of the owner's contractors
4 engaged in construction activities associated with
5 the new energy storage facility, and that, on or
6 before the commercial operation date of the new
7 energy storage facility, the owner shall file a
8 report with the Department certifying that the
9 requirements of this subparagraph (11) have been
10 met; and

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

22 The Department shall accept applications for this
23 grant program until March 31, 2022 and shall announce
24 the award of grants no later than June 1, 2022. The
25 Department shall make the grant payments to a
26 recipient in equal annual amounts for 10 years

1 following the date the energy storage facility is
2 placed into commercial operation. The annual grant
3 payments to a qualifying energy storage facility shall
4 be \$110,000 per megawatt of energy storage capacity,
5 with total annual grant payments pursuant to this
6 subparagraph (C) for qualifying energy storage
7 facilities not to exceed \$28,050,000 in any year.

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

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

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

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

22 (B) For purposes of this paragraph (11), diversity
23 composition shall be based on the percentage, which
24 shall be a minimum of 25%, of eligible expenditures
25 for contract awards for materials and services (which
26 shall be defined in the plan) to business enterprises

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

21 (C) The plan shall provide for, but not be limited
22 to: (i) internal initiatives, including multi-tier
23 initiatives, by the applicant or owner, or by its
24 engineering, procurement and construction contractor
25 if one is used for the project, which for purposes of
26 this paragraph (11) shall be referred to as the EPC

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

25 (D) The applicant or owner may submit a revised or
26 updated plan to the Commission from time to time as

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

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

1 advancing equity across Illinois by providing access to the
2 clean energy economy for businesses and workers from
3 communities that have been historically excluded from economic
4 opportunities in the energy sector, have been subject to
5 disproportionate levels of pollution, and have
6 disproportionately experienced negative public health
7 outcomes.

8 (1) Minimum equity standards. The Agency shall create
9 programs with the purpose of increasing access to and
10 development of equity eligible contractors, who are prime
11 contractors and subcontractors, across all of the programs
12 it manages. All applications for renewable energy credit
13 procurements shall comply with specific minimum equity
14 commitments. Starting in the delivery year immediately
15 following the next long-term renewable resources
16 procurement plan, at least 10% of the project workforce
17 for each entity participating in a procurement program
18 outlined in this subsection (c-10) must be done by equity
19 eligible persons or equity eligible contractors. The
20 Agency shall increase the minimum percentage each delivery
21 year thereafter by increments that ensure a statewide
22 average of 30% of the project workforce for each entity
23 participating in a procurement program is done by equity
24 eligible persons or equity eligible contractors by 2030.
25 The Agency shall propose a schedule of percentage
26 increases to the minimum equity standards in its draft

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

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

26 (B) Halfway through each delivery year, the Agency

1 shall require each entity participating in a
2 procurement program to confirm that it will achieve
3 compliance in that delivery year, when applicable. The
4 Agency may offer corrective action plans to entities
5 that are not on track to achieve compliance.

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

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

1 (E) The Agency shall pursue efficiencies achieved
2 by combining with other approved vendor or designee
3 reporting.

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

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

1 designees under this subsection (c-10). In developing
2 these requirements, the Agency shall also consider whether
3 equity goals can be further advanced through additional
4 measures.

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

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

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

19 (C) A program for approved vendors, designees,
20 eligible persons, and equity eligible contractors to
21 receive trainings, guidance, and other support from
22 the Agency or its designee regarding the equity
23 category outlined in item (vi) of subparagraph (K) of
24 paragraph (1) of subsection (c) and in meeting the
25 minimum equity standards of this subsection (c-10).

26 (D) A process for certifying equity eligible

1 contractors and equity eligible persons. The
2 certification process shall coordinate with the Energy
3 Workforce Equity Database set forth in subsection
4 (c-25).

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

1 similarly situated applicants have been able to meet
2 these minimum equity commitments. For repeated waiver
3 requests for specific lack of eligible persons or
4 eligible contractors available, the Agency shall make
5 recommendations to target recruitment to add such
6 eligible persons or eligible contractors to the
7 database.

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

16 (6) The Agency shall keep confidential all information
17 and communication that provides private or personal
18 information.

19 (7) Modifications to the equity accountability system.
20 As part of the update of the long-term renewable resources
21 procurement plan to be initiated in 2023, or sooner if the
22 Agency deems necessary, the Agency shall determine the
23 extent to which the equity accountability system described
24 in this subsection (c-10) has advanced the goals of this
25 amendatory Act of the 102nd General Assembly, including
26 through the inclusion of equity eligible persons and

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

21 (c-15) Racial discrimination elimination powers and
22 process.

23 (1) Purpose. It is the purpose of this subsection to
24 empower the Agency and other State actors to remedy racial
25 discrimination in Illinois' clean energy economy as
26 effectively and expediently as possible, including through

1 the use of race-conscious remedies, such as race-conscious
2 contracting and hiring goals, as consistent with State and
3 federal law.

4 (2) Racial disparity and discrimination review
5 process.

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

17 (B) As soon as is practicable thereafter, the
18 Agency, in consultation with the Department of
19 Commerce and Economic Opportunity, Department of
20 Labor, and other agencies that may be relevant, shall
21 commission and publish a disparity and availability
22 study that measures the presence and impact of
23 discrimination on minority businesses and workers in
24 Illinois' clean energy economy. The Agency may hire
25 consultants and experts to conduct the disparity and
26 availability study, with the retention of those

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

18 (c-20) Program data collection.

19 (1) Purpose. Data collection, data analysis, and
20 reporting are critical to ensure that the benefits of the
21 clean energy economy provided to Illinois residents and
22 businesses are equitably distributed across the State. The
23 Agency shall collect data from program applicants in order
24 to track and improve equitable distribution of benefits
25 across Illinois communities for all procurements the
26 Agency conducts. The Agency shall use this data to, among

1 other things, measure any potential impact of racial
2 discrimination on the distribution of benefits and provide
3 information necessary to correct any discrimination
4 through methods consistent with State and federal law.

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

9 (3) Required information to be collected. The Agency
10 shall collect the following information from applicants
11 and program participants where applicable:

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

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

22 (C) any other information the Agency determines is
23 necessary for the purpose of achieving the purpose of
24 this subsection.

25 (4) Publication of collected information. The Agency
26 shall publish, at least annually, information on the

1 demographics of program participants on an aggregate
2 basis.

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

7 (c-25) Energy Workforce Equity Database.

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

18 (A) publicly accessible;

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

20 (C) organized by company specialty or field;

21 (D) region-specific; and

22 (E) populated with information including, but not
23 limited to, contacts for suppliers, vendors, or
24 subcontractors who are minority and women-owned
25 business enterprise certified or who participate or
26 have participated in any of the programs described in

1 this Act.

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

5 (A) a map of environmental justice and equity
6 investment eligible communities;

7 (B) job postings and recruiting opportunities;

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

12 (D) information on workforce training service
13 providers and training opportunities available to
14 prospective workers;

15 (E) renewable energy company diversity reporting;

16 (F) a list of equity eligible contractors with
17 their contact information, types of work performed,
18 and locations worked in;

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

24 (H) information about the Jobs and Environmental
25 Justice Grant Program, the Clean Energy Jobs and
26 Justice Fund, and other sources of capital.

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

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

25 (d) Clean coal portfolio standard.

26 (1) The procurement plans shall include electricity

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

24 A utility party to a sourcing agreement shall
25 immediately retire any emission credits that it receives
26 in connection with the electricity covered by such

1 agreement.

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

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

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

26 Notwithstanding the requirements of this subsection

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

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

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

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

21 (D) in 2013, the greater of an additional 0.5% of
22 the amount paid per kilowatthour by those customers
23 during the year ending May 31, 2012 or 2% of the amount
24 paid per kilowatthour by those customers during the
25 year ending May 31, 2009; and

26 (E) thereafter, the total amount paid under

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

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

21 (3) Initial clean coal facility. In order to promote
22 development of clean coal facilities in Illinois, each
23 electric utility subject to this Section shall execute a
24 sourcing agreement to source electricity from a proposed
25 clean coal facility in Illinois (the "initial clean coal
26 facility") that will have a nameplate capacity of at least

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

17 (A) a formula contractual price (the "contract
18 price") approved pursuant to paragraph (4) of this
19 subsection (d), which shall:

20 (i) be determined using a cost of service
21 methodology employing either a level or deferred
22 capital recovery component, based on a capital
23 structure consisting of 45% equity and 55% debt,
24 and a return on equity as may be approved by the
25 Federal Energy Regulatory Commission, which in any
26 case may not exceed the lower of 11.5% or the rate

1 of return approved by the General Assembly
2 pursuant to paragraph (4) of this subsection (d);
3 and

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

20 (B) power purchase provisions, which shall:

21 (i) provide that the utility party to such
22 sourcing agreement shall pay the contract price
23 for electricity delivered under such sourcing
24 agreement;

25 (ii) require delivery of electricity to the
26 regional transmission organization market of the

1 utility that is party to such sourcing agreement;

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

23 (iv) be considered pre-existing contracts in
24 such utility's procurement plans for eligible
25 retail customers;

26 (C) contract for differences provisions, which

1 shall:

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

24 (ii) provide that the utility's payment
25 obligation in respect of the quantity of
26 electricity determined pursuant to the preceding

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

16 (iii) not require the utility to take physical
17 delivery of the electricity produced by the
18 facility;

19 (D) general provisions, which shall:

20 (i) specify a term of no more than 30 years,
21 commencing on the commercial operation date of the
22 facility;

23 (ii) provide that utilities shall maintain
24 adequate records documenting purchases under the
25 sourcing agreements entered into to comply with
26 this subsection (d) and shall file an accounting

1 with the load forecast that must be filed with the
2 Agency by July 15 of each year, in accordance with
3 subsection (d) of Section 16-111.5 of the Public
4 Utilities Act;

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

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

18 (v) require the owner of the initial clean
19 coal facility to provide documentation to the
20 Commission each year, starting in the facility's
21 first year of commercial operation, accurately
22 reporting the quantity of carbon emissions from
23 the facility that have been captured and
24 sequestered and report any quantities of carbon
25 released from the site or sites at which carbon
26 emissions were sequestered in prior years, based

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

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

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

22 (vii) require Commission review: (1) to
23 determine the justness, reasonableness, and
24 prudence of the inputs to the formula referenced
25 in subparagraphs (A)(i) through (A)(iii) of
26 paragraph (3) of this subsection (d), prior to an

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

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

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

24 (x) provide that the owner or owners of the
25 initial clean coal facility, which is the
26 counterparty to such sourcing agreement, shall

1 have the right from time to time to elect whether
2 the obligations of the utility party thereto shall
3 be governed by the power purchase provisions or
4 the contract for differences provisions;

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

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

18 (xiii) conform with customary lender
19 requirements in power purchase agreements used as
20 the basis for financing non-utility generators.

21 (4) Effective date of sourcing agreements with the
22 initial clean coal facility. Any proposed sourcing
23 agreement with the initial clean coal facility shall not
24 become effective unless the following reports are prepared
25 and submitted and authorizations and approvals obtained:

26 (i) Facility cost report. The owner of the initial

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

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

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

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

20 (iv) Commission review. If the General Assembly
21 enacts authorizing legislation pursuant to
22 subparagraph (iii) approving a sourcing agreement, the
23 Commission shall, within 90 days of such enactment,
24 complete a review of such sourcing agreement. During
25 such time period, the Commission shall implement any
26 directive of the General Assembly, resolve any

1 disputes between the parties to the sourcing agreement
2 concerning the terms of such agreement, approve the
3 form of such agreement, and issue an order finding
4 that the sourcing agreement is prudent and reasonable.
5 The facility cost report shall be prepared as follows:

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

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

21 (ii) an estimate of the capital cost of the
22 balance of the plant, including any capital costs
23 associated with sequestration of carbon dioxide
24 emissions and all interconnects and interfaces
25 required to operate the facility, such as
26 transmission of electricity, construction or

1 backfeed power supply, pipelines to transport
2 substitute natural gas or carbon dioxide, potable
3 water supply, natural gas supply, water supply,
4 water discharge, landfill, access roads, and coal
5 delivery.

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

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

20 (C) The facility cost report shall also include an
21 operating and maintenance cost quote that will provide
22 the estimated cost of delivered fuel, personnel,
23 maintenance contracts, chemicals, catalysts,
24 consumables, spares, and other fixed and variable
25 operations and maintenance costs. The delivered fuel
26 cost estimate will be provided by a recognized third

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

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

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

24 (E) Amounts paid to third parties unrelated to the
25 owner or owners of the initial clean coal facility to
26 prepare the core plant construction cost quote,

1 including the front end engineering and design study,
2 and the operating and maintenance cost quote will be
3 reimbursed through Coal Development Bonds.

4 (5) Re-powering and retrofitting coal-fired power
5 plants previously owned by Illinois utilities to qualify
6 as clean coal facilities. During the 2009 procurement
7 planning process and thereafter, the Agency and the
8 Commission shall consider sourcing agreements covering
9 electricity generated by power plants that were previously
10 owned by Illinois utilities and that have been or will be
11 converted into clean coal facilities, as defined by
12 Section 1-10 of this Act. Pursuant to such procurement
13 planning process, the owners of such facilities may
14 propose to the Agency sourcing agreements with utilities
15 and alternative retail electric suppliers required to
16 comply with subsection (d) of this Section and item (5) of
17 subsection (d) of Section 16-115 of the Public Utilities
18 Act, covering electricity generated by such facilities. In
19 the case of sourcing agreements that are power purchase
20 agreements, the contract price for electricity sales shall
21 be established on a cost of service basis. In the case of
22 sourcing agreements that are contracts for differences,
23 the contract price from which the reference price is
24 subtracted shall be established on a cost of service
25 basis. The Agency and the Commission may approve any such
26 utility sourcing agreements that do not exceed cost-based

1 benchmarks developed by the procurement administrator, in
2 consultation with the Commission staff, Agency staff and
3 the procurement monitor, subject to Commission review and
4 approval. The Commission shall have authority to inspect
5 all books and records associated with these clean coal
6 facilities during the term of any such contract.

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

13 (d-5) Zero emission standard.

14 (1) Beginning with the delivery year commencing on
15 June 1, 2017, the Agency shall, for electric utilities
16 that serve at least 100,000 retail customers in this
17 State, procure contracts with zero emission facilities
18 that are reasonably capable of generating cost-effective
19 zero emission credits in an amount approximately equal to
20 16% of the actual amount of electricity delivered by each
21 electric utility to retail customers in the State during
22 calendar year 2014. For an electric utility serving fewer
23 than 100,000 retail customers in this State that
24 requested, under Section 16-111.5 of the Public Utilities
25 Act, that the Agency procure power and energy for all or a
26 portion of the utility's Illinois load for the delivery

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

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

21 The procurement process shall be subject to the
22 following provisions:

23 (A) Those zero emission facilities that intend to
24 participate in the procurement shall submit to the
25 Agency the following eligibility information for each
26 zero emission facility on or before the date

1 established by the Agency:

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

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

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

26 (iv) a commitment to continue operating, for

1 the duration of the contract or contracts executed
2 under the procurement held under this subsection
3 (d-5), the zero emission facility that produces
4 the zero emission credits to be procured in the
5 procurement.

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

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

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

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

20 (ii) Baseline market price index: The baseline
21 market price index for the consecutive 12-month
22 period ending May 31, 2016 is \$31.40 per
23 megawatthour, which is based on the sum of (aa)
24 the average day-ahead energy price across all
25 hours of such 12-month period at the PJM
26 Interconnection LLC Northern Illinois Hub, (bb)

1 50% multiplied by the Base Residual Auction, or
2 its successor, capacity price for the rest of the
3 RTO zone group determined by PJM Interconnection
4 LLC, divided by 24 hours per day, and (cc) 50%
5 multiplied by the Planning Resource Auction, or
6 its successor, capacity price for Zone 4
7 determined by the Midcontinent Independent System
8 Operator, Inc., divided by 24 hours per day.

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

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

1 Exchange, or its successor.

2 (bb) Projected capacity prices:

3 (I) For the delivery years commencing
4 June 1, 2017, June 1, 2018, and June 1,
5 2019, the projected capacity price shall
6 be equal to the sum of (1) 50% multiplied
7 by the Base Residual Auction, or its
8 successor, price for the rest of the RTO
9 zone group as determined by PJM
10 Interconnection LLC, divided by 24 hours
11 per day and, (2) 50% multiplied by the
12 resource auction price determined in the
13 resource auction administered by the
14 Midcontinent Independent System Operator,
15 Inc., in which the largest percentage of
16 load cleared for Local Resource Zone 4,
17 divided by 24 hours per day, and where
18 such price is determined by the
19 Midcontinent Independent System Operator,
20 Inc.

21 (II) For the delivery year commencing
22 June 1, 2020, and each year thereafter,
23 the projected capacity price shall be
24 equal to the sum of (1) 50% multiplied by
25 the Base Residual Auction, or its
26 successor, price for the ComEd zone as

1 determined by PJM Interconnection LLC,
2 divided by 24 hours per day, and (2) 50%
3 multiplied by the resource auction price
4 determined in the resource auction
5 administered by the Midcontinent
6 Independent System Operator, Inc., in
7 which the largest percentage of load
8 cleared for Local Resource Zone 4, divided
9 by 24 hours per day, and where such price
10 is determined by the Midcontinent
11 Independent System Operator, Inc.

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

13 "Rest of the RTO" and "ComEd Zone" shall have
14 the meaning ascribed to them by PJM
15 Interconnection, LLC.

16 "RTO" means regional transmission
17 organization.

18 (C) No later than 45 days after June 1, 2017 (the
19 effective date of Public Act 99-906), the Agency shall
20 publish its proposed zero emission standard
21 procurement plan. The plan shall be consistent with
22 the provisions of this paragraph (1) and shall provide
23 that winning bids shall be selected based on public
24 interest criteria that include, but are not limited
25 to, minimizing carbon dioxide emissions that result
26 from electricity consumed in Illinois and minimizing

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

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

23 Upon publishing of the zero emission standard
24 procurement plan, copies of the plan shall be posted
25 and made publicly available on the Agency's website.
26 All interested parties shall have 10 days following

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

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

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

23 (i) identify how the winning bids satisfy the
24 public interest criteria described in subparagraph
25 (C) of this paragraph (1) of minimizing carbon
26 dioxide emissions that result from electricity

1 consumed in Illinois and minimizing sulfur
2 dioxide, nitrogen oxide, and particulate matter
3 emissions that adversely affect the citizens of
4 this State;

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

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

18 (aa) the value of avoided greenhouse gas
19 emissions measured as the product of the zero
20 emission facilities' output over the contract
21 term multiplied by the U.S. Environmental
22 Protection Agency eGrid subregion carbon
23 dioxide emission rate and the U.S. Interagency
24 Working Group on Social Cost of Carbon's price
25 in the August 2016 Technical Update using a 3%
26 discount rate, adjusted for inflation for each

1 delivery year; and

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

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

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

25 Each utility shall enter into binding contractual
26 arrangements with the winning suppliers.

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

19 (D) Following the procurement event described in
20 this paragraph (1) and consistent with subparagraph
21 (B) of this paragraph (1), the Agency shall calculate
22 the payments to be made under each contract for the
23 next delivery year based on the market price index for
24 that delivery year. The Agency shall publish the
25 payment calculations no later than May 25, 2017 and
26 every May 25 thereafter.

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

7 (i) A zero emission facility shall be excused
8 from its performance under the contract for any
9 cause beyond the control of the resource,
10 including, but not restricted to, acts of God,
11 flood, drought, earthquake, storm, fire,
12 lightning, epidemic, war, riot, civil disturbance
13 or disobedience, labor dispute, labor or material
14 shortage, sabotage, acts of public enemy,
15 explosions, orders, regulations or restrictions
16 imposed by governmental, military, or lawfully
17 established civilian authorities, which, in any of
18 the foregoing cases, by exercise of commercially
19 reasonable efforts the zero emission facility
20 could not reasonably have been expected to avoid,
21 and which, by the exercise of commercially
22 reasonable efforts, it has been unable to
23 overcome. In such event, the zero emission
24 facility shall be excused from performance for the
25 duration of the event, including, but not limited
26 to, delivery of zero emission credits, and no

1 payment shall be due to the zero emission facility
2 during the duration of the event.

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

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

23 (iv) A zero emission facility shall be
24 permitted to terminate the contract in the event
25 the Nuclear Regulatory Commission terminates the
26 resource's license.

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

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

17 Notwithstanding the requirements of this subsection
18 (d-5), the contracts executed under this subsection (d-5)
19 shall provide that the total of zero emission credits
20 procured under a procurement plan shall be subject to the
21 limitations of this paragraph (2). For each delivery year,
22 the contractual volume receiving payments in such year
23 shall be reduced for all retail customers based on the
24 amount necessary to limit the net increase that delivery
25 year to the costs of those credits included in the amounts
26 paid by eligible retail customers in connection with

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

1 Section.

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

8 (3) Six years after the execution of a contract under
9 this subsection (d-5), the Agency shall determine whether
10 the actual zero emission credit payments received by the
11 supplier over the 6-year period exceed the Average ZEC
12 Payment. In addition, at the end of the term of a contract
13 executed under this subsection (d-5), or at the time, if
14 any, a zero emission facility's contract is terminated
15 under subparagraph (E) of paragraph (1) of this subsection
16 (d-5), then the Agency shall determine whether the actual
17 zero emission credit payments received by the supplier
18 over the term of the contract exceed the Average ZEC
19 Payment, after taking into account any amounts previously
20 credited back to the utility under this paragraph (3). If
21 the Agency determines that the actual zero emission credit
22 payments received by the supplier over the relevant period
23 exceed the Average ZEC Payment, then the supplier shall
24 credit the difference back to the utility. The amount of
25 the credit shall be remitted to the applicable electric
26 utility no later than 120 days after the Agency's

1 determination, which the utility shall reflect as a credit
2 on its retail customer bills as soon as practicable;
3 however, the credit remitted to the utility shall not
4 exceed the total amount of payments received by the
5 facility under its contract.

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

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

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

23 If the subtraction yields a negative number, then the
24 Average ZEC Payment shall be zero.

25 (4) Cost-effective zero emission credits procured from
26 zero emission facilities shall satisfy the applicable

1 definitions set forth in Section 1-10 of this Act.

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

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

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

17 (d-10) Nuclear Plant Assistance; carbon mitigation
18 credits.

19 (1) The General Assembly finds:

20 (A) The health, welfare, and prosperity of all
21 Illinois citizens require that the State of Illinois act
22 to avoid and not increase carbon emissions from electric
23 generation sources while continuing to ensure affordable,
24 stable, and reliable electricity to all citizens.

25 (B) Absent immediate action by the State to preserve
26 existing carbon-free energy resources, those resources may

1 retire, and the electric generation needs of Illinois'
2 retail customers may be met instead by facilities that
3 emit significant amounts of carbon pollution and other
4 harmful air pollutants at a high social and economic cost
5 until Illinois is able to develop other forms of clean
6 energy.

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

14 (D) The clean energy attributes of nuclear generation
15 facilities support the State in its efforts to achieve
16 100% clean energy.

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

21 (F) The Environmental Protection Agency commissioned
22 an independent audit which provided a detailed assessment
23 of the financial condition of the Illinois nuclear fleet
24 to evaluate its financial viability and whether the
25 environmental benefits of such resources were at risk. The
26 report identified the risk of losing the environmental

1 benefits of several specific nuclear units. The report
2 also identified that the LaSalle County Generating Station
3 will continue to operate through 2026 and therefore is not
4 eligible to participate in the carbon mitigation credit
5 program.

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

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

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

23 (2) As used in this subsection:

24 "Baseline costs" means costs used to establish a customer
25 protection cap that have been evaluated through an independent
26 audit of a carbon-free energy resource conducted by the

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

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

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

19 (3) Procurement.

20 (A) Beginning with the delivery year commencing on
21 June 1, 2022, the Agency shall, for electric utilities
22 serving at least 3,000,000 retail customers in the State,
23 seek to procure contracts for no more than approximately
24 54,500,000 cost-effective carbon mitigation credits from
25 carbon-free energy resources because such credits are
26 necessary to support current levels of carbon-free energy

1 generation and ensure the State meets its carbon dioxide
2 emissions reduction goals. The Agency shall not make a
3 partial award of a contract for carbon mitigation credits
4 covering a fractional amount of a carbon-free energy
5 resource's projected output.

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

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

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

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

25 (iv) financial need and the risk of loss of the
26 environmental benefits of such resource, which shall

1 include the following information:

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

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

24 The information described in this subparagraph (B) may
25 be submitted on a confidential basis and shall be treated
26 and maintained by the Agency, the procurement

1 administrator, and the Commission as confidential and
2 proprietary and exempt from disclosure under subparagraphs
3 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
4 Information Act. The Office of the Attorney General shall
5 have access to, and maintain the confidentiality of, such
6 information pursuant to Section 6.5 of the Attorney
7 General Act.

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

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

23 (ii) Contracts for carbon mitigation credits shall
24 commence with the delivery year beginning on June 1,
25 2022 and shall be for a term of 5 delivery years
26 concluding on May 31, 2027.

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

4 (I) one of the following energy price indices,
5 selected by the bidder at the time of the bid for
6 the term of the contract:

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

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

18 (II) the Base Residual Auction Capacity Price
19 for the ComEd zone as determined by PJM
20 Interconnection, LLC, divided by 24 hours per day,
21 for the applicable delivery year for the first 3
22 delivery years, and then any subsequent delivery
23 years unless the PJM Interconnection, LLC applies
24 the Minimum Offer Price Rule to participating
25 carbon-free energy resources because they supply
26 carbon mitigation credits pursuant to this Section

1 at which time, upon notice by the carbon-free
2 energy resource to the Commission and subject to
3 the Commission's confirmation, the value under
4 this subitem shall be zero, as further described
5 in the carbon mitigation credit procurement plan;
6 and

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

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

19 To protect retail customers from retail rate
20 impacts that may arise upon the initiation of carbon
21 policy changes, if the price-per-megawatt-hour
22 calculation performed under item (iii) of this
23 subparagraph (C) for a given delivery year results in
24 a net negative value, then the supplier counterparty
25 to the contract shall multiply such net value by the
26 applicable contract quantity and remit such amount to

1 the electric utility counterparty. The electric
2 utility shall reflect such amounts remitted by
3 suppliers as a credit on its retail customer bills as
4 soon as practicable.

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

12 The baseline costs for the applicable year shall
13 be the following:

14 (I) For the delivery year beginning June 1,
15 2022, the baseline costs shall be an amount equal
16 to \$30.30 per megawatt-hour.

17 (II) For the delivery year beginning June 1,
18 2023, the baseline costs shall be an amount equal
19 to \$32.50 per megawatt-hour.

20 (III) For the delivery year beginning June 1,
21 2024, the baseline costs shall be an amount equal
22 to \$33.43 per megawatt-hour.

23 (IV) For the delivery year beginning June 1,
24 2025, the baseline costs shall be an amount equal
25 to \$33.50 per megawatt-hour.

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

1 2026, the baseline costs shall be an amount equal
2 to \$34.50 per megawatt-hour.

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

13 Although actual energy and capacity prices may
14 vary from year-to-year, the General Assembly finds
15 that this customer protection cap will help ensure
16 that the cost of carbon mitigation credits will be
17 less than its value, based upon the social cost of
18 carbon identified in the Technical Support Document
19 issued in February 2021 by the U.S. Interagency
20 Working Group on Social Cost of Greenhouse Gases and
21 the PJM Interconnection, LLC carbon dioxide marginal
22 emission rate for 2020, and that a carbon-free energy
23 resource receiving payment for carbon mitigation
24 credits receives no more than necessary to keep those
25 units in operation.

26 (D) No later than 7 days after the effective date of

1 this amendatory Act of the 102nd General Assembly, the
2 Agency shall publish its proposed carbon mitigation credit
3 procurement plan. The Plan shall provide that winning bids
4 shall be selected by taking into consideration which
5 resources best match public interest criteria that
6 include, but are not limited to, minimizing carbon dioxide
7 emissions that result from electricity consumed in
8 Illinois and minimizing sulfur dioxide, nitrogen oxide,
9 and particulate matter emissions that adversely affect the
10 citizens of this State. The selection of winning bids
11 shall also take into account the incremental environmental
12 benefits resulting from the procurement or procurements,
13 such as any existing environmental benefits that are
14 preserved by a procurement held under this subsection
15 (d-10) and would cease to exist if the procurement were
16 not held, including the preservation of carbon-free energy
17 resources. For those bidders having the same public
18 interest criteria score, the relative ranking of such
19 bidders shall be determined by price. The Plan shall
20 describe in detail how each public interest factor shall
21 be considered and weighted in the bid selection process to
22 ensure that the public interest criteria are applied to
23 the procurement. The Plan shall, to the extent practical
24 and permissible by federal law, ensure that successful
25 bidders make commercially reasonable efforts to apply for
26 federal tax credits, direct payments, or similar subsidy

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

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

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

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

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

21 (I) an assessment value of avoided greenhouse
22 gas emissions measured as the product of the
23 carbon-free energy resources' output over the
24 contract term, using generally accepted
25 methodologies for the valuation of avoided
26 emissions; and

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

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

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

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

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

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

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

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

23 (g) The Agency shall assess fees to each affected utility
24 to recover the costs incurred in preparation of the annual
25 procurement plan for the utility.

26 (h) The Agency shall assess fees to each bidder to recover

1 the costs incurred in connection with a competitive
2 procurement process.

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

16 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
17 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

18 (Text of Section after amendment by P.A. 104-458)

19 Sec. 1-75. Planning and Procurement Bureau. The Planning
20 and Procurement Bureau has the following duties and
21 responsibilities:

22 (a) The Planning and Procurement Bureau shall each year,
23 beginning in 2008, develop procurement plans and conduct
24 competitive procurement processes in accordance with the
25 requirements of Section 16-111.5 of the Public Utilities Act

1 for the eligible retail customers of electric utilities that
2 on December 31, 2005 provided electric service to at least
3 100,000 customers in Illinois. Beginning with the delivery
4 year commencing on June 1, 2017, the Planning and Procurement
5 Bureau shall develop plans and processes for the procurement
6 of zero emission credits from zero emission facilities in
7 accordance with the requirements of subsection (d-5) of this
8 Section. Beginning on the effective date of this amendatory
9 Act of the 102nd General Assembly, the Planning and
10 Procurement Bureau shall develop plans and processes for the
11 procurement of carbon mitigation credits from carbon-free
12 energy resources in accordance with the requirements of
13 subsection (d-10) of this Section. The Planning and
14 Procurement Bureau shall also develop procurement plans and
15 conduct competitive procurement processes in accordance with
16 the requirements of Section 16-111.5 of the Public Utilities
17 Act for the eligible retail customers of small
18 multi-jurisdictional electric utilities that (i) on December
19 31, 2005 served less than 100,000 customers in Illinois and
20 (ii) request a procurement plan for their Illinois
21 jurisdictional load. This Section shall not apply to a small
22 multi-jurisdictional utility until such time as a small
23 multi-jurisdictional utility requests the Agency to prepare a
24 procurement plan for their Illinois jurisdictional load. For
25 the purposes of this Section, the term "eligible retail
26 customers" has the same definition as found in Section

1 16-111.5(a) of the Public Utilities Act.

2 Beginning with the plan or plans to be implemented in the
3 2017 delivery year, the Agency shall no longer include the
4 procurement of renewable energy resources in the annual
5 procurement plans required by this subsection (a), except as
6 provided in subsection (q) of Section 16-111.5 of the Public
7 Utilities Act, and shall instead develop a long-term renewable
8 resources procurement plan in accordance with subsection (c)
9 of this Section and Section 16-111.5 of the Public Utilities
10 Act.

11 In accordance with subsection (c-5) of this Section, the
12 Planning and Procurement Bureau shall oversee the procurement
13 by electric utilities that served more than 300,000 retail
14 customers in this State as of January 1, 2019 of renewable
15 energy credits from new utility-scale solar projects to be
16 installed, along with energy storage facilities, at or
17 adjacent to the sites of electric generating facilities that,
18 as of January 1, 2016, burned coal as their primary fuel
19 source.

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

26 (A) direct previous experience assembling

1 large-scale power supply plans or portfolios for
2 end-use customers;

3 (B) an advanced degree in economics, mathematics,
4 engineering, risk management, or a related area of
5 study;

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

8 (D) expertise in wholesale electricity market
9 rules, including those established by the Federal
10 Energy Regulatory Commission and regional transmission
11 organizations;

12 (E) expertise in credit protocols and familiarity
13 with contract protocols;

14 (F) adequate resources to perform and fulfill the
15 required functions and responsibilities; and

16 (G) the absence of a conflict of interest and
17 inappropriate bias for or against potential bidders or
18 the affected electric utilities.

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

25 (A) direct previous experience administering a
26 large-scale competitive procurement process;

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

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

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

9 (E) expertise in credit and 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 (3) The Agency shall provide affected utilities and
16 other interested parties with the lists of qualified
17 experts or expert consulting firms identified through the
18 request for qualifications processes that are under
19 consideration to develop the procurement plans and to
20 serve as the procurement administrator. The Agency shall
21 also provide each qualified expert's or expert consulting
22 firm's response to the request for qualifications. All
23 information provided under this subparagraph shall also be
24 provided to the Commission. The Agency may provide by rule
25 for fees associated with supplying the information to
26 utilities and other interested parties. These parties

1 shall, within 5 business days, notify the Agency in
2 writing if they object to any experts or expert consulting
3 firms on the lists. Objections shall be based on:

4 (A) failure to satisfy qualification criteria;

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

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

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

18 (4) The Agency shall issue requests for proposals to
19 the qualified experts or expert consulting firms to
20 develop a procurement plan for the affected utilities and
21 to serve as procurement administrator.

22 (5) The Agency shall select an expert or expert
23 consulting firm to develop procurement plans based on the
24 proposals submitted and shall award contracts of up to 5
25 years to those selected.

26 (6) The Agency shall select an expert or expert

1 consulting firm, with approval of the Commission, to serve
2 as procurement administrator based on the proposals
3 submitted. If the Commission rejects, within 5 days, the
4 Agency's selection, the Agency shall submit another
5 recommendation within 3 days based on the proposals
6 submitted. The Agency shall award a 5-year contract to the
7 expert or expert consulting firm so selected with
8 Commission approval.

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

23 (c) Renewable portfolio standard.

24 (1) (A) The Agency shall develop a long-term renewable
25 resources procurement plan that shall include procurement
26 programs and competitive procurement events necessary to

1 meet the goals set forth in this subsection (c). The
2 initial long-term renewable resources procurement plan
3 shall be released for comment no later than 160 days after
4 June 1, 2017 (the effective date of Public Act 99-906).
5 The Agency shall review, and may revise on an expedited
6 basis, the long-term renewable resources procurement plan
7 at least every 2 years, which shall be conducted in
8 conjunction with the procurement plan under Section
9 16-111.5 of the Public Utilities Act to the extent
10 practicable to minimize administrative expense. No later
11 than 120 days after the effective date of this amendatory
12 Act of the 103rd General Assembly, the Agency shall
13 release for comment a revision to the long-term renewable
14 resources procurement plan, updating elements of the most
15 recently approved plan as needed to comply with this
16 amendatory Act of the 103rd General Assembly, and any
17 long-term renewable resources procurement plan update
18 published by the Agency but not yet approved by the
19 Illinois Commerce Commission shall be withdrawn. The
20 long-term renewable resources procurement plans shall be
21 subject to review and approval by the Commission under
22 Section 16-111.5 of the Public Utilities Act.

23 (B) Subject to subparagraph (F) of this paragraph (1),
24 the long-term renewable resources procurement plan shall
25 attempt to meet the goals for procurement of renewable
26 energy credits at levels of at least the following overall

percentages: 13% by the 2017 delivery year; increasing by at least 1.5% each delivery year thereafter to at least 25% by the 2025 delivery year; increasing by at least 3% each delivery year thereafter to at least 40% by the 2030 delivery year, and continuing at no less than 40% for each delivery year thereafter. The Agency shall attempt to procure 50% by delivery year 2040. The Agency shall determine the annual increase between delivery year 2030 and delivery year 2040, if any, taking into account energy demand, other energy resources, and other public policy goals. In the event of a conflict between these goals and the new wind, new photovoltaic, new geothermal heating and cooling, and hydropower procurement requirements described in items (i) through (iii) of subparagraph (C) of this paragraph (1), the long-term plan shall prioritize compliance with the new wind, new photovoltaic, new geothermal heating and cooling, and hydropower procurement requirements described in items (i) through (iii) of subparagraph (C) of this paragraph (1) over the annual percentage targets described in this subparagraph (B). The Agency shall not comply with the annual percentage targets described in this subparagraph (B) by procuring renewable energy credits that are unlikely to lead to the development of new renewable resources or new, modernized, or retooled hydropower facilities.

For the delivery year beginning June 1, 2017, the

1 procurement plan shall attempt to include, subject to the
2 prioritization outlined in this subparagraph (B),
3 cost-effective renewable energy resources equal to at
4 least 13% of each utility's load for eligible retail
5 customers and 13% of the applicable portion of each
6 utility's load for retail customers who are not eligible
7 retail customers, which applicable portion shall equal 50%
8 of the utility's load for retail customers who are not
9 eligible retail customers on February 28, 2017.

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

20 For the delivery year beginning June 1, 2019, and for
21 each year thereafter, the procurement plans shall attempt
22 to include, subject to the prioritization outlined in this
23 subparagraph (B), cost-effective renewable energy
24 resources equal to a minimum percentage of each utility's
25 load for all retail customers as follows: 16% by June 1,
26 2019; increasing by 1.5% each year thereafter to 25% by

1 June 1, 2025; and 25% by June 1, 2026; increasing by at
2 least 3% each delivery year thereafter to at least 40% by
3 the 2030 delivery year, and continuing at no less than 40%
4 for each delivery year thereafter. The Agency shall
5 attempt to procure 50% by delivery year 2040. The Agency
6 shall determine the annual increase between delivery year
7 2030 and delivery year 2040, if any, taking into account
8 energy demand, other energy resources, and other public
9 policy goals.

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

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

21 (i) At least 10,000,000 renewable energy credits
22 delivered annually by the end of the 2021 delivery
23 year, and increasing ratably to reach 45,000,000
24 renewable energy credits delivered annually from new
25 wind and solar projects, from repowered wind projects,
26 or from retooled hydropower facilities by the end of

1 delivery year 2030 such that the goals in subparagraph
2 (B) of this paragraph (1) are met entirely by
3 procurements of renewable energy credits from new wind
4 and photovoltaic projects. Of that amount, to the
5 extent possible, the Agency shall endeavor to procure
6 45% from new and repowered wind and hydropower
7 projects and shall procure at least 55% from
8 photovoltaic projects. Of the amount to be procured
9 from photovoltaic projects, the Agency shall procure:
10 at least 50% from solar photovoltaic projects using
11 the program outlined in subparagraph (K) of this
12 paragraph (1) from distributed renewable energy
13 generation devices or community renewable generation
14 projects; at least 47% from utility-scale solar
15 projects; at least 3% from brownfield site
16 photovoltaic projects that are not community renewable
17 generation projects. The Agency may propose
18 adjustments to these percentages, including
19 establishing percentage-based goals for the
20 procurement of renewable energy credits from
21 modernized or retooled hydropower facilities and
22 repowered wind projects, through its long-term
23 renewable resources plan described in subparagraph (A)
24 of this paragraph (1) as necessary based on developer
25 interest, market conditions, budget considerations,
26 resource adequacy needs, or other factors.

1 Notwithstanding the percentage-based goals as
2 described in this Section, the Agency shall develop a
3 Geothermal Homes and Businesses Program for the
4 procurement of renewable energy credits from
5 geothermal heating and cooling systems.

6 In developing the long-term renewable resources
7 procurement plan, the Agency shall consider other
8 approaches, in addition to competitive procurements,
9 that can be used to procure renewable energy credits
10 from brownfield site photovoltaic projects and thereby
11 help return blighted or contaminated land to
12 productive use while enhancing public health and the
13 well-being of Illinois residents, including those in
14 environmental justice communities, as defined using
15 existing methodologies and findings used by the Agency
16 and its Administrator in its Illinois Solar for All
17 Program. The Agency shall also consider other
18 approaches, in addition to competitive procurements,
19 to procure renewable energy credits from new and
20 existing hydropower facilities to support the
21 development and maintenance of these facilities. The
22 Agency shall explore options to convert existing dams
23 but shall not consider approaches to develop new dams
24 where they do not already exist. To encourage the
25 continued operation of utility-scale wind projects,
26 the Agency shall consider and may propose other

1 approaches in addition to competitive procurements to
2 procure renewable energy credits from repowered wind
3 projects.

4 (ii) In any given delivery year, if forecasted
5 expenses are less than the maximum budget available
6 under subparagraph (E) of this paragraph (1), the
7 Agency shall continue to procure new renewable energy
8 credits until that budget is exhausted in the manner
9 outlined in item (i) of this subparagraph (C).

10 (iii) For purposes of this Section:

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

14 "New photovoltaic projects" means photovoltaic
15 renewable energy facilities that are energized after
16 June 1, 2017. Photovoltaic projects developed under
17 Section 1-56 of this Act shall not apply towards the
18 new photovoltaic project requirements in this
19 subparagraph (C).

20 "Repowered wind projects" means utility-scale wind
21 projects featuring the removal, replacement, or
22 expansion of turbines at an existing project site, as
23 defined in the long-term renewable resources
24 procurement plan, after the effective date of this
25 amendatory Act of the 103rd General Assembly.
26 Renewable energy credit contract awards used to

1 support repowered wind projects shall only cover the
2 incremental increase in facility electricity
3 production resultant from repowering.

4 "Geothermal heating and cooling system" means a
5 system located in this State that meets all of the
6 following requirements:

7 (I) the system exchanges thermal energy from
8 groundwater or a shallow ground source to generate
9 thermal energy through an electric geothermal heat
10 pump or a system of electric geothermal heat pumps
11 interconnected with any geothermal extraction
12 facility that is (1) a closed loop or a series of
13 closed loop systems in which fluid is permanently
14 confined within a pipe or tubing and does not come
15 in contact with the outside environment or (2) an
16 open loop system in which ground or surface water
17 is circulated in an environmentally safe manner
18 directly into the facility and returned to the
19 same aquifer or surface water source;

20 (II) the system meets or exceeds federal
21 Energy Star product specification standards for
22 Geothermal Heat Pumps established on January 1,
23 2012, as clarified by the Environmental Protection
24 Agency guidance document released on February 28,
25 2012 entitled "Clarification to the Geothermal
26 Heat Pump Verification Testing Requirements and

1 Basic Model Group Definition", or any successor
2 standards that meet or exceed these standards;

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

6 (IV) the system replaces or displaces less
7 efficient space cooling systems, when applicable;

8 (V) the system does not feed electricity back
9 to the grid, as defined at the level of the
10 geothermal heat pump; and

11 (VI) the system became operational on or after
12 the effective date of this amendatory Act of the
13 104th General Assembly.

14 For purposes of calculating whether the Agency has
15 procured enough new wind and solar renewable energy
16 credits required by this subparagraph (C), renewable
17 energy facilities that have a multi-year renewable
18 energy credit delivery contract with the utility
19 through at least delivery year 2030 shall be
20 considered new, however no renewable energy credits
21 from contracts entered into before June 1, 2021 shall
22 be used to calculate whether the Agency has procured
23 the correct proportion of new wind and new solar
24 contracts described in this subparagraph (C) for
25 delivery year 2021 and thereafter.

26 (iv) The Agency may implement additional measures,

1 including eligibility requirements, to ensure that new
2 wind projects and new photovoltaic projects supported
3 through renewable energy credit contract awards are a
4 result of a contract award and are otherwise developed
5 pursuant to the financial certainty provided through a
6 contract award.

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

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

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

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

9 Notwithstanding the requirements of this subsection
10 (c), and except as provided in subparagraph (E-5) of
11 paragraph (1) of this subsection (c) or except as
12 otherwise authorized by the Commission in its approval of
13 the integrated resource plan under Section 16-202 of the
14 Public Utilities Act, the total of renewable energy
15 resources procured under the procurement plan for any
16 single year shall be subject to the limitations of this
17 subparagraph (E). Such procurement shall be reduced for
18 all retail customers based on the amount necessary to
19 limit the annual estimated average net increase due to the
20 costs of these resources included in the amounts paid by
21 eligible retail customers in connection with electric
22 service to no more than 4.25% of the amount paid per
23 kilowatthour by those customers during the year ending May
24 31, 2009, adjusted annually for inflation starting with
25 the first adjustment in the delivery year commencing June
26 1, 2026. For the purposes of this Section, the inflation

1 adjustment shall not be accrued or applied retroactively
2 prior to the effective date of this amendatory Act of the
3 104th General Assembly and shall apply prospectively
4 starting in 2025. The limitation shall be increased by an
5 additional 1.65 percentage points of the amount paid per
6 kilowatthour by eligible retail customers during the year
7 ending May 31, 2009 starting with the delivery year
8 commencing June 1, 2027. To arrive at a maximum dollar
9 amount of renewable energy resources to be procured for
10 the particular delivery year, the resulting per
11 kilowatthour amount shall be applied to the actual amount
12 of kilowatthours of electricity delivered, or applicable
13 portion of such amount as specified in paragraph (1) of
14 this subsection (c), as applicable, by the electric
15 utility in the delivery year immediately prior to the
16 procurement to all retail customers in its service
17 territory. The calculations required by this subparagraph
18 (E) shall be made only once for each delivery year at the
19 time that the renewable energy resources are procured.
20 Once the determination as to the amount of renewable
21 energy resources to procure is made based on the
22 calculations set forth in this subparagraph (E) and the
23 contracts procuring those amounts are executed between the
24 seller and applicable electric utility, no subsequent rate
25 impact determinations shall be made and no adjustments to
26 those contract amounts shall be allowed. As provided in

1 subparagraph (E-5) of paragraph (1) of this subsection
2 (c), the seller shall be entitled to full, prompt, and
3 uninterrupted payment under the applicable contract
4 notwithstanding the application of this subparagraph (E),
5 and all costs incurred under such contracts shall be fully
6 recoverable by the electric utility as provided in this
7 Section.

8 (E-5) If, for a particular delivery year, the
9 limitation on the amount of renewable energy resources to
10 be procured, as calculated pursuant to subparagraph (E) of
11 paragraph (1) of this subsection (c), would result in an
12 insufficient collection of funds to fully pay amounts due
13 to a seller under existing contracts executed under this
14 Section or executed under Section 1-56 of this Act, then
15 the following provisions shall apply to ensure full and
16 uninterrupted payment is made to such seller or sellers:

17 (i) If the electric utility has retained unspent
18 funds in an interest-bearing account as prescribed in
19 subsection (k) of Section 16-108 of the Public
20 Utilities Act, then the utility shall use those funds
21 to remit full payment to the sellers to ensure prompt
22 and uninterrupted payment of existing contractual
23 obligation.

24 (ii) If the funds described in item (i) of this
25 subparagraph (E-5) are insufficient to satisfy all
26 existing contractual obligations, then the electric

1 utility shall, nonetheless, remit full payment to the
2 sellers to ensure prompt and uninterrupted payment of
3 existing contractual obligations, provided that the
4 full costs shall be recoverable by the utility in
5 accordance with part (ee) of item (iv) of this
6 subsection (E-5).

7 (iii) The Agency shall promptly notify the
8 Commission that existing contractual obligations are
9 reasonably expected to exceed the maximum collection
10 authorized under subparagraph (E) of paragraph (1) of
11 this subsection (c) for the applicable delivery year.
12 The Agency shall also explain and confirm how the
13 operation of items (i) and (ii) of this subparagraph
14 (E-5) ensures that the electric utility will continue
15 to make prompt and uninterrupted payment under
16 existing contractual obligations. The Agency shall
17 provide this information to the Commission through a
18 notice filed in the Commission docket approving the
19 Agency's operative Long-Term Renewable Resources
20 Procurement Plan that includes the applicable delivery
21 year.

22 (iv) The Agency shall suspend or reduce new
23 contract awards for the procurement of renewable
24 energy credits until an Agency determination is made
25 under subparagraph (E) that additional procurements
26 would not cause the rate impact limitation of

1 subparagraph (E) to be exceeded. At least once
2 annually after the notice provided for in item (iii)
3 of this subparagraph (E-5) is made, the Agency shall
4 analyze existing contract obligations, projected
5 prices for indexed renewable energy credit contracts
6 executed under item (v) of subparagraph (G) of
7 paragraph (1) of subsection (c) of Section 1-75 of
8 this Act, and expected collections authorized under
9 subparagraph (E) to determine whether and to what
10 extent the limitations of subparagraph (E) would be
11 exceeded by additional renewable energy credit
12 procurement contract awards.

13 (aa) If the Agency determines that additional
14 renewable energy credit procurement contract
15 awards could be made without exceeding the
16 limitations of subparagraph (E), then the
17 procurements shall be authorized at a scale
18 determined not to exceed the limitations of
19 subparagraph (E) in a manner consistent with the
20 priorities of this Section.

21 (bb) If the Agency determines that additional
22 renewable energy credit procurement contract
23 awards cannot be made without exceeding the
24 limitations of subparagraph (E), then the Agency
25 shall suspend any new contract awards for the
26 procurement of renewable energy credits until a

1 new rate impact determination is made under
2 subparagraph (E).

3 (cc) Agency determinations made under this
4 item (iv) shall be detailed and comprehensive and,
5 if not made through the Agency's Long-Term
6 Renewable Resources Procurement Plan, shall be
7 filed as a compliance filing in the most recent
8 docketed proceeding approving the Agency's
9 Long-Term Renewable Resources Procurement Plan.

10 (dd) With respect to the procurement of
11 renewable energy credits authorized through
12 programs administered under subsection (b) of
13 Section 1-56 and subparagraphs (K) through (M) of
14 paragraph (1) of subsection (k) of Section 1-75 of
15 this Act, the award of contracts for the
16 procurement of renewable energy credits shall be
17 suspended or reduced only at the conclusion of the
18 program year in which the notice provided for
19 under item (iii) of this subparagraph (E-5) is
20 made.

21 (ee) The contract shall provide that, so long
22 as at least one of: (i) the cost recovery
23 mechanisms referenced in subsection (k) of Section
24 16-108 and subsection (1) of Section 16-111.5 of
25 the Public Utilities Act remains in full force
26 without limitation or (ii) the utility is

1 otherwise authorized and or entitled to full,
2 prompt, and uninterrupted recovery of its costs
3 through any other mechanism, then such seller
4 shall be entitled to full, prompt, and
5 uninterrupted payment under the applicable
6 contract notwithstanding the application of this
7 subparagraph (E).

8 (F) If the limitation on the amount of renewable
9 energy resources procured in subparagraph (E) of this
10 paragraph (1) prevents the Agency from meeting all of the
11 goals in this subsection (c), the Agency's long-term plan
12 shall prioritize compliance with the requirements of this
13 subsection (c) regarding renewable energy credits in the
14 following order:

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

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

20 (ii) renewable energy credits necessary to comply
21 with the new wind and new photovoltaic procurement
22 requirements described in items (i) through (iii) of
23 subparagraph (C) of this paragraph (1); and

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

26 (G) The following provisions shall apply to the

1 Agency's procurement of renewable energy credits under
2 this subsection (c):

3 (i) Notwithstanding whether a long-term renewable
4 resources procurement plan has been approved, the
5 Agency shall conduct an initial forward procurement
6 for renewable energy credits from new utility-scale
7 wind projects within 160 days after June 1, 2017 (the
8 effective date of Public Act 99-906). For the purposes
9 of this initial forward procurement, the Agency shall
10 solicit 15-year contracts for delivery of 1,000,000
11 renewable energy credits delivered annually from new
12 utility-scale wind projects to begin delivery on June
13 1, 2019, if available, but not later than June 1, 2021,
14 unless the project has delays in the establishment of
15 an operating interconnection with the applicable
16 transmission or distribution system as a result of the
17 actions or inactions of the transmission or
18 distribution provider, or other causes for force
19 majeure as outlined in the procurement contract, in
20 which case, not later than June 1, 2022. Payments to
21 suppliers of renewable energy credits shall commence
22 upon delivery. Renewable energy credits procured under
23 this initial procurement shall be included in the
24 Agency's long-term plan and shall apply to all
25 renewable energy goals in this subsection (c).

26 (ii) Notwithstanding whether a long-term renewable

resources procurement plan has been approved, the Agency shall conduct an initial forward procurement for renewable energy credits from new utility-scale solar projects and brownfield site photovoltaic projects within one year after June 1, 2017 (the effective date of Public Act 99-906). For the purposes of this initial forward procurement, the Agency shall solicit 15-year contracts for delivery of 1,000,000 renewable energy credits delivered annually from new utility-scale solar projects and brownfield site photovoltaic projects to begin delivery on June 1, 2019, if available, but not later than June 1, 2021, unless the project has delays in the establishment of an operating interconnection with the applicable transmission or distribution system as a result of the actions or inactions of the transmission or distribution provider, or other causes for force majeure as outlined in the procurement contract, in which case, not later than June 1, 2022. The Agency may structure this initial procurement in one or more discrete procurement events. Payments to suppliers of renewable energy credits shall commence upon delivery. Renewable energy credits procured under this initial procurement shall be included in the Agency's long-term plan and shall apply to all renewable energy goals in this subsection (c).

1 (iii) Notwithstanding whether the Commission has
2 approved the periodic long-term renewable resources
3 procurement plan revision described in Section
4 16-111.5 of the Public Utilities Act, the Agency shall
5 conduct at least one subsequent forward procurement
6 for renewable energy credits from new utility-scale
7 wind projects, new utility-scale solar projects, and
8 new brownfield site photovoltaic projects within 240
9 days after the effective date of this amendatory Act
10 of the 102nd General Assembly in quantities necessary
11 to meet the requirements of subparagraph (C) of this
12 paragraph (1) through the delivery year beginning June
13 1, 2021.

14 (iv) Notwithstanding whether the Commission has
15 approved the periodic long-term renewable resources
16 procurement plan revision described in Section
17 16-111.5 of the Public Utilities Act, the Agency shall
18 open capacity for each category in the Adjustable
19 Block program within 90 days after the effective date
20 of this amendatory Act of the 102nd General Assembly
21 manner:

22 (1) The Agency shall open the first block of
23 annual capacity for the category described in item
24 (i) of subparagraph (K) of this paragraph (1). The
25 first block of annual capacity for item (i) shall
26 be for at least 75 megawatts of total nameplate

1 capacity. The price of the renewable energy credit
2 for this block of capacity shall be 4% less than
3 the price of the last open block in this category.
4 Projects on a waitlist shall be awarded contracts
5 first in the order in which they appear on the
6 waitlist. Notwithstanding anything to the
7 contrary, for those renewable energy credits that
8 qualify and are procured under this subitem (1) of
9 this item (iv), the renewable energy credit
10 delivery contract value shall be paid in full,
11 based on the estimated generation during the first
12 15 years of operation, by the contracting
13 utilities at the time that the facility producing
14 the renewable energy credits is interconnected at
15 the distribution system level of the utility and
16 verified as energized and in compliance by the
17 Program Administrator. The electric utility shall
18 receive and retire all renewable energy credits
19 generated by the project for the first 15 years of
20 operation. Renewable energy credits generated by
21 the project thereafter shall not be transferred
22 under the renewable energy credit delivery
23 contract with the counterparty electric utility.

24 (2) The Agency shall open the first block of
25 annual capacity for the category described in item
26 (ii) of subparagraph (K) of this paragraph (1).

1 The first block of annual capacity for item (ii)
2 shall be for at least 75 megawatts of total
3 nameplate capacity.

4 (A) The price of the renewable energy
5 credit for any project on a waitlist for this
6 category before the opening of this block
7 shall be 4% less than the price of the last
8 open block in this category. Projects on the
9 waitlist shall be awarded contracts first in
10 the order in which they appear on the
11 waitlist. Any projects that are less than or
12 equal to 25 kilowatts in size on the waitlist
13 for this capacity shall be moved to the
14 waitlist for paragraph (1) of this item (iv).
15 Notwithstanding anything to the contrary,
16 projects that were on the waitlist prior to
17 opening of this block shall not be required to
18 be in compliance with the requirements of
19 subparagraph (Q) of this paragraph (1) of this
20 subsection (c). Notwithstanding anything to
21 the contrary, for those renewable energy
22 credits procured from projects that were on
23 the waitlist for this category before the
24 opening of this block 20% of the renewable
25 energy credit delivery contract value, based
26 on the estimated generation during the first

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

16 (B) The price of renewable energy credits
17 for any project not on the waitlist for this
18 category before the opening of the block shall
19 be determined and published by the Agency.
20 Projects not on a waitlist as of the opening
21 of this block shall be subject to the
22 requirements of subparagraph (Q) of this
23 paragraph (1), as applicable. Projects not on
24 a waitlist as of the opening of this block
25 shall be subject to the contract provisions
26 outlined in item (iii) of subparagraph (L) of

1 this paragraph (1). The Agency shall strive to
2 publish updated prices and an updated
3 renewable energy credit delivery contract as
4 quickly as possible.

5 (3) For opening the first 2 blocks of annual
6 capacity for projects participating in item (iii)
7 of subparagraph (K) of paragraph (1) of subsection
8 (c), projects shall be selected exclusively from
9 those projects on the ordinal waitlists of
10 community renewable generation projects
11 established by the Agency based on the status of
12 those ordinal waitlists as of December 31, 2020,
13 and only those projects previously determined to
14 be eligible for the Agency's April 2019 community
15 solar project selection process.

16 The first 2 blocks of annual capacity for item
17 (iii) shall be for 250 megawatts of total
18 nameplate capacity, with both blocks opening
19 simultaneously under the schedule outlined in the
20 paragraphs below. Projects shall be selected as
21 follows:

22 (A) The geographic balance of selected
23 projects shall follow the Group classification
24 found in the Agency's Revised Long-Term
25 Renewable Resources Procurement Plan, with 70%
26 of capacity allocated to projects on the Group

1 B waitlist and 30% of capacity allocated to
2 projects on the Group A waitlist.

3 (B) Contract awards for waitlisted
4 projects shall be allocated proportionate to
5 the total nameplate capacity amount across
6 both ordinal waitlists associated with that
7 applicant firm or its affiliates, subject to
8 the following conditions.

9 (i) Each applicant firm having a
10 waitlisted project eligible for selection
11 shall receive no less than 500 kilowatts
12 in awarded capacity across all groups, and
13 no approved vendor may receive more than
14 20% of each Group's waitlist allocation.

15 (ii) Each applicant firm, upon
16 receiving an award of program capacity
17 proportionate to its waitlisted capacity,
18 may then determine which waitlisted
19 projects it chooses to be selected for a
20 contract award up to that capacity amount.

21 (iii) Assuming all other program
22 requirements are met, applicant firms may
23 adjust the nameplate capacity of applicant
24 projects without losing waitlist
25 eligibility, so long as no project is
26 greater than 2,000 kilowatts in size.

1 (iv) Assuming all other program
2 requirements are met, applicant firms may
3 adjust the expected production associated
4 with applicant projects, subject to
5 verification by the Program Administrator.

6 (C) After a review of affiliate
7 information and the current ordinal waitlists,
8 the Agency shall announce the nameplate
9 capacity award amounts associated with
10 applicant firms no later than 90 days after
11 the effective date of this amendatory Act of
12 the 102nd General Assembly.

13 (D) Applicant firms shall submit their
14 portfolio of projects used to satisfy those
15 contract awards no less than 90 days after the
16 Agency's announcement. The total nameplate
17 capacity of all projects used to satisfy that
18 portfolio shall be no greater than the
19 Agency's nameplate capacity award amount
20 associated with that applicant firm. An
21 applicant firm may decline, in whole or in
22 part, its nameplate capacity award without
23 penalty, with such unmet capacity rolled over
24 to the next block opening for project
25 selection under item (iii) of subparagraph (K)
26 of this subsection (c). Any projects not

1 included in an applicant firm's portfolio may
2 reapply without prejudice upon the next block
3 reopening for project selection under item
4 (iii) of subparagraph (K) of this subsection
5 (c).

6 (E) The renewable energy credit delivery
7 contract shall be subject to the contract and
8 payment terms outlined in item (iv) of
9 subparagraph (L) of this subsection (c).
10 Contract instruments used for this
11 subparagraph shall contain the following
12 terms:

13 (i) Renewable energy credit prices
14 shall be fixed, without further adjustment
15 under any other provision of this Act or
16 for any other reason, at 10% lower than
17 prices applicable to the last open block
18 for this category, inclusive of any adders
19 available for achieving a minimum of 50%
20 of subscribers to the project's nameplate
21 capacity being residential or small
22 commercial customers with subscriptions of
23 below 25 kilowatts in size;

24 (ii) A requirement that a minimum of
25 50% of subscribers to the project's
26 nameplate capacity be residential or small

1 commercial customers with subscriptions of
2 below 25 kilowatts in size;

3 (iii) Permission for the ability of a
4 contract holder to substitute projects
5 with other waitlisted projects without
6 penalty should a project receive a
7 non-binding estimate of costs to construct
8 the interconnection facilities and any
9 required distribution upgrades associated
10 with that project of greater than 30 cents
11 per watt AC of that project's nameplate
12 capacity. In developing the applicable
13 contract instrument, the Agency may
14 consider whether other circumstances
15 outside of the control of the applicant
16 firm should also warrant project
17 substitution rights.

18 The Agency shall publish a finalized
19 updated renewable energy credit delivery
20 contract developed consistent with these terms
21 and conditions no less than 30 days before
22 applicant firms must submit their portfolio of
23 projects pursuant to item (D).

24 (F) To be eligible for an award, the
25 applicant firm shall certify that not less
26 than prevailing wage, as determined pursuant

1 to the Illinois Prevailing Wage Act, was or
2 will be paid to employees who are engaged in
3 construction activities associated with a
4 selected project.

5 (4) The Agency shall open the first block of
6 annual capacity for the category described in item
7 (iv) of subparagraph (K) of this paragraph (1).
8 The first block of annual capacity for item (iv)
9 shall be for at least 50 megawatts of total
10 nameplate capacity. Renewable energy credit prices
11 shall be fixed, without further adjustment under
12 any other provision of this Act or for any other
13 reason, at the price in the last open block in the
14 category described in item (ii) of subparagraph
15 (K) of this paragraph (1). Pricing for future
16 blocks of annual capacity for this category may be
17 adjusted in the Agency's second revision to its
18 Long-Term Renewable Resources Procurement Plan.
19 Projects in this category shall be subject to the
20 contract terms outlined in item (iv) of
21 subparagraph (L) of this paragraph (1).

22 (5) The Agency shall open the equivalent of 2
23 years of annual capacity for the category
24 described in item (v) of subparagraph (K) of this
25 paragraph (1). The first block of annual capacity
26 for item (v) shall be for at least 10 megawatts of

1 total nameplate capacity. Notwithstanding the
2 provisions of item (v) of subparagraph (K) of this
3 paragraph (1), for the purpose of this initial
4 block, the agency shall accept new project
5 applications intended to increase the diversity of
6 areas hosting community solar projects, the
7 business models of projects, and the size of
8 projects, as described by the Agency in its
9 long-term renewable resources procurement plan
10 that is approved as of the effective date of this
11 amendatory Act of the 102nd General Assembly.
12 Projects in this category shall be subject to the
13 contract terms outlined in item (iii) of
14 subsection (L) of this paragraph (1).

15 (6) The Agency shall open the first blocks of
16 annual capacity for the category described in item
17 (vi) of subparagraph (K) of this paragraph (1),
18 with allocations of capacity within the block
19 generally matching the historical share of block
20 capacity allocated between the category described
21 in items (i) and (ii) of subparagraph (K) of this
22 paragraph (1). The first two blocks of annual
23 capacity for item (vi) shall be for at least 75
24 megawatts of total nameplate capacity. The price
25 of renewable energy credits for the blocks of
26 capacity shall be 4% less than the price of the

1 last open blocks in the categories described in
2 items (i) and (ii) of subparagraph (K) of this
3 paragraph (1). Pricing for future blocks of annual
4 capacity for this category may be adjusted in the
5 Agency's second revision to its Long-Term
6 Renewable Resources Procurement Plan. Projects in
7 this category shall be subject to the applicable
8 contract terms outlined in items (ii) and (iii) of
9 subparagraph (L) of this paragraph (1).

10 (v) Upon the effective date of this amendatory Act
11 of the 102nd General Assembly, for all competitive
12 procurements and any procurements of renewable energy
13 credit from new utility-scale wind and new
14 utility-scale photovoltaic projects, the Agency shall
15 procure indexed renewable energy credits and direct
16 respondents to offer a strike price.

17 (1) The purchase price of the indexed
18 renewable energy credit payment shall be
19 calculated for each settlement period. That
20 payment, for any settlement period, shall be equal
21 to the difference resulting from subtracting the
22 strike price from the index price for that
23 settlement period. If this difference results in a
24 negative number, the indexed REC counterparty
25 shall owe the seller the absolute value multiplied
26 by the quantity of energy produced in the relevant

1 settlement period. If this difference results in a
2 positive number, the seller shall owe the indexed
3 REC counterparty this amount multiplied by the
4 quantity of energy produced in the relevant
5 settlement period.

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

9 (3) To ensure funding in the annual budget
10 established under subparagraph (E) for indexed
11 renewable energy credit procurements for each year
12 of the term of such contracts, which must have a
13 minimum tenure of 20 calendar years, the
14 procurement administrator, Agency, Commission
15 staff, and procurement monitor shall quantify the
16 annual cost of the contract by utilizing one or
17 more industry-standard, third-party forward price
18 curves for energy at the appropriate hub or load
19 zone, including the estimated magnitude and timing
20 of the price effects related to federal carbon
21 controls. Each forward price curve shall contain a
22 specific value of the forecasted market price of
23 electricity for each annual delivery year of the
24 contract. For procurement planning purposes, the
25 impact on the annual budget for the cost of
26 indexed renewable energy credits for each delivery

1 year shall be determined as the expected annual
2 contract expenditure for that year, equaling the
3 difference between (i) the sum across all relevant
4 contracts of the applicable strike price
5 multiplied by contract quantity and (ii) the sum
6 across all relevant contracts of the forward price
7 curve for the applicable load zone for that year
8 multiplied by contract quantity. The contracting
9 utility shall not assume an obligation in excess
10 of the estimated annual cost of the contracts for
11 indexed renewable energy credits. Forward curves
12 shall be revised on an annual basis as updated
13 forward price curves are released and filed with
14 the Commission in the proceeding approving the
15 Agency's most recent long-term renewable resources
16 procurement plan. If the expected contract spend
17 is higher or lower than the total quantity of
18 contracts multiplied by the forward price curve
19 value for that year, the forward price curve shall
20 be updated by the procurement administrator, in
21 consultation with the Agency, Commission staff,
22 and procurement monitors, using then-currently
23 available price forecast data and additional
24 budget dollars shall be obligated or reobligated
25 as appropriate.

26 (4) To ensure that indexed renewable energy

1 credit prices remain predictable and affordable,
2 the Agency may consider the institution of a price
3 collar on REC prices paid under indexed renewable
4 energy credit procurements establishing floor and
5 ceiling REC prices applicable to indexed REC
6 contract prices. Any price collars applicable to
7 indexed REC procurements shall be proposed by the
8 Agency through its long-term renewable resources
9 procurement plan.

10 (vi) All procurements under this subparagraph (G),
11 including the procurement of renewable energy credits
12 from hydropower facilities, shall comply with the
13 geographic requirements in subparagraph (I) of this
14 paragraph (1) and shall follow the procurement
15 processes and procedures described in this Section and
16 Section 16-111.5 of the Public Utilities Act to the
17 extent practicable, and these processes and procedures
18 may be expedited to accommodate the schedule
19 established by this subparagraph (G). To ensure the
20 successful development of new renewable energy
21 projects supported through competitive procurements,
22 for any procurements conducted under items (i), (ii),
23 (iii), and (v) of this subparagraph (G) and any other
24 procurement of new utility-scale wind or utility-scale
25 solar projects that were entered into prior to January
26 1, 2025, the Agency shall allow, upon a demonstration

1 of need to ensure the commercial viability of a
2 project, for a one-time, post-award renegotiation of
3 select contract terms prior to the project's
4 commercial operation date through bilateral
5 negotiation between the Agency, the buyer, and a
6 winning bidder. Contract terms subject to
7 renegotiation may include the project map, as defined
8 under the applicable competitive solicitation, the
9 real estate footprint or any limitations thereof, the
10 location of the generators, or a potential reduction
11 in the quantity of renewable energy credits to be
12 delivered. Provisions related to a renewable energy
13 credit delivery shortfall and the event of default may
14 be replaced with similar provisions approved by the
15 Agency in subsequent years or subsequent to a
16 successful bid. Post-award renegotiation of
17 competitively bid renewable energy credit contracts
18 entered into prior to January 1, 2025 shall not be
19 permitted to the extent such renegotiation would
20 result in (1) the point of interconnection being
21 within the service area of a different state, a
22 different regional transmission organization zone, or
23 a different regional transmission organization, (2)
24 the generator no longer meeting the definition of the
25 resource category for which the winning bidder was
26 originally awarded a contract, (3) the generator no

1 longer meeting the Agency's public interest criteria
2 as established in the long-term renewable resources
3 plan in effect at the time of the contract award, or
4 (4) a change to material terms of the renewable energy
5 credit contract unrelated to project land or footprint
6 or the number of renewable energy credits to be
7 delivered, including the applicable bid price or
8 strike price. If the Agency, the buyer, and the
9 winning bidder reach an agreement on amended terms,
10 then, upon petition by the winning bidder or current
11 seller, the Commission shall issue an order directing
12 the utility counterparty to execute an amendment
13 drafted by the Agency with the revised terms to the
14 renewable energy credit contract, the product order,
15 or both. The Agency shall provide the amendment to the
16 utility within 15 business days after the Commission's
17 order, and the utility shall execute the amendment no
18 more than 7 calendar days after delivery by the
19 Agency.

20 (vii) On and after the effective date of this
21 amendatory Act of the 103rd General Assembly, for all
22 procurements of renewable energy credits from
23 hydropower facilities, the Agency shall establish
24 contract terms designed to optimize existing
25 hydropower facilities through modernization or
26 retooling and establish new hydropower facilities at

1 existing dams. Procurements made under this item (vii)
2 shall prioritize projects located in designated
3 environmental justice communities, as defined in
4 subsection (b) of Section 1-56 of this Act, or in
5 projects located in units of local government with
6 median incomes that do not exceed 82% of the median
7 income of the State.

8 (H) The procurement of renewable energy resources for
9 a given delivery year shall be reduced as described in
10 this subparagraph (H) if an alternative retail electric
11 supplier meets the requirements described in this
12 subparagraph (H).

13 (i) Within 45 days after June 1, 2017 (the
14 effective date of Public Act 99-906), an alternative
15 retail electric supplier or its successor shall submit
16 an informational filing to the Illinois Commerce
17 Commission certifying that, as of December 31, 2015,
18 the alternative retail electric supplier owned one or
19 more electric generating facilities that generates
20 renewable energy resources as defined in Section 1-10
21 of this Act, provided that such facilities are not
22 powered by wind or photovoltaics, and the facilities
23 generate one renewable energy credit for each
24 megawatthour of energy produced from the facility.

25 The informational filing shall identify each
26 facility that was eligible to satisfy the alternative

1 retail electric supplier's obligations under Section
2 16-115D of the Public Utilities Act as described in
3 this item (i).

4 (ii) For a given delivery year, the alternative
5 retail electric supplier may elect to supply its
6 retail customers with renewable energy credits from
7 the facility or facilities described in item (i) of
8 this subparagraph (H) that continue to be owned by the
9 alternative retail electric supplier.

10 (iii) The alternative retail electric supplier
11 shall notify the Agency and the applicable utility, no
12 later than February 28 of the year preceding the
13 applicable delivery year or 15 days after June 1, 2017
14 (the effective date of Public Act 99-906), whichever
15 is later, of its election under item (ii) of this
16 subparagraph (H) to supply renewable energy credits to
17 retail customers of the utility. Such election shall
18 identify the amount of renewable energy credits to be
19 supplied by the alternative retail electric supplier
20 to the utility's retail customers and the source of
21 the renewable energy credits identified in the
22 informational filing as described in item (i) of this
23 subparagraph (H), subject to the following
24 limitations:

25 For the delivery year beginning June 1, 2018,
26 the maximum amount of renewable energy credits to

1 be supplied by an alternative retail electric
2 supplier under this subparagraph (H) shall be 68%
3 multiplied by 25% multiplied by 14.5% multiplied
4 by the amount of metered electricity
5 (megawatt-hours) delivered by the alternative
6 retail electric supplier to Illinois retail
7 customers during the delivery year ending May 31,
8 2016.

9 For delivery years beginning June 1, 2019 and
10 each year thereafter, the maximum amount of
11 renewable energy credits to be supplied by an
12 alternative retail electric supplier under this
13 subparagraph (H) shall be 68% multiplied by 50%
14 multiplied by 16% multiplied by the amount of
15 metered electricity (megawatt-hours) delivered by
16 the alternative retail electric supplier to
17 Illinois retail customers during the delivery year
18 ending May 31, 2016, provided that the 16% value
19 shall increase by 1.5% each delivery year
20 thereafter to 25% by the delivery year beginning
21 June 1, 2025, and thereafter the 25% value shall
22 apply to each delivery year.

23 For each delivery year, the total amount of
24 renewable energy credits supplied by all alternative
25 retail electric suppliers under this subparagraph (H)
26 shall not exceed 9% of the Illinois target renewable

1 energy credit quantity. The Illinois target renewable
2 energy credit quantity for the delivery year beginning
3 June 1, 2018 is 14.5% multiplied by the total amount of
4 metered electricity (megawatt-hours) delivered in the
5 delivery year immediately preceding that delivery
6 year, provided that the 14.5% shall increase by 1.5%
7 each delivery year thereafter to 25% by the delivery
8 year beginning June 1, 2025, and thereafter the 25%
9 value shall apply to each delivery year.

10 If the requirements set forth in items (i) through
11 (iii) of this subparagraph (H) are met, the charges
12 that would otherwise be applicable to the retail
13 customers of the alternative retail electric supplier
14 under paragraph (6) of this subsection (c) for the
15 applicable delivery year shall be reduced by the ratio
16 of the quantity of renewable energy credits supplied
17 by the alternative retail electric supplier compared
18 to that supplier's target renewable energy credit
19 quantity. The supplier's target renewable energy
20 credit quantity for the delivery year beginning June
21 1, 2018 is 14.5% multiplied by the total amount of
22 metered electricity (megawatt-hours) delivered by the
23 alternative retail supplier in that delivery year,
24 provided that the 14.5% shall increase by 1.5% each
25 delivery year thereafter to 25% by the delivery year
26 beginning June 1, 2025, and thereafter the 25% value

1 shall apply to each delivery year.

2 On or before April 1 of each year, the Agency shall
3 annually publish a report on its website that
4 identifies the aggregate amount of renewable energy
5 credits supplied by alternative retail electric
6 suppliers under this subparagraph (H).

7 (I) The Agency shall design its long-term renewable
8 energy procurement plan to maximize the State's interest
9 in the health, safety, and welfare of its residents,
10 including but not limited to minimizing sulfur dioxide,
11 nitrogen oxide, particulate matter and other pollution
12 that adversely affects public health in this State,
13 increasing fuel and resource diversity in this State,
14 enhancing the reliability and resiliency of the
15 electricity distribution system in this State, meeting
16 goals to limit carbon dioxide emissions under federal or
17 State law, and contributing to a cleaner and healthier
18 environment for the citizens of this State. In order to
19 further these legislative purposes, renewable energy
20 credits shall be eligible to be counted toward the
21 renewable energy requirements of this subsection (c) if
22 they are generated from facilities located in this State.
23 The Agency may qualify renewable energy credits from
24 facilities located in states adjacent to Illinois or
25 renewable energy credits associated with the electricity
26 generated by a utility-scale wind energy facility or

1 utility-scale photovoltaic facility and transmitted by a
2 qualifying direct current project described in subsection
3 (b-5) of Section 8-406 of the Public Utilities Act to a
4 delivery point on the electric transmission grid located
5 in this State or a state adjacent to Illinois, if the
6 generator demonstrates and the Agency determines that the
7 operation of such facility or facilities will help promote
8 the State's interest in the health, safety, and welfare of
9 its residents based on the public interest criteria
10 described above. For the purposes of this Section,
11 renewable resources that are delivered via a high voltage
12 direct current converter station located in Illinois shall
13 be deemed generated in Illinois at the time and location
14 the energy is converted to alternating current by the high
15 voltage direct current converter station if the high
16 voltage direct current transmission line: (i) after the
17 effective date of this amendatory Act of the 102nd General
18 Assembly, was constructed with a project labor agreement;
19 (ii) is capable of transmitting electricity at 525kv;
20 (iii) has an Illinois converter station located and
21 interconnected in the region of the PJM Interconnection,
22 LLC; (iv) does not operate as a public utility; and (v) if
23 the high voltage direct current transmission line was
24 energized after June 1, 2023. To ensure that the public
25 interest criteria are applied to the procurement and given
26 full effect, the Agency's long-term procurement plan shall

1 describe in detail how each public interest factor shall
2 be considered and weighted for facilities located in
3 states adjacent to Illinois.

4 (J) In order to promote the competitive development of
5 renewable energy resources in furtherance of the State's
6 interest in the health, safety, and welfare of its
7 residents, renewable energy credits shall not be eligible
8 to be counted toward the renewable energy requirements of
9 this subsection (c) if they are sourced from a generating
10 unit whose costs were being recovered through rates
11 regulated by this State or any other state or states on or
12 after January 1, 2017. Each contract executed to purchase
13 renewable energy credits under this subsection (c) shall
14 provide for the contract's termination if the costs of the
15 generating unit supplying the renewable energy credits
16 subsequently begin to be recovered through rates regulated
17 by this State or any other state or states; and each
18 contract shall further provide that, in that event, the
19 supplier of the credits must return 110% of all payments
20 received under the contract. Amounts returned under the
21 requirements of this subparagraph (J) shall be retained by
22 the utility and all of these amounts shall be used for the
23 procurement of additional renewable energy credits from
24 new wind or new photovoltaic resources as defined in this
25 subsection (c). The long-term plan shall provide that
26 these renewable energy credits shall be procured in the

1 next procurement event.

2 Notwithstanding the limitations of this subparagraph
3 (J), renewable energy credits sourced from generating
4 units that are constructed, purchased, owned, or leased by
5 an electric utility as part of an approved project,
6 program, or pilot under Section 1-56 of this Act shall be
7 eligible to be counted toward the renewable energy
8 requirements of this subsection (c), regardless of how the
9 costs of these units are recovered. As long as a
10 generating unit or an identifiable portion of a generating
11 unit has not had and does not have its costs recovered
12 through rates regulated by this State or any other state,
13 HVDC renewable energy credits associated with that
14 generating unit or identifiable portion thereof shall be
15 eligible to be counted toward the renewable energy
16 requirements of this subsection (c).

17 (K) The long-term renewable resources procurement plan
18 developed by the Agency in accordance with subparagraph
19 (A) of this paragraph (1) shall include an Adjustable
20 Block program for the procurement of renewable energy
21 credits from new photovoltaic projects that are
22 distributed renewable energy generation devices or new
23 photovoltaic community renewable generation projects. The
24 Adjustable Block program shall be generally designed to
25 provide for the steady, predictable, and sustainable
26 growth of new solar photovoltaic development in Illinois.

1 To this end, the Adjustable Block program shall provide a
2 transparent annual schedule of prices and quantities to
3 enable the photovoltaic market to scale up and for
4 renewable energy credit prices to adjust at a predictable
5 rate over time. The prices set by the Adjustable Block
6 program can be reflected as a set value or as the product
7 of a formula.

8 The Adjustable Block program shall include for each
9 category of eligible projects for each delivery year: a
10 single block of nameplate capacity, a price for renewable
11 energy credits within that block, and the terms and
12 conditions for securing a spot on a waitlist once the
13 block is fully committed or reserved. Except as outlined
14 below, the waitlist of projects in a given year will carry
15 over to apply to the subsequent year when another block is
16 opened. Only projects energized on or after June 1, 2017
17 shall be eligible for the Adjustable Block program. For
18 each category for each delivery year the Agency shall
19 determine the amount of generation capacity in each block,
20 and the purchase price for each block, provided that the
21 purchase price provided and the total amount of generation
22 in all blocks for all categories shall be sufficient to
23 meet the goals in this subsection (c). The Agency shall
24 strive to issue a single block sized to provide for
25 stability and market growth. The Agency shall establish
26 program eligibility requirements that ensure that projects

1 that enter the program are sufficiently mature to indicate
2 a demonstrable path to completion. The Agency may
3 periodically review its prior decisions establishing the
4 amount of generation capacity in each block, and the
5 purchase price for each block, and may propose, on an
6 expedited basis, changes to these previously set values,
7 including but not limited to redistributing these amounts
8 and the available funds as necessary and appropriate,
9 subject to Commission approval as part of the periodic
10 plan revision process described in Section 16-111.5 of the
11 Public Utilities Act. The Agency may define different
12 block sizes, purchase prices, or other distinct terms and
13 conditions for projects located in different utility
14 service territories if the Agency deems it necessary to
15 meet the goals in this subsection (c).

16 The Adjustable Block program shall include the
17 following categories in at least the following amounts:

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

21 (ii) At least 20% from distributed renewable
22 energy generation devices with a nameplate capacity of
23 more than 25 kilowatts and no more than 5,000
24 kilowatts. The Agency may create sub-categories within
25 this category to account for the differences between
26 projects for small commercial customers, large

1 commercial customers, and public or non-profit
2 customers. A project shall not be colocated with one
3 or more other distributed renewable energy generation
4 projects if the aggregate nameplate capacity of the
5 projects exceeds 5,000 kilowatts AC. Notwithstanding
6 any other provision of this Section, if 2 or more
7 projects are developed, owned, or controlled by or
8 originate from the same developer or an affiliated
9 developer and the projects serve affiliated loads, the
10 projects shall be colocated if the projects are
11 located on adjacent parcels. If 2 or more projects are
12 developed, owned, or controlled by or originate from
13 the same developer and the projects serve unaffiliated
14 loads, the projects may be colocated if documentation
15 indicates affiliated management and ownership in the
16 pre-development, development, construction, and
17 management of the projects and the projects are
18 located on a single or adjacent parcels.
19 Notwithstanding any subsequent transfer, assignment,
20 or conveyance of ownership or development rights to
21 separate legal entities, the Agency shall consider, in
22 its determination of whether projects are affiliated,
23 evidence that the projects were pre-developed by the
24 same legal entity or an affiliated entity. If the
25 Agency determines the projects are affiliated, the
26 projects shall be treated as colocated for purposes of

1 aggregate nameplate capacity limitations and renewable
2 energy credit pricing adjustments. The Agency shall
3 make exceptions on a case-by-case basis if it is
4 demonstrated that projects on one parcel or projects
5 on adjacent parcels are unaffiliated. For purposes of
6 determining colocation, an approved vendor who submits
7 an application for a distributed renewable energy
8 generation project shall be required to submit an
9 affidavit attesting that the project is not affiliated
10 with any other distributed renewable energy generation
11 project such that, if the 2 projects were deemed
12 colocated, the projects would exceed the 5,000
13 kilowatts nameplate capacity limitation. The receipt
14 of an affidavit shall not restrict the Agency's
15 ability to investigate and determine whether the
16 project is, in fact, colocated.

17 For purposes of this item (ii):

18 "Affiliate" has the meaning given to that term in
19 subitem (3) of item (iii) of this subparagraph (K).

20 "Colocated" means 2 or more distributed renewable
21 energy generation projects that are located on a
22 single parcel, except for projects where the owner of
23 the applicable retail electric account is confirmed to
24 be unaffiliated and the projects serve distinct
25 electrical loads.

26 "Control" has the meaning given to that term in

1 subitem (3) of item (iii) of this subparagraph (K).

2 (iii) At least 30% from photovoltaic community
3 renewable generation projects. Capacity for this
4 category for the first 2 delivery years after the
5 effective date of this amendatory Act of the 102nd
6 General Assembly shall be allocated to waitlist
7 projects as provided in paragraph (3) of item (iv) of
8 subparagraph (G). Starting in the third delivery year
9 after the effective date of this amendatory Act of the
10 102nd General Assembly or earlier if the Agency
11 determines there is additional capacity needed for to
12 meet previous delivery year requirements, the
13 following shall apply:

14 (1) the Agency shall select projects on a
15 first-come, first-serve basis, however the Agency
16 may suggest additional methods to prioritize
17 projects that are submitted at the same time;

18 (2) projects shall have subscriptions of 25 kW
19 or less for at least 50% of the facility's
20 nameplate capacity and the Agency shall price the
21 renewable energy credits with that as a factor;

22 (3) projects shall not be colocated with one
23 or more other photovoltaic community renewable
24 generation projects such that the aggregate
25 nameplate capacity exceeds 10,000 kilowatts. The
26 total nameplate capacity of colocated projects

1 shall be the sum of the nameplate capacities of
2 the individual projects. For purposes of this
3 subitem (3), separate legal formation of approved
4 vendors, owners, or developers shall not preclude
5 a finding of affiliation by the Agency. Evidence
6 of affiliation may include, but is not limited to,
7 shared personnel, common contractual or financing
8 arrangements, a shared interconnection agreement,
9 distinct interconnection agreements obtained by
10 the same pre-development entity that are
11 subsequently sold to distinct legal entities,
12 familial relationships, or any demonstrable
13 pattern of coordinated action in the
14 pre-development, development, construction, or
15 management of photovoltaic community renewable
16 generation projects.

17 The Agency shall determine affiliation based
18 on evidence that projects either (i) share a
19 common origin on a parcel that has been subdivided
20 in the 5 years before the date of application or
21 (ii) were pre-developed before the beginning of
22 construction by the same legal entity or an
23 affiliated legal entity. The determination shall
24 be made notwithstanding any subsequent transfer,
25 assignment, or conveyance of ownership or
26 development rights to separate legal entities. If

1 the Agency determines the projects are affiliated,
2 the projects shall be treated as colocated for the
3 purposes of aggregate nameplate capacity
4 limitations and renewable energy credit pricing
5 adjustments. The Agency shall make exceptions to
6 this subitem (3) on a case-by-case basis if it is
7 demonstrated that projects on one parcel or
8 projects on adjacent parcels are unaffiliated.

9 A parcel shall not be divided into multiple
10 parcels within the 5 years before the submission
11 of a project application. If a parcel is divided
12 within the preceding 5 years, a colocation
13 determination shall be made based on the
14 boundaries of the previous undivided parcel.

15 For purposes of determining colocation, an
16 approved vendor who submits an application for a
17 community renewable generation project shall be
18 required to submit an affidavit attesting that (i)
19 the parcel on which the project is sited has not
20 been subdivided within the 5 years preceding the
21 project application and (ii) the project is not
22 affiliated with any other community renewable
23 energy project in a manner that would cause the 2
24 projects, if deemed colocated, to exceed the
25 10,000 kilowatt nameplate capacity limitation. The
26 receipt of an affidavit shall not restrict the

1 Agency's ability to investigate and determine
2 whether the project is colocated.

3 Multiple community solar projects sited on
4 distinct structures located on a single parcel
5 shall be considered colocated and must demonstrate
6 that the projects are unaffiliated in order to not
7 be considered colocated. Each colocated project
8 shall receive the renewable energy credit price
9 corresponding to the total, aggregated nameplate
10 capacity of the colocated systems, as determined
11 at the time the second project's application is
12 submitted to the Agency. If the second colocated
13 project has been constructed and placed in service
14 prior to application, and was placed in service
15 more than 2 years after Commission approval of the
16 original project, the colocation pricing
17 adjustment shall not apply, and each project shall
18 receive the standalone renewable energy credit
19 price for its individual capacity.

20 For purposes of this subitem (3):

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

1 "Affiliate" does not include entities that have
2 shared sales or revenue-sharing arrangements or
3 common debt and equity financing arrangements.

4 "Colocated" means 2 or more photovoltaic
5 community renewable generation projects located on
6 a single parcel or adjacent parcels, unless it is
7 demonstrated that the projects are developed by
8 unaffiliated entities.

9 "Control" means the possession, directly or
10 indirectly, of the power to direct the management
11 and policies of an entity; and

12 (4) projects greater than 2 MW may not apply
13 until after the approval of the Agency's revised
14 Long-Term Renewable Resources Procurement Plan
15 after the effective date of this amendatory Act of
16 the 102nd General Assembly.

17 (iv) At least 15% from distributed renewable
18 generation devices or photovoltaic community renewable
19 generation projects installed on public school land.
20 The Agency may create subcategories within this
21 category to account for the differences between
22 project size or location. Projects located within
23 environmental justice communities or within
24 Organizational Units that fall within Tier 1 or Tier 2
25 shall be given priority. Each of the Agency's periodic
26 updates to its long-term renewable resources

1 procurement plan to incorporate the procurement
2 described in this subparagraph (iv) shall also include
3 the proposed quantities or blocks, pricing, and
4 contract terms applicable to the procurement as
5 indicated herein. In each such update and procurement,
6 the Agency shall set the renewable energy credit price
7 and establish payment terms for the renewable energy
8 credits procured pursuant to this subparagraph (iv)
9 that make it feasible and affordable for public
10 schools to install photovoltaic distributed renewable
11 energy devices on their premises, including, but not
12 limited to, those public schools subject to the
13 prioritization provisions of this subparagraph. For
14 the purposes of this item (iv):

15 "Environmental Justice Community" shall have the
16 same meaning set forth in the Agency's long-term
17 renewable resources procurement plan;

18 "Organization Unit", "Tier 1" and "Tier 2" shall
19 have the meanings set for in Section 18-8.15 of the
20 School Code;

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

25 (v) At least 5% from community-driven community
26 solar projects intended to provide more direct and

1 tangible connection and benefits to the communities
2 which they serve or in which they operate and,
3 additionally, to increase the variety of community
4 solar locations, models, and options in Illinois. As
5 part of its long-term renewable resources procurement
6 plan, the Agency shall develop selection criteria for
7 projects participating in this category. Nothing in
8 this Section shall preclude the Agency from creating a
9 selection process that maximizes community ownership
10 and community benefits in selecting projects to
11 receive renewable energy credits. Selection criteria
12 shall include:

13 (1) community ownership or community
14 wealth-building;

15 (2) additional direct and indirect community
16 benefit, beyond project participation as a
17 subscriber, including, but not limited to,
18 economic, environmental, social, cultural, and
19 physical benefits;

20 (3) meaningful involvement in project
21 organization and development by community members
22 or nonprofit organizations or public entities
23 located in or serving the community;

24 (4) engagement in project operations and
25 management by nonprofit organizations, public
26 entities, or community members; and

1 (5) whether a project is developed in response
2 to a site-specific RFP developed by community
3 members or a nonprofit organization or public
4 entity located in or serving the community.

5 Selection criteria may also prioritize projects
6 that:

7 (1) are developed in collaboration with or to
8 provide complementary opportunities for the Clean
9 Jobs Workforce Network Program, the Illinois
10 Climate Works Preapprenticeship Program, the
11 Returning Residents Clean Jobs Training Program,
12 the Clean Energy Contractor Incubator Program, or
13 the Clean Energy Primes Contractor Accelerator
14 Program;

15 (2) increase the diversity of locations of
16 community solar projects in Illinois, including by
17 locating in urban areas and population centers;

18 (3) are located in Equity Investment Eligible
19 Communities;

20 (4) are not greenfield projects;

21 (5) serve only local subscribers;

22 (6) have a nameplate capacity that does not
23 exceed 500 kW;

24 (7) are developed by an equity eligible
25 contractor; or

26 (8) otherwise meaningfully advance the goals

1 of providing more direct and tangible connection
2 and benefits to the communities which they serve
3 or in which they operate and increasing the
4 variety of community solar locations, models, and
5 options in Illinois.

6 For the purposes of this item (v):

7 "Community" means a social unit in which people
8 come together regularly to effect change; a social
9 unit in which participants are marked by a cooperative
10 spirit, a common purpose, or shared interests or
11 characteristics; or a space understood by its
12 residents to be delineated through geographic
13 boundaries or landmarks.

14 "Community benefit" means a range of services and
15 activities that provide affirmative, economic,
16 environmental, social, cultural, or physical value to
17 a community; or a mechanism that enables economic
18 development, high-quality employment, and education
19 opportunities for local workers and residents, or
20 formal monitoring and oversight structures such that
21 community members may ensure that those services and
22 activities respond to local knowledge and needs.

23 "Community ownership" means an arrangement in
24 which an electric generating facility is, or over time
25 will be, in significant part, owned collectively by
26 members of the community to which an electric

1 generating facility provides benefits; members of that
2 community participate in decisions regarding the
3 governance, operation, maintenance, and upgrades of
4 and to that facility; and members of that community
5 benefit from regular use of that facility.

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

16 (vi) At least 10% from distributed renewable
17 energy generation devices, which includes distributed
18 renewable energy devices with a nameplate capacity
19 under 5,000 kilowatts or photovoltaic community
20 renewable generation projects, from applicants that
21 are equity eligible contractors. The Agency may create
22 subcategories within this category to account for the
23 differences between project size and type. The Agency
24 shall propose to increase the percentage in this item
25 (vi) over time to 40% based on factors, including, but
26 not limited to, the number of equity eligible

1 contractors and capacity used in this item (vi) in
2 previous delivery years.

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

26 Contracts developed featuring capital advanced

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

20 For projects developed under this item (vi), the
21 Agency shall take steps to encourage higher portions
22 of contract value to be provided to equity eligible
23 contractors and to support equity eligible persons who
24 participate in this Program and who exercise control
25 and actively manage their businesses and their
26 businesses' contractual projects. These steps may

1 include, but are not limited to, differentiated REC
2 prices, exceptions or exemptions, and other mechanisms
3 and requirements for nonnominal contract value to be
4 provided to equity eligible contractors and equity
5 eligible persons as a prerequisite to Program
6 participation. Any steps taken shall aim to encourage
7 and grow the meaningful participation of equity
8 eligible contractors in this State's clean energy
9 economy. All entities participating under this item
10 (vi) shall comply with the minimum equity standard set
11 forth under Section 1-75.

12 (vii) The remaining capacity shall be allocated by
13 the Agency in order to respond to market demand. The
14 Agency shall allocate any discretionary capacity prior
15 to the beginning of each delivery year.

16 (viii) The Agency, through its long-term renewable
17 resources procurement plan, may implement solutions to
18 maintain stable and consistent REC offerings allocated
19 to systems described in item (i) of this subparagraph
20 (K) to avoid gaps in availability during a delivery
21 year, including, but not limited to, creating a
22 floating block of REC capacity in a given delivery
23 year.

24 To the extent there is uncontracted capacity from any
25 block in any of categories (i) through (vi) at the end of a
26 delivery year, the Agency shall redistribute that capacity

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

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

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

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

25 (i) (Blank).

26 (ii) Unless otherwise provided for in the Agency's

1 approved long-term plan, for those renewable energy
2 credits that qualify and are procured under item (i)
3 of subparagraph (K) of this paragraph (1), and any
4 similar category projects that are procured under item
5 (vi) of subparagraph (K) of this paragraph (1) that
6 qualify and are procured under item (vi), the contract
7 length shall be 15 years. Beginning on the effective
8 date of this amendatory Act of the 104th General
9 Assembly, and including the remainder of program year
10 2026-2027, 50% of the renewable energy credit delivery
11 contract value, based on the estimated generation
12 during the first 15 years of operation, shall be paid
13 by the contracting utilities at the time that the
14 facility producing the renewable energy credits is
15 interconnected at the distribution system level of the
16 utility and verified as energized and compliant by the
17 Program Administrator. The remaining portion of the
18 renewable energy credit delivery contract value shall
19 be paid ratably over the subsequent 6-year period.
20 Relative to a contract structure under which the full
21 renewable energy credit delivery contract value shall
22 be paid in full at the time of interconnection and
23 verification of energization, the Agency shall
24 consider the impact of deferred payments across the
25 subsequent payment period when establishing renewable
26 energy credit prices. The electric utility shall

1 receive and retire all renewable energy credits
2 generated by the project for the first 15 years of
3 operation. Renewable energy credits generated by the
4 project thereafter shall not be transferred under the
5 renewable energy credit delivery contract with the
6 counterparty electric utility.

7 (iii) Unless otherwise provided for in the
8 Agency's approved long-term plan, for those renewable
9 energy credits that qualify and are procured under
10 item (ii) and (v) of subparagraph (K) of this
11 paragraph (1) and any like projects that qualify and
12 are procured under items (iv) and (vi), the contract
13 length shall be 15 years. 15% of the renewable energy
14 credit delivery contract value, based on the estimated
15 generation during the first 15 years of operation,
16 shall be paid by the contracting utilities at the time
17 that the facility producing the renewable energy
18 credits is interconnected at the distribution system
19 level of the utility and verified as energized and
20 compliant by the Program Administrator. The remaining
21 portion shall be paid ratably over the subsequent
22 6-year period. The electric utility shall receive and
23 retire all renewable energy credits generated by the
24 project for the first 15 years of operation. Renewable
25 energy credits generated by the project thereafter
26 shall not be transferred under the renewable energy

1 credit delivery contract with the counterparty
2 electric utility.

3 (iv) Unless otherwise provided for in the Agency's
4 approved long-term plan, for those renewable energy
5 credits that qualify and are procured under item (iii)
6 of subparagraph (K) of this paragraph (1), and any
7 like projects that qualify and are procured under
8 items (iv) and (vi), the renewable energy credit
9 delivery contract length shall be 20 years and shall
10 be paid over the delivery term, not to exceed during
11 each delivery year the contract price multiplied by
12 the estimated annual renewable energy credit
13 generation amount. If generation of renewable energy
14 credits during a delivery year exceeds the estimated
15 annual generation amount, the excess renewable energy
16 credits shall be carried forward to future delivery
17 years and shall not expire during the delivery term.
18 If generation of renewable energy credits during a
19 delivery year, including carried forward excess
20 renewable energy credits, if any, is less than the
21 estimated annual generation amount, payments during
22 such delivery year will not exceed the quantity
23 generated plus the quantity carried forward multiplied
24 by the contract price. The electric utility shall
25 receive all renewable energy credits generated by the
26 project during the first 20 years of operation and

1 retire all renewable energy credits paid for under
2 this item (iv) and return at the end of the delivery
3 term all renewable energy credits that were not paid
4 for. Renewable energy credits generated by the project
5 thereafter shall not be transferred under the
6 renewable energy credit delivery contract with the
7 counterparty electric utility. Notwithstanding the
8 preceding, for those projects participating under item
9 (iii) of subparagraph (K), the contract price for a
10 delivery year shall be based on subscription levels as
11 measured on the higher of the first business day of the
12 delivery year or the first business day 6 months after
13 the first business day of the delivery year.
14 Subscription of 90% of nameplate capacity or greater
15 shall be deemed to be fully subscribed for the
16 purposes of this item (iv). For projects receiving a
17 20-year delivery contract, REC prices shall be
18 adjusted downward for consistency with the incentive
19 levels previously determined to be necessary to
20 support projects under 15-year delivery contracts,
21 taking into consideration any additional new
22 requirements placed on the projects, including, but
23 not limited to, labor standards.

24 (v) Each contract shall include provisions to
25 ensure the delivery of the estimated quantity of
26 renewable energy credits and ongoing collateral

1 requirements and other provisions deemed appropriate
2 by the Agency.

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

9 (vii) If, at any time, approved applications for
10 the Adjustable Block program exceed funds collected by
11 the electric utility or would cause the Agency to
12 exceed the limitation described in subparagraph (E) of
13 this paragraph (1) on the amount of renewable energy
14 resources that may be procured, then the Agency may
15 consider future uncommitted funds to be reserved for
16 these contracts on a first-come, first-served basis.

17 (viii) Nothing in this Section shall require the
18 utility to advance any payment or pay any amounts that
19 exceed the actual amount of revenues anticipated to be
20 collected by the utility under paragraph (6) of this
21 subsection (c) and subsection (k) of Section 16-108 of
22 the Public Utilities Act inclusive of eligible funds
23 collected in prior years and alternative compliance
24 payments for use by the utility.

25 (ix) Notwithstanding other requirements of this
26 subparagraph (L), no modification shall be required to

1 Adjustable Block program contracts if they were
2 already executed prior to the establishment, approval,
3 and implementation of new contract forms as a result
4 of this amendatory Act of the 102nd General Assembly.

5 (x) Contracts may be assignable, but only to
6 entities first deemed by the Agency to have met
7 program terms and requirements applicable to direct
8 program participation. In developing contracts for the
9 delivery of renewable energy credits, the Agency shall
10 be permitted to establish fees applicable to each
11 contract assignment.

12 (M) The Agency shall be authorized to retain one or
13 more experts or expert consulting firms to develop,
14 administer, implement, operate, and evaluate the
15 Adjustable Block program described in subparagraph (K) of
16 this paragraph (1), as well as the Geothermal Homes and
17 Businesses Program described in subparagraph (S) of this
18 paragraph (1), and the Agency shall retain the consultant
19 or consultants in the same manner, to the extent
20 practicable, as the Agency retains others to administer
21 provisions of this Act, including, but not limited to, the
22 procurement administrator. The selection of experts and
23 expert consulting firms and the procurement process
24 described in this subparagraph (M) are exempt from the
25 requirements of Section 20-10 of the Illinois Procurement
26 Code, under Section 20-10 of that Code. The Agency shall

1 strive to minimize administrative expenses in the
2 implementation of the Adjustable Block program.

3 The Program Administrator may charge application fees
4 to participating firms to cover the cost of program
5 administration. Any application fee amounts shall
6 initially be determined through the long-term renewable
7 resources procurement plan, and modifications to any
8 application fee that deviate more than 25% from the
9 Commission's approved value must be approved by the
10 Commission as a long-term plan revision under Section
11 16-111.5 of the Public Utilities Act. The Agency shall
12 consider stakeholder feedback when making adjustments to
13 application fees and shall notify stakeholders in advance
14 of any planned changes.

15 In addition to covering the costs of program
16 administration, the Agency, in conjunction with its
17 Program Administrator, may also use the proceeds of such
18 fees charged to participating firms to support public
19 education and ongoing regional and national coordination
20 with nonprofit organizations, public bodies, and others
21 engaged in the implementation of renewable energy
22 incentive programs or similar initiatives. This work may
23 include developing papers and reports, hosting regional
24 and national conferences, and other work deemed necessary
25 by the Agency to position the State of Illinois as a
26 national leader in renewable energy incentive program

1 development and administration.

2 The Agency and its consultant or consultants shall
3 monitor block activity, share program activity with
4 stakeholders and conduct quarterly meetings to discuss
5 program activity and market conditions. If necessary, the
6 Agency may make prospective administrative adjustments to
7 the Adjustable Block program and the Geothermal Homes and
8 Businesses Program design, such as making adjustments to
9 purchase prices as necessary to achieve the goals of this
10 subsection (c). Program modifications to any block price
11 that do not deviate from the Commission's approved value
12 by more than 10% shall take effect immediately and are not
13 subject to Commission review and approval. Program
14 modifications to any block price that deviate more than
15 10% from the Commission's approved value must be approved
16 by the Commission as a long-term plan amendment under
17 Section 16-111.5 of the Public Utilities Act. The Agency
18 shall consider stakeholder feedback when making
19 adjustments to the Adjustable Block and the Geothermal
20 Homes and Businesses Program design and shall notify
21 stakeholders in advance of any planned changes.

22 The Agency and its program administrators for the
23 Adjustable Block program, the Illinois Solar for All
24 Program, and the Geothermal Homes and Businesses Program
25 consistent with the requirements of this subsection (c)
26 and subsection (b) of Section 1-56 of this Act, shall

1 propose the Adjustable Block program terms, conditions,
2 and requirements, including the prices to be paid for
3 renewable energy credits, where applicable, and
4 requirements applicable to participating entities and
5 project applications, through the development, review, and
6 approval of the Agency's long-term renewable resources
7 procurement plan described in this subsection (c) and
8 paragraph (5) of subsection (b) of Section 16-111.5 of the
9 Public Utilities Act. Terms, conditions, and requirements
10 for program participation shall include the following:

11 (i) The Agency shall establish a registration
12 process for entities seeking to qualify for
13 program-administered incentive funding and establish
14 baseline qualifications for vendor approval. The
15 Agency shall also establish program requirements and
16 minimum contract terms for vendors and others involved
17 in the marketing, sale, installation, and financing of
18 distributed generation systems and community solar
19 subscriptions to prevent misleading marketing and
20 abusive practices and to otherwise protect customers.
21 The Agency must maintain a list of approved entities
22 on each program's website, and may revoke a vendor's
23 ability to receive program-administered incentive
24 funding status upon a determination that the vendor
25 failed to comply with contract terms, the law, or
26 other program requirements.

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

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

22 (iv) The Agency shall establish one or multiple
23 Consumer Complaints Centers to accept complaints
24 regarding businesses that participate in, or otherwise
25 benefit from, State-administered incentive funding
26 through Agency-administered programs. The Agency shall

1 maintain a public database of complaints with any
2 confidential or particularly sensitive information
3 redacted from public entries.

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

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

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

24 (viii) The Agency may, at its discretion,
25 establish a registration process for entities, or a
26 subset of entities, that provide financing for

1 consumers for the purchase of distributed renewable
2 generation devices. The Agency may establish baseline
3 qualifications for financing entity approval,
4 including defining the circumstances under which
5 financing entities may be subject to registration. The
6 Agency may also establish program requirements for
7 entities that provide financing for the purchase of
8 distributed renewable generation devices, which may
9 include marketing and disclosure requirements, other
10 requirements as further defined by the Agency through
11 its long-term plan, and any consumer protection
12 requirements developed or modified thereto. If the
13 Agency establishes a registration process for
14 financing entities, the Agency may revoke a financing
15 entity's approval in a program upon a determination
16 that the financing entity failed to comply with
17 contract terms, the law, or other program
18 requirements. The Agency may also establish program
19 requirements that prohibit distributed renewable
20 generation devices intending to apply for
21 program-administered incentive funding from receiving
22 program funding if the consumer's purchase of the
23 device was financed by an entity whose approval status
24 in the program has been revoked. These registration
25 requirements may apply to entities that finance
26 projects intended to apply for program-administered

1 incentive funding even if those entities do not
2 receive any portion of the program-administered
3 incentive funding.

4 (ix) The Agency, at its discretion, may require
5 that vendors, as part of the application and annual
6 recertification process, present the Agency or its
7 designee with a security bond equal to an amount
8 determined to be reasonable by the Agency. The bond
9 shall be for the benefit of customers harmed by the
10 vendor's violation of Agency requirements or other
11 applicable laws or regulations. The Agency may
12 determine that it is reasonable to have no bond
13 requirement for some categories of vendors or enhanced
14 bond requirements for vendors that the Agency has
15 deemed to pose more acute risks.

16 (x) For distributed renewable generation devices,
17 the Agency may, in its discretion, establish
18 provisions that restrict, prohibit, or create
19 additional requirements for distributed renewable
20 generation device sales or financing offers through
21 which the customer is promised the pass-through of a
22 portion or all of the payments received by the
23 approved vendor for the delivery of renewable energy
24 credits only after the receipt of such payment by the
25 approved vendor. The requirements may include the use
26 of an escrow process developed by the Agency through

1 which renewable energy credit payments are made to an
2 escrow agent who then disburses the promised amount to
3 the customer and the remainder to the vendor. The
4 requirements in this item (x) shall in no way prohibit
5 the upfront discounting of the purchase price, lease
6 payment, or power purchase agreement rate based on the
7 anticipated receipt of renewable energy credit
8 contract payments by the approved vendor.

9 (xi) To the extent that distributed renewable
10 generation device sales or financing offers through
11 which the customer is promised the pass-through of a
12 portion or all of the payments received by the vendor
13 for the delivery of renewable energy credits after the
14 receipt of such payment by the vendor are permitted,
15 the following requirements may be implemented, at the
16 Agency's discretion, in a time and manner determined
17 by the Agency:

18 (I) the vendor shall submit proof of customer
19 payments to the Agency as the Agency deems
20 necessary; and

21 (II) the vendor shall represent and warrant on
22 a form developed by the Agency that the vendor is
23 not insolvent, has not voluntarily filed for
24 bankruptcy, and has not been subject to or
25 threatened with involuntary insolvency.

26 (xii) To ensure that customers receive full and

1 uninterrupted benefits and services promised by
2 vendors, the Agency may propose additional solutions
3 through its long-term renewable resources procurement
4 plan described in this subsection (c) and paragraph
5 (5) of subsection (b) of Section 16-111.5 of the
6 Public Utilities Act. The solutions may allow for
7 collections made pursuant to subsection (k) of Section
8 16-108 of the Public Utilities Act to support the
9 programs and procurements outlined in paragraph (1) of
10 subsection (c) of this Section to be leveraged to (1)
11 ensure that a vendor's promised payments are received
12 by customers, (2) incentivize vendors to establish
13 service agreements with customers whose original
14 vendor has become nonresponsive, (3) ensure that
15 customers receive restitution for financial harm
16 proven to be caused by a program vendor or its
17 designee, or (4) otherwise ensure that customers do
18 not suffer loss or harm through activities supported
19 by the Adjustable Block program and the Illinois Solar
20 for All Program.

21 (N) The Agency shall establish the terms, conditions,
22 and program requirements for photovoltaic community
23 renewable generation projects with a goal to expand access
24 to a broader group of energy consumers, to ensure robust
25 participation opportunities for residential and small
26 commercial customers and those who cannot install

1 renewable energy on their own properties. Subject to
2 reasonable limitations, any plan approved by the
3 Commission shall allow subscriptions to community
4 renewable generation projects to be portable and
5 transferable. For purposes of this subparagraph (N),
6 "portable" means that subscriptions may be retained by the
7 subscriber even if the subscriber relocates or changes its
8 address within the same utility service territory; and
9 "transferable" means that a subscriber may assign or sell
10 subscriptions to another person within the same utility
11 service territory.

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

18 Electric utilities shall provide a monetary credit to
19 a subscriber's subsequent bill for service for the
20 proportional output of a community renewable generation
21 project attributable to that subscriber as specified in
22 Section 16-107.5 of the Public Utilities Act.

23 The Agency shall purchase renewable energy credits
24 from subscribed shares of photovoltaic community renewable
25 generation projects through the Adjustable Block program
26 described in subparagraph (K) of this paragraph (1) or

1 through the Illinois Solar for All Program described in
2 Section 1-56 of this Act. The electric utility shall
3 purchase any unsubscribed energy from community renewable
4 generation projects that are Qualifying Facilities ("QF")
5 under the electric utility's tariff for purchasing the
6 output from QFs under Public Utilities Regulatory Policies
7 Act of 1978.

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

17 (O) For the delivery year beginning June 1, 2018, the
18 long-term renewable resources procurement plan required by
19 this subsection (c) shall provide for the Agency to
20 procure contracts to continue offering the Illinois Solar
21 for All Program described in subsection (b) of Section
22 1-56 of this Act, and the contracts approved by the
23 Commission shall be executed by the utilities that are
24 subject to this subsection (c). The long-term renewable
25 resources procurement plan shall allocate up to
26 \$50,000,000 per delivery year to fund the programs, and

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

20 (P) All programs and procurements under this
21 subsection (c) shall be designed to encourage
22 participating projects to use a diverse and equitable
23 workforce and a diverse set of contractors, including
24 minority-owned businesses, disadvantaged businesses,
25 trade unions, graduates of any workforce training programs
26 administered under this Act, and small businesses.

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

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

23 (1) Each facility shall be subject to the
24 prevailing wage requirements included in the
25 Prevailing Wage Act. The Agency shall require
26 verification that all construction performed on the

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

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

16 (ii) all new utility-scale photovoltaic
17 projects and repowered wind projects;

18 (iii) all new brownfield photovoltaic
19 projects;

20 (iv) all new photovoltaic community renewable
21 energy facilities that qualify for item (iii) of
22 subparagraph (K) of this paragraph (1);

23 (v) all new community driven community
24 photovoltaic projects that qualify for item (v) of
25 subparagraph (K) of this paragraph (1);

26 (vi) all new photovoltaic projects on public

1 school land that qualify for item (iv) of
2 subparagraph (K) of this paragraph (1);

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

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

19 (ix) all new, modernized, or retooled
20 hydropower facilities;

21 (x) all new geothermal heating and cooling
22 systems awarded through the Geothermal Homes and
23 Businesses Program under subparagraph (S) of this
24 paragraph (1) that do not serve (1) single-family
25 residential buildings, (2) multi-family
26 residential buildings with aggregate geothermal

1 system tonnage, including colocated projects, of
2 no more than 29 tons, or (3) houses of worship with
3 aggregate geothermal system tonnage, including
4 colocated projects, of no more than 29 tons.

5 (2) Renewable energy credits procured from new
6 utility-scale wind projects, new utility-scale solar
7 projects, new brownfield solar projects, repowered
8 wind projects, and retooled hydropower facilities
9 pursuant to Agency procurement events occurring after
10 the effective date of this amendatory Act of the 102nd
11 General Assembly and photovoltaic community renewable
12 generation projects where the aggregate capacity,
13 including colocated projects, exceeds 3,000 kilowatts
14 pursuant to a renewable energy credit delivery
15 contract approved by the Illinois Commerce Commission
16 under the Adjustable Block Program after the effective
17 date of this amendatory Act of the 104th General
18 Assembly must be from facilities built by general
19 contractors that must enter into a project labor
20 agreement, as defined by this Act, prior to
21 construction. Photovoltaic community renewable
22 generation projects on a program waitlist as of the
23 effective date of this amendatory Act of the 104th
24 General Assembly awarded capacity for the program year
25 commencing June 1, 2026 or any program year thereafter
26 shall not be exempt from the project labor agreement

1 requirements of this item (2). The project labor
2 agreement shall be filed with the Director in
3 accordance with procedures established by the Agency
4 through its long-term renewable resources procurement
5 plan. Any information submitted to the Agency in this
6 item (2) shall be considered commercially sensitive
7 information. At a minimum, the project labor agreement
8 must provide the names, addresses, and occupations of
9 the owner of the plant and the individuals
10 representing the labor organization employees
11 participating in the project labor agreement
12 consistent with the Project Labor Agreements Act. The
13 agreement must also specify the terms and conditions
14 as defined by this Act.

15 (2.5) Energy storage credits procured from battery
16 storage projects pursuant to Agency procurement events
17 and additional energy storage resources procured in
18 accordance with subparagraph (B) of paragraph (3) of
19 subsection (d-20) of this Section pursuant to Agency
20 procurement events occurring after the effective date
21 of this amendatory Act of the 104th General Assembly
22 must be from facilities built by general contractors
23 that must enter into a project labor agreement prior
24 to construction. The project labor agreement shall be
25 filed with the Director in accordance with procedures
26 established by the Agency through its long-term

1 renewable resources procurement plan. Any information
2 submitted to the Agency pursuant to this item (2.5)
3 shall be considered commercially sensitive
4 information. At a minimum, the project labor agreement
5 must provide the names, addresses, and occupations of
6 the owner of the plant and the individuals
7 representing the labor organization employees
8 participating in the project labor agreement
9 consistent with the Project Labor Agreements Act. The
10 agreement must also specify the terms and conditions,
11 as defined by this Act.

12 (3) It is the intent of this Section to ensure that
13 economic development occurs across Illinois
14 communities, that emerging businesses may grow, and
15 that there is improved access to the clean energy
16 economy by persons who have greater economic burdens
17 to success. The Agency shall take into consideration
18 the unique cost of compliance of this subparagraph (Q)
19 that might be borne by equity eligible contractors,
20 shall include such costs when determining the price of
21 renewable energy credits in the Adjustable Block
22 program and the Geothermal Homes and Businesses
23 Program, and shall take such costs into consideration
24 in a nondiscriminatory manner when comparing bids for
25 competitive procurements. The Agency shall consider
26 costs associated with compliance whether in the

1 development, financing, or construction of projects.

2 The Agency shall periodically review the assumptions
3 in these costs and may adjust prices, in compliance
4 with subparagraph (M) of this paragraph (1).

5 (R) In its long-term renewable resources procurement
6 plan, the Agency shall establish a self-direct renewable
7 portfolio standard compliance program for eligible
8 self-direct customers that purchase renewable energy
9 credits from utility-scale wind and solar projects through
10 long-term agreements for purchase of renewable energy
11 credits as described in this Section. Such long-term
12 agreements may include the purchase of energy or other
13 products on a physical or financial basis and may involve
14 an alternative retail electric supplier as defined in
15 Section 16-102 of the Public Utilities Act. This program
16 shall take effect in the delivery year commencing June 1,
17 2023.

18 (1) For the purposes of this subparagraph:

19 "Eligible self-direct customer" means any retail
20 customers of an electric utility that serves 3,000,000
21 or more retail customers in the State and whose total
22 highest 30-minute demand was more than 10,000
23 kilowatts, or any retail customers of an electric
24 utility that serves less than 3,000,000 retail
25 customers but more than 500,000 retail customers in
26 the State and whose total highest 15-minute demand was

1 more than 10,000 kilowatts.

2 "Retail customer" has the meaning set forth in
3 Section 16-102 of the Public Utilities Act and
4 multiple retail customer accounts under the same
5 corporate parent may aggregate their account demands
6 to meet the 10,000 kilowatt threshold. The criteria
7 for determining whether this subparagraph is
8 applicable to a retail customer shall be based on the
9 12 consecutive billing periods prior to the start of
10 the year in which the application is filed.

11 (2) For renewable energy credits to count toward
12 the self-direct renewable portfolio standard
13 compliance program, they must:

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

16 (ii) be sourced from one or more renewable
17 energy generating facilities that comply with the
18 geographic requirements as set forth in
19 subparagraph (I) of paragraph (1) of subsection
20 (c) as interpreted through the Agency's long-term
21 renewable resources procurement plan, or, where
22 applicable, the geographic requirements that
23 governed utility-scale renewable energy credits at
24 the time the eligible self-direct customer entered
25 into the applicable renewable energy credit
26 purchase agreement;

1 (iii) be procured through long-term contracts
2 with term lengths of at least 10 years either
3 directly with the renewable energy generating
4 facility or through a bundled power purchase
5 agreement, a virtual power purchase agreement, an
6 agreement between the renewable generating
7 facility, an alternative retail electric supplier,
8 and the customer, or such other structure as is
9 permissible under this subparagraph (R);

10 (iv) be equivalent in volume to at least 40%
11 of the eligible self-direct customer's usage,
12 determined annually by the eligible self-direct
13 customer's usage during the previous delivery
14 year, measured to the nearest megawatt-hour;

15 (v) be retired by or on behalf of the large
16 energy customer;

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

19 (vii) if the contracts for renewable energy
20 credits are entered into after the effective date
21 of this amendatory Act of the 102nd General
22 Assembly, the new utility-scale wind projects or
23 new utility-scale solar projects must comply with
24 the requirements established in subparagraphs (P)
25 and (Q) of paragraph (1) of this subsection (c)
26 and subsection (c-10).

(3) The self-direct renewable portfolio standard compliance program shall be designed to allow eligible self-direct customers to procure new renewable energy credits from new utility-scale wind projects or new utility-scale photovoltaic projects. The Agency shall annually determine the amount of utility-scale renewable energy credits it will include each year from the self-direct renewable portfolio standard compliance program, subject to receiving qualifying applications. In making this determination, the Agency shall evaluate publicly available analyses and studies of the potential market size for utility-scale renewable energy long-term purchase agreements by commercial and industrial energy customers and make that report publicly available. If demand for participation in the self-direct renewable portfolio standard compliance program exceeds availability, the Agency shall ensure participation is evenly split between commercial and industrial users to the extent there is sufficient demand from both customer classes. Each renewable energy credit procured pursuant to this subparagraph (R) by a self-direct customer shall reduce the total volume of renewable energy credits the Agency is otherwise required to procure from new utility-scale projects pursuant to subparagraph (C) of paragraph (1) of this subsection (c) on behalf of

1 contracting utilities where the eligible self-direct
2 customer is located. The self-direct customer shall
3 file an annual compliance report with the Agency
4 pursuant to terms established by the Agency through
5 its long-term renewable resources procurement plan to
6 be eligible for participation in this program.
7 Customers must provide the Agency with their most
8 recent electricity billing statements or other
9 information deemed necessary by the Agency to
10 demonstrate they are an eligible self-direct customer.

11 (4) The Commission shall approve a reduction in
12 the volumetric charges collected pursuant to Section
13 16-108 of the Public Utilities Act for approved
14 eligible self-direct customers equivalent to the
15 anticipated cost of renewable energy credit deliveries
16 under contracts for new utility-scale wind and new
17 utility-scale solar entered for each delivery year
18 after the large energy customer begins retiring
19 eligible new utility-scale renewable energy credits
20 for self-compliance. The self-direct credit amount
21 shall be determined annually and is equal to the
22 estimated portion of the cost authorized by
23 subparagraph (E) of paragraph (1) of this subsection
24 (c) that supported the annual procurement of
25 utility-scale renewable energy credits in the prior
26 delivery year using a methodology described in the

1 long-term renewable resources procurement plan,
2 expressed on a per kilowatthour basis, and does not
3 include (i) costs associated with any contracts
4 entered into before the delivery year in which the
5 customer files the initial compliance report to be
6 eligible for participation in the self-direct program,
7 and (ii) costs associated with procuring renewable
8 energy credits through existing and future contracts
9 through the Adjustable Block Program, subsection (c-5)
10 of this Section 1-75, and the Solar for All Program.
11 The Agency shall assist the Commission in determining
12 the current and future costs. The Agency must
13 determine the self-direct credit amount for new and
14 existing eligible self-direct customers and submit
15 this to the Commission in an annual compliance filing.
16 The Commission must approve the self-direct credit
17 amount by June 1, 2023 and June 1 of each delivery year
18 thereafter.

19 (5) Customers described in this subparagraph (R)
20 shall apply, on a form developed by the Agency, to the
21 Agency to be designated as a self-direct eligible
22 customer. Once the Agency determines that a
23 self-direct customer is eligible for participation in
24 the program, the self-direct customer will remain
25 eligible until the end of the term of the contract.
26 Thereafter, application may be made not less than 12

1 months before the filing date of the long-term
2 renewable resources procurement plan described in this
3 Act. At a minimum, such application shall contain the
4 following:

5 (i) the customer's certification that, at the
6 time of the customer's application, the customer
7 qualifies to be a self-direct eligible customer,
8 including documents demonstrating that
9 qualification;

10 (ii) the customer's certification that the
11 customer has entered into or will enter into by
12 the beginning of the applicable procurement year,
13 one or more bilateral contracts for new wind
14 projects or new photovoltaic projects, including
15 supporting documentation;

16 (iii) certification that the contract or
17 contracts for new renewable energy resources are
18 long-term contracts with term lengths of at least
19 10 years, including supporting documentation;

20 (iv) certification of the quantities of
21 renewable energy credits that the customer will
22 purchase each year under such contract or
23 contracts, including supporting documentation;

24 (v) proof that the contract is sufficient to
25 produce renewable energy credits to be equivalent
26 in volume to at least 40% of the large energy

1 customer's usage from the previous delivery year,
2 measured to the nearest megawatt-hour; and

3 (vi) certification that the customer intends
4 to maintain the contract for the duration of the
5 length of the contract.

6 (6) If a customer receives the self-direct credit
7 but fails to properly procure and retire renewable
8 energy credits as required under this subparagraph
9 (R), the Commission, on petition from the Agency and
10 after notice and hearing, may direct such customer's
11 utility to recover the cost of the wrongfully received
12 self-direct credits plus interest through an adder to
13 charges assessed pursuant to Section 16-108 of the
14 Public Utilities Act. Self-direct customers who
15 knowingly fail to properly procure and retire
16 renewable energy credits and do not notify the Agency
17 are ineligible for continued participation in the
18 self-direct renewable portfolio standard compliance
19 program.

20 (S) Beginning with the long-term renewable resources
21 procurement plan covering program and procurement activity
22 for the delivery year beginning on June 1, 2028, any
23 long-term renewable resources procurement plan developed
24 by the Agency in accordance with subparagraph (A) of this
25 paragraph (1) shall include a Geothermal Homes and
26 Businesses Program for the procurement of geothermal

1 renewable energy credits from new geothermal heating and
2 cooling systems. The long-term renewable resources
3 procurement plan shall allocate up to \$10,000,000 per
4 delivery year to fund the Program as described in this
5 subparagraph (S). The Program shall be designed to
6 stimulate the steady, predictable, and sustainable growth
7 of new geothermal heating and cooling system deployment in
8 this State and meet gaps in the marketplace. To this end,
9 the Geothermal Homes and Businesses Program shall provide
10 a transparent annual schedule of prices and quantities to
11 enable the geothermal heating and cooling market to scale
12 up and renewable energy credit prices to adjust at a
13 predictable rate over time. The prices set by the
14 Geothermal Homes and Businesses Program may be reflected
15 as a set value or as the product of a formula.

16 (i) The Geothermal Homes and Businesses Program
17 shall allocate blocks of renewable energy credits as
18 follows:

19 (1) The Agency may create categories for the
20 Program based on structure features and use cases,
21 including categories based on the nature and size
22 of the Program's projects, customers, communities
23 in which a project is located, and other
24 attributes, defined at the discretion of the
25 Agency through its long-term plan.

26 (2) The Agency shall propose an initial single

1 annual block for each Program delivery year for
2 each category it creates through the delivery year
3 beginning on June 1, 2035. The Program shall
4 include the following for eligible projects for
5 each delivery year: (I) a block of geothermal
6 renewable energy credit volumes; (II) a price for
7 renewable energy credits from geothermal heating
8 and cooling systems within the identified block;
9 and (III) the terms and conditions for securing a
10 spot on a waitlist once the block is fully
11 committed or reserved. The Agency may periodically
12 review its prior decisions establishing the amount
13 of geothermal renewable energy credit volumes in
14 each annual block and the purchase price for each
15 block and may propose, on an expedited basis,
16 changes to the previously set values, including,
17 but not limited to, redistributing the amounts and
18 the available funds as necessary and appropriate,
19 subject to Commission approval. The Agency may
20 define different block sizes, purchase prices, or
21 other distinct terms and conditions for projects
22 located in different utility service territories
23 if the Agency deems it necessary.

24 (3) The Agency may develop an intra-year and
25 year-to-year waitlist and block reservation policy
26 that balances market certainty, program

1 availability, and expedient project deployment.

2 (4) For the program year beginning on June 1,
3 2028, at least 33% of each annual block shall be
4 available to be reserved for systems that are
5 residential, as defined by the Agency. The Agency
6 shall endeavor to ensure at least 40% of each
7 annual block is available to be reserved by
8 systems located in Equity Investment Eligible
9 Communities. At least 10% of all annual blocks
10 shall be available to be reserved by systems from
11 applicants that are equity eligible contractors,
12 and the Agency shall propose to increase the
13 percentage of systems from applicants that are
14 equity eligible contractors over time to 40% based
15 on factors that include, but are not limited to,
16 the number of equity eligible contractors and the
17 volume used under this clause (4) in previous
18 delivery years. For long-term renewable resources
19 procurement plans developed thereafter, the Agency
20 may propose adjustments to the minimum percentages
21 based on developer interest, market interest and
22 availability, and other factors.

23 (5) The Agency shall establish Program
24 eligibility requirements that ensure that systems
25 that enter the Program are sufficiently mature
26 enough to indicate a demonstrable path to

1 completion and other terms, conditions, and
2 requirements for the program, including vendor
3 registration and approval, sales and marketing
4 requirements, and other consumer protection
5 requirements as the Agency deems necessary.

6 (6) The Program shall be designed to ensure
7 that geothermal renewable energy credits are
8 procured from projects in diverse locations and
9 are not procured from projects that are
10 concentrated in a few regional areas.

11 (7) The Agency, through its long-term
12 renewable resources procurement plan, may
13 implement solutions to maintain stable and
14 consistent REC offerings to avoid gaps in
15 availability during a delivery year, including,
16 but not limited to, creating a floating block of
17 REC capacity in a given delivery year.

18 (ii) Energy derived from a geothermal heating and
19 cooling system shall be eligible for inclusion in
20 meeting the requirements of the Program. Geothermal
21 renewable energy credits shall be expressed in
22 megawatt-hour units. To make this calculation, the
23 Agency (1) shall identify an appropriate formula
24 supported by a geothermal industry trade organization,
25 a national laboratory, or another data-backed and
26 verifiable methodology, (2) may propose adjustments to

1 any formulas for its proposed renewable energy credit
2 calculation methodology, and (3) may reflect
3 calculation methodologies already in use for other
4 State renewable portfolio standards, if applicable and
5 appropriate. The Agency shall determine the form and
6 manner in which the renewable energy credits are
7 verified and retired, in accordance with national best
8 practices.

9 Geothermal renewable energy credits retired by
10 obligated utilities for compliance with the Program
11 are only valid for compliance if those geothermal
12 renewable energy credits have not been previously
13 retired by another entity that is not the obligated
14 utility on any tracking system, carbon registry, or
15 other accounting mechanism at any time. Additionally,
16 geothermal renewable energy credits retired by
17 obligated utilities for compliance with the Program
18 shall only be valid for compliance if those geothermal
19 renewable energy credits have not been used to
20 substantiate a public emissions or energy usage claim
21 by any other another entity that is not the obligated
22 utility, of any type and at any time, whether or not
23 the geothermal renewable energy credits were actually
24 retired on a tracking system, registry, or other
25 accounting mechanism at the time of the public
26 emissions-based claim. Geothermal renewable energy

1 credits generated for compliance with the Program
2 shall be valid only if retired once, and claimed once,
3 by the obligated utility.

4 In order to promote the competitive development of
5 geothermal heating and cooling systems in furtherance
6 of this State's interest in the health, safety, and
7 welfare of its residents, renewable energy credits
8 from geothermal heating and cooling systems shall not
9 be eligible for purchase and retirement under this Act
10 if the credits are sourced from a geothermal heating
11 and cooling system for which costs are being recovered
12 on or after the effective date of this amendatory Act
13 of the 104th General Assembly through rates regulated
14 by this State or any other state.

15 (iii) The Agency shall establish Program
16 requirements and minimum contract terms to ensure that
17 projects are properly installed and that projects
18 operate to the level of expected benefits. The
19 contract terms shall include, but are not limited to,
20 the following:

21 (1) The capital that is not advanced shall be
22 disbursed upon a schedule determined by the
23 Agency, based on the total contracted fulfillment
24 over the delivery term, not to exceed, during each
25 delivery year, the contract price multiplied by
26 the estimated annual renewable energy credit

1 generation amount. Payment structures shall
2 include provisions that provide portions of the
3 renewable energy credit delivery contract value
4 upon energization, including no less than 40% of
5 the contract value for residential projects, based
6 on the estimated renewable energy credit
7 production during the contract term.

8 (2) For renewable energy credits that qualify
9 and are procured under the Program, the delivery
10 contract length shall be 15 years.

11 (3) For contracts that are paid upon the
12 delivery of renewable energy credits, if
13 generation of renewable energy credits from
14 geothermal heating and cooling systems during a
15 delivery year exceeds the estimated annual
16 generation amount, the excess of such renewable
17 energy credits shall be carried forward to future
18 delivery years and shall not expire during the
19 delivery term. If the renewable energy credit
20 generation during a delivery year, including any
21 carried forward excess renewable energy credits,
22 is less than the estimated annual generation
23 amount, payments during the delivery year shall
24 not exceed the quantity generated plus the
25 quantity carried forward multiplied by the
26 contract price. The electric utility shall receive

1 all renewable energy credits generated by the
2 project during the first 15 years of operation,
3 and retire all renewable energy credits paid for
4 under this clause (3) and return at the end of the
5 delivery term all geothermal renewable energy
6 credits that were not paid for. Renewable energy
7 credits generated by the project thereafter shall
8 not be transferred under the renewable energy
9 credit delivery contract with the counterparty
10 electric utility.

11 (4) For renewable energy contracts for any
12 type of community, shared, or similar geothermal
13 heating and cooling system that operates using a
14 subscription model and for which subscriptions are
15 a basis for contractual payments, subscription of
16 90% of total renewable energy credit volumes or
17 greater shall be deemed to be fully subscribed.

18 (5) Beginning with the long-term renewable
19 resources procurement plan covering the delivery
20 year beginning on June 1, 2030, the Agency may
21 propose a payment structure for Program contracts
22 upon a demonstration of qualification or need
23 under criteria established by the Agency that is
24 focused on supporting the small and emerging
25 businesses and the businesses that most acutely
26 face barriers to capital access. Successful

1 applicant firms shall have advanced capital
2 disbursed before renewable energy credits are
3 first generated. The maximum amount or percentage
4 of capital advanced shall be included in the
5 long-term renewable resources procurement plan,
6 and any amount actually advanced shall be designed
7 to overcome the barriers in access to capital that
8 are faced by an applicant through that applicant's
9 demonstration of need. The amount or percentage of
10 advanced capital may vary by year, or inter-year,
11 by structure category, block, and other factors as
12 deemed applicable by the Agency and by an
13 applicant's demonstration of need. Contracts
14 featuring capital advanced prior to system
15 operation shall feature provisions to ensure both
16 the successful development of applicant projects
17 and the delivery of renewable energy credits for
18 the full term of the contract, including ongoing
19 collateral requirements and other provisions
20 deemed necessary by the Agency. The percentage or
21 amount of capital advanced prior to system
22 operation shall not increase the overall contract
23 value.

24 (6) Each contract shall include provisions to
25 ensure the delivery of the estimated quantity of
26 geothermal renewable energy credits, including a

1 requirement of performance assurance in an amount
2 deemed appropriate by the Agency.

3 (7) An obligated utility shall be the
4 counterparty to the contracts executed under this
5 subparagraph (S) that are approved by the
6 Commission. No contract shall be executed for an
7 amount that is less than one geothermal renewable
8 energy credit per year.

9 (8) Nothing in this subparagraph (S) shall
10 require the utility to advance any payment or pay
11 any amounts that exceed the actual amount of
12 revenues anticipated to be collected by the
13 utility inclusive of eligible funds collected in
14 prior years and alternative compliance payments
15 for use by the utility.

16 (9) Contracts may be assignable, but only to
17 entities first deemed by the Agency to have met
18 Program terms and requirements applicable to
19 direct Program participation. In developing
20 contracts for the delivery of renewable energy
21 credits from geothermal heating and cooling
22 systems, the Agency may establish fees applicable
23 to each contract assignment.

24 (10) If, at any time, approved applications
25 for the Program exceed funds collected by the
26 electric utility or would cause the Agency to

1 exceed the limitation on the amount of renewable
2 energy resources that may be procured, then the
3 Agency may consider future uncommitted funds to be
4 reserved for these contracts on a first-come,
5 first-served basis.

6 (iv) In order to advance priority access to the
7 clean energy economy for businesses and workers from
8 communities that have been excluded from economic
9 opportunities in the energy sector, been subject to
10 disproportionate levels of pollution, and
11 disproportionately experienced negative public health
12 outcomes, the Agency shall apply its equity
13 accountability system and minimum equity standards
14 established under subsections (c-10), (c-15), (c-20),
15 (c-25), and (c-30) to geothermal heating and cooling
16 system renewable energy credit procurement and
17 programs and may include any proposed modifications to
18 the equity accountability system and minimum equity
19 standards that may be warranted with respect to
20 geothermal heating and cooling systems in its plan
21 submission to the Commission under Section 16-111.5 of
22 the Public Utilities Act.

23 (v) Projects shall be developed in compliance with
24 the prevailing wage and project labor agreement
25 requirements, as applicable, for renewable energy
26 projects in subparagraph (Q) of paragraph (1) of

1 subsection (c). Projects approved under this Program
2 are subject to the prevailing wage requirements
3 outlined in subitem (x) of item (1) of subparagraph
4 (Q) of paragraph (1) of this subsection (c). Renewable
5 energy credits for any single geothermal heating and
6 cooling project that is 142 tons or larger and is
7 procured under this Program after the effective date
8 of this amendatory Act of the 104th General Assembly
9 shall only be eligible if the associated project was
10 built by general contractors who entered into a
11 project labor agreement prior to construction. The
12 project labor agreement shall be filed with the
13 Director in accordance with procedures established by
14 the Agency through its long-term renewable resources
15 procurement plan. The project labor agreement shall
16 provide the names, addresses, and occupations of the
17 owner of the plant and the individuals representing
18 the labor organization employees that participate in
19 the project labor agreement. The project labor
20 agreement shall also specify terms and conditions as
21 provided in this Act.

22 (vi) The Agency shall strive to minimize
23 administrative expenses in the implementation of the
24 Program. The Agency may use any existing program
25 administrator and any applicable subcontractors to
26 develop, administer, implement, operate, and evaluate

1 the Program.

2 (T) Renewable energy credits procured under Agency
3 procurements or programs for community solar projects with
4 more than 3 megawatts in nameplate capacity must be
5 procured from facilities built by general contractors
6 that, prior to construction, enter into a project labor
7 agreement, as defined by this Act, subject to the
8 following requirements and limitations:

9 (i) The project labor agreement shall be filed
10 with the Director in accordance with procedures
11 established by the Agency through its long-term
12 renewable resources procurement plan. Any information
13 submitted to the Agency under this item (i) shall be
14 considered commercially sensitive information.

15 (ii) At a minimum, the project labor agreement
16 must provide the names, addresses, and occupations of
17 the owner of the project and any individuals
18 representing the labor organization of the employees
19 participating in the project labor agreement
20 consistent with the Project Labor Agreements Act. The
21 project labor agreement must also meet the terms and
22 conditions, as set forth in this Act.

23 (iii) It is the intent of this Section to ensure
24 that economic development occurs across communities in
25 this State, that emerging businesses may grow, and
26 that there is improved access to the clean energy

1 economy by persons who have greater economic burdens
2 to success. The Agency shall take into consideration
3 the unique cost of compliance of this subparagraph (T)
4 that may be borne by equity eligible contractors and
5 shall include those costs when determining the price
6 of renewable energy credits in the Adjustable Block
7 program. The Agency shall consider costs associated
8 with compliance, including in the development,
9 financing, or construction of projects. The Agency
10 shall periodically review the assumptions in these
11 costs and may adjust prices in compliance with
12 subparagraph (M) of this paragraph (1).

13 (2) (Blank).

14 (3) (Blank).

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

17 (5) Beginning with the 2010 delivery year and ending
18 June 1, 2017, an electric utility subject to this
19 subsection (c) shall apply the lesser of the maximum
20 alternative compliance payment rate or the most recent
21 estimated alternative compliance payment rate for its
22 service territory for the corresponding compliance period,
23 established pursuant to subsection (d) of Section 16-115D
24 of the Public Utilities Act to its retail customers that
25 take service pursuant to the electric utility's hourly
26 pricing tariff or tariffs. The electric utility shall

1 retain all amounts collected as a result of the
2 application of the alternative compliance payment rate or
3 rates to such customers, and, beginning in 2011, the
4 utility shall include in the information provided under
5 item (1) of subsection (d) of Section 16-111.5 of the
6 Public Utilities Act the amounts collected under the
7 alternative compliance payment rate or rates for the prior
8 year ending May 31. Notwithstanding any limitation on the
9 procurement of renewable energy resources imposed by item
10 (2) of this subsection (c), the Agency shall increase its
11 spending on the purchase of renewable energy resources to
12 be procured by the electric utility for the next plan year
13 by an amount equal to the amounts collected by the utility
14 under the alternative compliance payment rate or rates in
15 the prior year ending May 31.

16 (6) The electric utility shall be entitled to recover
17 all of its costs associated with the procurement of
18 renewable energy credits under plans approved under this
19 Section and Section 16-111.5 of the Public Utilities Act.
20 These costs shall include associated reasonable expenses
21 for implementing the procurement programs, including, but
22 not limited to, the costs of administering and evaluating
23 the Adjustable Block program and the Geothermal Homes and
24 Businesses Program, through an automatic adjustment clause
25 tariff in accordance with subsection (k) of Section 16-108
26 of the Public Utilities Act.

1 (7) Renewable energy credits procured from new
2 photovoltaic projects or new distributed renewable energy
3 generation devices under this Section after June 1, 2017
4 (the effective date of Public Act 99-906) must be procured
5 from devices installed by a qualified person in compliance
6 with the requirements of Section 16-128A of the Public
7 Utilities Act and any rules or regulations adopted
8 thereunder.

9 In meeting the renewable energy requirements of this
10 subsection (c), to the extent feasible and consistent with
11 State and federal law, the renewable energy credit
12 procurements, Adjustable Block solar program, and
13 community renewable generation program shall provide
14 employment opportunities for all segments of the
15 population and workforce, including minority-owned and
16 female-owned business enterprises, and shall not,
17 consistent with State and federal law, discriminate based
18 on race or socioeconomic status.

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

23 (1) In addition to the procurement of renewable energy
24 credits pursuant to long-term renewable resources
25 procurement plans in accordance with subsection (c) of
26 this Section and Section 16-111.5 of the Public Utilities

1 Act, the Agency shall conduct procurement events in
2 accordance with this subsection (c-5) for the procurement
3 by electric utilities that served more than 300,000 retail
4 customers in this State as of January 1, 2019 of renewable
5 energy credits from new renewable energy facilities to be
6 installed at or adjacent to the sites of electric
7 generating facilities that, as of January 1, 2016, burned
8 coal as their primary fuel source and meet the other
9 criteria specified in this subsection (c-5). For purposes
10 of this subsection (c-5), "new renewable energy facility"
11 means a new utility-scale solar project as defined in this
12 Section 1-75. The renewable energy credits procured
13 pursuant to this subsection (c-5) may be included or
14 counted for purposes of compliance with the amounts of
15 renewable energy credits required to be procured pursuant
16 to subsection (c) of this Section to the extent that there
17 are otherwise shortfalls in compliance with such
18 requirements. The procurement of renewable energy credits
19 by electric utilities pursuant to this subsection (c-5)
20 shall be funded solely by revenues collected from the Coal
21 to Solar and Energy Storage Initiative Charge provided for
22 in this subsection (c-5) and subsection (i-5) of Section
23 16-108 of the Public Utilities Act, shall not be funded by
24 revenues collected through any of the other funding
25 mechanisms provided for in subsection (c) of this Section,
26 and shall not be subject to the limitation imposed by

1 subsection (c) on charges to retail customers for costs to
2 procure renewable energy resources pursuant to subsection
3 (c), and shall not be subject to any other requirements or
4 limitations of subsection (c).

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

1 suppliers of renewable energy credits pursuant to this
2 subsection (c-5). The eligibility criteria for selection
3 as a supplier of renewable energy credits pursuant to this
4 subsection (c-5) shall be as follows:

5 (A) The applicant owns an electric generating
6 facility located in this State that: (i) as of January
7 1, 2016, burned coal as its primary fuel to generate
8 electricity; and (ii) has, or had prior to retirement,
9 an electric generating capacity of at least 150
10 megawatts. The electric generating facility can be
11 either: (i) retired as of the date of the procurement
12 event; or (ii) still operating as of the date of the
13 procurement event.

14 (B) The applicant is not (i) an electric
15 cooperative 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 or
19 an entity owned by entities described in (i) or (ii);
20 and the coal-fueled electric generating facility was
21 at one time owned, in whole or in part, by a public
22 utility as defined in Section 3-105 of the Public
23 Utilities Act.

24 (C) If participating in the first procurement
25 event, the applicant proposes and commits to construct
26 and operate, at the site, and if necessary for

1 sufficient space on property adjacent to the existing
2 property, at which the electric generating facility
3 identified in paragraph (A) is located: (i) a new
4 renewable energy facility of at least 20 megawatts but
5 no more than 100 megawatts of electric generating
6 capacity, and (ii) an energy storage facility having a
7 storage capacity equal to at least 2 megawatts and at
8 most 10 megawatts. If participating in the second
9 procurement event, the applicant proposes and commits
10 to construct and operate, at the site, and if
11 necessary for sufficient space on property adjacent to
12 the existing property, at which the electric
13 generating facility identified in paragraph (A) is
14 located: (i) a new renewable energy facility of at
15 least 5 megawatts but no more than 20 megawatts of
16 electric generating capacity, and (ii) an energy
17 storage facility having a storage capacity equal to at
18 least 0.5 megawatts and at most one megawatt.

19 (D) The applicant agrees that the new renewable
20 energy facility and the energy storage facility will
21 be constructed or installed by a qualified entity or
22 entities in compliance with the requirements of
23 subsection (g) of Section 16-128A of the Public
24 Utilities Act and any rules adopted thereunder.

25 (E) The applicant agrees that personnel operating
26 the new renewable energy facility and the energy

1 storage facility will have the requisite skills,
2 knowledge, training, experience, and competence, which
3 may be demonstrated by completion or current
4 participation and ultimate completion by employees of
5 an accredited or otherwise recognized apprenticeship
6 program for the employee's particular craft, trade, or
7 skill, including through training and education
8 courses and opportunities offered by the owner to
9 employees of the coal-fueled electric generating
10 facility or by previous employment experience
11 performing the employee's particular work skill or
12 function.

13 (F) The applicant commits that not less than the
14 prevailing wage, as determined pursuant to the
15 Prevailing Wage Act, will be paid to the applicant's
16 employees engaged in construction activities
17 associated with the new renewable energy facility and
18 the new energy storage facility and to the employees
19 of applicant's contractors engaged in construction
20 activities associated with the new renewable energy
21 facility and the new energy storage facility, and
22 that, on or before the commercial operation date of
23 the new renewable energy facility, the applicant shall
24 file a report with the Agency certifying that the
25 requirements of this subparagraph (F) have been met.

26 (G) The applicant commits that if selected, it

1 will negotiate a project labor agreement for the
2 construction of the new renewable energy facility and
3 associated energy storage facility that includes
4 provisions requiring the parties to the agreement to
5 work together to establish diversity threshold
6 requirements and to ensure best efforts to meet
7 diversity targets, improve diversity at the applicable
8 job site, create diverse apprenticeship opportunities,
9 and create opportunities to employ former coal-fired
10 power plant workers.

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

1 least 1,200 megawatts as of January 1, 2021, in which
2 case the applicable duration of the contract shall be
3 15 years.

4 (I) The applicant's application is certified by an
5 officer of the applicant and by an officer of the
6 applicant's ultimate parent company, if any.

7 (3) An applicant may submit applications to contract
8 to supply renewable energy credits from more than one new
9 renewable energy facility to be constructed at or adjacent
10 to one or more qualifying electric generating facilities
11 owned by the applicant. The Agency may select new
12 renewable energy facilities to be located at or adjacent
13 to the sites of more than one qualifying electric
14 generation facility owned by an applicant to contract with
15 electric utilities to supply renewable energy credits from
16 such facilities.

17 (4) The Agency shall assess fees to each applicant to
18 recover the Agency's costs incurred in receiving and
19 evaluating applications, conducting the procurement event,
20 developing contracts for sale, delivery and purchase of
21 renewable energy credits, and monitoring the
22 administration of such contracts, as provided for in this
23 subsection (c-5), including fees paid to a procurement
24 administrator retained by the Agency for one or more of
25 these purposes.

26 (5) The Agency shall select the applicants and the new

1 renewable energy facilities to contract with electric
2 utilities to supply renewable energy credits in accordance
3 with this subsection (c-5). In the first procurement
4 event, the Agency shall select applicants and new
5 renewable energy facilities to supply renewable energy
6 credits, at a price of \$30 per renewable energy credit,
7 aggregating to no less than 400,000 renewable energy
8 credits per year for the applicable duration, assuming
9 sufficient qualifying applications to supply, in the
10 aggregate, at least that amount of renewable energy
11 credits per year; and not more than 580,000 renewable
12 energy credits per year for the applicable duration. In
13 the second procurement event, the Agency shall select
14 applicants and new renewable energy facilities to supply
15 renewable energy credits, at a price of \$30 per renewable
16 energy credit, aggregating to no more than 625,000
17 renewable energy credits per year less the amount of
18 renewable energy credits each year contracted for as a
19 result of the first procurement event, for the applicable
20 durations. The number of renewable energy credits to be
21 procured as specified in this paragraph (5) shall not be
22 reduced based on renewable energy credits procured in the
23 self-direct renewable energy credit compliance program
24 established pursuant to subparagraph (R) of paragraph (1)
25 of subsection (c) of Section 1-75.

26 (6) The obligation to purchase renewable energy

1 credits from the applicants and their new renewable energy
2 facilities selected by the Agency shall be allocated to
3 the electric utilities based on their respective
4 percentages of kilowatthours delivered to delivery
5 services customers to the aggregate kilowatthour
6 deliveries by the electric utilities to delivery services
7 customers for the year ended December 31, 2021. In order
8 to achieve these allocation percentages between or among
9 the electric utilities, the Agency shall require each
10 applicant that is selected in the procurement event to
11 enter into a contract with each electric utility for the
12 sale and purchase of renewable energy credits from each
13 new renewable energy facility to be constructed and
14 operated by the applicant, with the sale and purchase
15 obligations under the contracts to aggregate to the total
16 number of renewable energy credits per year to be supplied
17 by the applicant from the new renewable energy facility.

18 (7) The Agency shall submit its proposed selection of
19 applicants, new renewable energy facilities to be
20 constructed, and renewable energy credit amounts for each
21 procurement event to the Commission for approval. The
22 Commission shall, within 2 business days after receipt of
23 the Agency's proposed selections, approve the proposed
24 selections if it determines that the applicants and the
25 new renewable energy facilities to be constructed meet the
26 selection criteria set forth in this subsection (c-5) and

1 that the Agency seeks approval for contracts of applicable
2 durations aggregating to no more than the maximum amount
3 of renewable energy credits per year authorized by this
4 subsection (c-5) for the procurement event, at a price of
5 \$30 per renewable energy credit.

6 (8) The Agency, in conjunction with its procurement
7 administrator if one is retained, the electric utilities,
8 and potential applicants for contracts to produce and
9 supply renewable energy credits pursuant to this
10 subsection (c-5), shall develop a standard form contract
11 for the sale, delivery and purchase of renewable energy
12 credits pursuant to this subsection (c-5). Each contract
13 resulting from the first procurement event shall allow for
14 a commercial operation date for the new renewable energy
15 facility of either June 1, 2023 or June 1, 2024, with such
16 dates subject to adjustment as provided in this paragraph.
17 Each contract resulting from the second procurement event
18 shall provide for a commercial operation date on June 1
19 next occurring up to 48 months after execution of the
20 contract. Each contract shall provide that the owner shall
21 receive payments for renewable energy credits for the
22 applicable durations beginning with the commercial
23 operation date of the new renewable energy facility. The
24 form contract shall provide for adjustments to the
25 commercial operation and payment start dates as needed due
26 to any delays in completing the procurement and

1 contracting processes, in finalizing interconnection
2 agreements and installing interconnection facilities, and
3 in obtaining other necessary governmental permits and
4 approvals. The form contract shall be, to the maximum
5 extent possible, consistent with standard electric
6 industry contracts for sale, delivery, and purchase of
7 renewable energy credits while taking into account the
8 specific requirements of this subsection (c-5). The form
9 contract shall provide for over-delivery and
10 under-delivery of renewable energy credits within
11 reasonable ranges during each 12-month period and penalty,
12 default, and enforcement provisions for failure of the
13 selling party to deliver renewable energy credits as
14 specified in the contract and to comply with the
15 requirements of this subsection (c-5). The standard form
16 contract shall specify that all renewable energy credits
17 delivered to the electric utility pursuant to the contract
18 shall be retired. The Agency shall make the proposed
19 contracts available for a reasonable period for comment by
20 potential applicants, and shall publish the final form
21 contract at least 30 days before the date of the first
22 procurement event.

23 (9) Coal to Solar and Energy Storage Initiative
24 Charge.

25 (A) By no later than July 1, 2022, each electric
26 utility that served more than 300,000 retail customers

1 in this State as of January 1, 2019 shall file a tariff
2 with the Commission for the billing and collection of
3 a Coal to Solar and Energy Storage Initiative Charge
4 in accordance with subsection (i-5) of Section 16-108
5 of the Public Utilities Act, with such tariff to be
6 effective, following review and approval or
7 modification by the Commission, beginning January 1,
8 2023. The tariff shall provide for the calculation and
9 setting of the electric utility's Coal to Solar and
10 Energy Storage Initiative Charge to collect revenues
11 estimated to be sufficient, in the aggregate, (i) to
12 enable the electric utility to pay for the renewable
13 energy credits it has contracted to purchase in the
14 delivery year beginning June 1, 2023 and each delivery
15 year thereafter from new renewable energy facilities
16 located at the sites of qualifying electric generating
17 facilities, and (ii) to fund the grant payments to be
18 made in each delivery year by the Department of
19 Commerce and Economic Opportunity, or any successor
20 department or agency, which shall be referred to in
21 this subsection (c-5) as the Department, pursuant to
22 paragraph (10) of this subsection (c-5). The electric
23 utility's tariff shall provide for the billing and
24 collection of the Coal to Solar and Energy Storage
25 Initiative Charge on each kilowatthour of electricity
26 delivered to its delivery services customers within

1 its service territory and shall provide for an annual
2 reconciliation of revenues collected with actual
3 costs, in accordance with subsection (i-5) of Section
4 16-108 of the Public Utilities Act.

5 (B) Each electric utility shall remit on a monthly
6 basis to the State Treasurer, for deposit in the Coal
7 to Solar and Energy Storage Initiative Fund provided
8 for in this subsection (c-5), the electric utility's
9 collections of the Coal to Solar and Energy Storage
10 Initiative Charge in the amount estimated to be needed
11 by the Department for grant payments pursuant to grant
12 contracts entered into by the Department pursuant to
13 paragraph (10) of this subsection (c-5).

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

15 (A) The Coal to Solar and Energy Storage
16 Initiative Fund is established as a special fund in
17 the State treasury. The Coal to Solar and Energy
18 Storage Initiative Fund is authorized to receive, by
19 statutory deposit, that portion specified in item (B)
20 of paragraph (9) of this subsection (c-5) of moneys
21 collected by electric utilities through imposition of
22 the Coal to Solar and Energy Storage Initiative Charge
23 required by this subsection (c-5). The Coal to Solar
24 and Energy Storage Initiative Fund shall be
25 administered by the Department to provide grants to
26 support the installation and operation of energy

1 storage facilities at the sites of qualifying electric
2 generating facilities meeting the criteria specified
3 in this paragraph (10).

4 (B) The Coal to Solar and Energy Storage
5 Initiative Fund shall not be subject to sweeps,
6 administrative charges, or chargebacks, including, but
7 not limited to, those authorized under Section 8h of
8 the State Finance Act, that would in any way result in
9 the transfer of those funds from the Coal to Solar and
10 Energy Storage Initiative Fund to any other fund of
11 this State or in having any such funds utilized for any
12 purpose other than the express purposes set forth in
13 this paragraph (10).

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

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

4 (2) the electric generating facility burns (or
5 burned prior to retirement) coal as its primary
6 source of fuel;

7 (3) if the electric generating facility is
8 retired, it was retired subsequent to January 1,
9 2016;

10 (4) the owner of the electric generating
11 facility has not been selected by the Agency
12 pursuant to this subsection (c-5) of this Section
13 to enter into a contract to sell renewable energy
14 credits to one or more electric utilities from a
15 new renewable energy facility located or to be
16 located at or adjacent to the site at which the
17 electric generating facility is located;

18 (5) the electric generating facility located
19 at the site was at one time owned, in whole or in
20 part, by a public utility as defined in Section
21 3-105 of the Public Utilities Act;

22 (6) the electric generating facility at the
23 site is not owned by (i) an electric cooperative
24 as defined in Section 3-119 of the Public
25 Utilities Act, or (ii) an entity described in
26 subsection (b)(1) of Section 3-105 of the Public

1 Utilities Act, or an association or consortium of
2 or an entity owned by entities described in items
3 (i) or (ii);

4 (7) the proposed energy storage facility at
5 the site will have energy storage capacity of at
6 least 37 megawatts;

7 (8) the owner commits to place the energy
8 storage facility into commercial operation on
9 either June 1, 2023, June 1, 2024, or June 1, 2025,
10 with such date subject to adjustment as needed due
11 to any delays in completing the grant contracting
12 process, in finalizing interconnection agreements
13 and in installing interconnection facilities, and
14 in obtaining necessary governmental permits and
15 approvals;

16 (9) the owner agrees that the new energy
17 storage facility will be constructed or installed
18 by a qualified entity or entities consistent with
19 the requirements of subsection (g) of Section
20 16-128A of the Public Utilities Act and any rules
21 adopted under that Section;

22 (10) the owner agrees that personnel operating
23 the energy storage facility will have the
24 requisite skills, knowledge, training, experience,
25 and competence, which may be demonstrated by
26 completion or current participation and ultimate

1 completion by employees of an accredited or
2 otherwise recognized apprenticeship program for
3 the employee's particular craft, trade, or skill,
4 including through training and education courses
5 and opportunities offered by the owner to
6 employees of the coal-fueled electric generating
7 facility or by previous employment experience
8 performing the employee's particular work skill or
9 function;

10 (11) the owner commits that not less than the
11 prevailing wage, as determined pursuant to the
12 Prevailing Wage Act, will be paid to the owner's
13 employees engaged in construction activities
14 associated with the new energy storage facility
15 and to the employees of the owner's contractors
16 engaged in construction activities associated with
17 the new energy storage facility, and that, on or
18 before the commercial operation date of the new
19 energy storage facility, the owner shall file a
20 report with the Department certifying that the
21 requirements of this subparagraph (11) have been
22 met; and

23 (12) the owner commits that if selected to
24 receive a grant, it will negotiate a project labor
25 agreement for the construction of the new energy
26 storage facility that includes provisions

1 requiring the parties to the agreement to work
2 together to establish diversity threshold
3 requirements and to ensure best efforts to meet
4 diversity targets, improve diversity at the
5 applicable job site, create diverse apprenticeship
6 opportunities, and create opportunities to employ
7 former coal-fired power plant workers.

8 The Department shall accept applications for this
9 grant program until March 31, 2022 and shall announce
10 the award of grants no later than June 1, 2022. The
11 Department shall make the grant payments to a
12 recipient in equal annual amounts for 10 years
13 following the date the energy storage facility is
14 placed into commercial operation. The annual grant
15 payments to a qualifying energy storage facility shall
16 be \$110,000 per megawatt of energy storage capacity,
17 with total annual grant payments pursuant to this
18 subparagraph (C) for qualifying energy storage
19 facilities not to exceed \$28,050,000 in any year.

20 (D) Grants of funding for energy storage
21 facilities pursuant to subparagraph (C) of this
22 paragraph (10), from the Coal to Solar and Energy
23 Storage Initiative Fund, shall be memorialized in
24 grant contracts between the Department and the
25 recipient. The grant contracts shall specify the date
26 or dates in each year on which the annual grant

1 payments shall be paid.

2 (E) All disbursements from the Coal to Solar and
3 Energy Storage Initiative Fund shall be made only upon
4 warrants of the Comptroller drawn upon the Treasurer
5 as custodian of the Fund upon vouchers signed by the
6 Director of the Department or by the person or persons
7 designated by the Director of the Department for that
8 purpose. The Comptroller is authorized to draw the
9 warrants upon vouchers so signed. The Treasurer shall
10 accept all written warrants so signed and shall be
11 released from liability for all payments made on those
12 warrants.

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

14 (A) Each applicant selected in a procurement event
15 to contract to supply renewable energy credits in
16 accordance with this subsection (c-5) and each owner
17 selected by the Department to receive a grant or
18 grants to support the construction and operation of a
19 new energy storage facility or facilities in
20 accordance with this subsection (c-5) shall, within 60
21 days following the Commission's approval of the
22 applicant to contract to supply renewable energy
23 credits or within 60 days following execution of a
24 grant contract with the Department, as applicable,
25 submit to the Commission a diversity, equity, and
26 inclusion plan setting forth the applicant's or

1 owner's numeric goals for the diversity composition of
2 its supplier entities for the new renewable energy
3 facility or new energy storage facility, as
4 applicable, which shall be referred to for purposes of
5 this paragraph (11) as the project, and the
6 applicant's or owner's action plan and schedule for
7 achieving those goals.

8 (B) For purposes of this paragraph (11), diversity
9 composition shall be based on the percentage, which
10 shall be a minimum of 25%, of eligible expenditures
11 for contract awards for materials and services (which
12 shall be defined in the plan) to business enterprises
13 owned by minority persons, women, or persons with
14 disabilities as defined in Section 2 of the Business
15 Enterprise for Minorities, Women, and Persons with
16 Disabilities Act, to LGBTQ business enterprises, to
17 veteran-owned business enterprises, and to business
18 enterprises located in environmental justice
19 communities. The diversity composition goals of the
20 plan may include eligible expenditures in areas for
21 vendor or supplier opportunities in addition to
22 development and construction of the project, and may
23 exclude from eligible expenditures materials and
24 services with limited market availability, limited
25 production and availability from suppliers in the
26 United States, such as solar panels and storage

1 batteries, and material and services that are subject
2 to critical energy infrastructure or cybersecurity
3 requirements or restrictions. The plan may provide
4 that the diversity composition goals may be met
5 through Tier 1 Direct or Tier 2 subcontracting
6 expenditures or a combination thereof for the project.

7 (C) The plan shall provide for, but not be limited
8 to: (i) internal initiatives, including multi-tier
9 initiatives, by the applicant or owner, or by its
10 engineering, procurement and construction contractor
11 if one is used for the project, which for purposes of
12 this paragraph (11) shall be referred to as the EPC
13 contractor, to enable diverse businesses to be
14 considered fairly for selection to provide materials
15 and services; (ii) requirements for the applicant or
16 owner or its EPC contractor to proactively solicit and
17 utilize diverse businesses to provide materials and
18 services; and (iii) requirements for the applicant or
19 owner or its EPC contractor to hire a diverse
20 workforce for the project. The plan shall include a
21 description of the applicant's or owner's diversity
22 recruiting efforts both for the project and for other
23 areas of the applicant's or owner's business
24 operations. The plan shall provide for the imposition
25 of financial penalties on the applicant's or owner's
26 EPC contractor for failure to exercise best efforts to

1 comply with and execute the EPC contractor's diversity
2 obligations under the plan. The plan may provide for
3 the applicant or owner to set aside a portion of the
4 work on the project to serve as an incubation program
5 for qualified businesses, as specified in the plan,
6 owned by minority persons, women, persons with
7 disabilities, LGBTQ persons, and veterans, and
8 businesses located in environmental justice
9 communities, seeking to enter the renewable energy
10 industry.

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

26 (c-10) Equity accountability system. It is the purpose of

1 this subsection (c-10) to create an equity accountability
2 system, which includes the minimum equity standards for all
3 renewable energy procurements, the equity category of the
4 Adjustable Block Program, and the equity prioritization for
5 noncompetitive procurements, that is successful in advancing
6 priority access to the clean energy economy for businesses and
7 workers from communities that have been excluded from economic
8 opportunities in the energy sector, have been subject to
9 disproportionate levels of pollution, and have
10 disproportionately experienced negative public health
11 outcomes. Further, it is the purpose of this subsection to
12 ensure that this equity accountability system is successful in
13 advancing equity across Illinois by providing access to the
14 clean energy economy for businesses and workers from
15 communities that have been historically excluded from economic
16 opportunities in the energy sector, have been subject to
17 disproportionate levels of pollution, and have
18 disproportionately experienced negative public health
19 outcomes.

20 (1) Minimum equity standards. The Agency shall create
21 programs with the purpose of increasing access to and
22 development of equity eligible contractors, who are prime
23 contractors and subcontractors, across all of the programs
24 it manages. All applications for renewable energy credit
25 procurements shall comply with specific minimum equity
26 commitments. Starting in the delivery year immediately

1 following the next long-term renewable resources
2 procurement plan, at least 10% of the project workforce
3 for each entity participating in a procurement program
4 outlined in this subsection (c-10) must be done by equity
5 eligible persons or equity eligible contractors. The
6 Agency shall increase the minimum percentage each delivery
7 year thereafter by increments that ensure a statewide
8 average of 30% of the project workforce for each entity
9 participating in a procurement program is done by equity
10 eligible persons or equity eligible contractors by 2030.
11 The Agency shall propose a schedule of percentage
12 increases to the minimum equity standards in its draft
13 revised renewable energy resources procurement plan
14 submitted to the Commission for approval pursuant to
15 paragraph (5) of subsection (b) of Section 16-111.5 of the
16 Public Utilities Act. In determining these annual
17 increases, the Agency shall have the discretion to
18 establish different minimum equity standards for different
19 types of procurements and different regions of the State
20 if the Agency finds that doing so will further the
21 purposes of this subsection (c-10). The proposed schedule
22 of annual increases shall be revisited and updated on an
23 annual basis. Revisions shall be developed with
24 stakeholder input, including from equity eligible persons,
25 equity eligible contractors, clean energy industry
26 representatives, and community-based organizations that

1 work with such persons and contractors.

2 (A) At the start of each delivery year, the Agency
3 shall require a compliance plan from each entity
4 participating in a procurement program of subsection
5 (c) of this Section, and entities opting to comply
6 with the minimum equity standard through the Illinois
7 Solar for All Program under Section 1-56 of this Act,
8 that demonstrates how they will achieve compliance
9 with the minimum equity standard percentage for work
10 completed in that delivery year. If an entity applies
11 for its approved vendor or designee status between
12 delivery years, the Agency shall require a compliance
13 plan at the time of application.

14 (B) Halfway through each delivery year, the Agency
15 shall require each entity participating in a
16 procurement program to confirm that it will achieve
17 compliance in that delivery year, when applicable. The
18 Agency may offer corrective action plans to entities
19 that are not on track to achieve compliance.

20 (C) At the end of each delivery year, each entity
21 participating and completing work in that delivery
22 year in a procurement program of subsection (c) shall
23 submit a report to the Agency that demonstrates how it
24 achieved compliance with the minimum equity standards
25 percentage for that delivery year.

26 (D) The Agency shall prohibit participation in

1 procurement programs by an approved vendor or
2 designee, as applicable, or entities with which an
3 approved vendor or designee, as applicable, shares a
4 common parent company if an approved vendor or
5 designee, as applicable, failed to meet the minimum
6 equity standards for the prior delivery year. Waivers
7 approved for lack of equity eligible persons or equity
8 eligible contractors in a geographic area of a project
9 shall not count against the approved vendor or
10 designee. The Agency shall offer a corrective action
11 plan for any such entities to assist them in obtaining
12 compliance and shall allow continued access to
13 procurement programs upon an approved vendor or
14 designee demonstrating compliance.

15 (E) The Agency shall pursue efficiencies achieved
16 by combining with other approved vendor or designee
17 reporting.

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

22 (3) Equity accountability system within competitive
23 procurements. Through its long-term renewable resources
24 procurement plan, the Agency shall develop requirements
25 for ensuring that competitive procurement processes,
26 including utility-scale solar, utility-scale wind, and

1 brownfield site photovoltaic projects, advance the equity
2 goals of this subsection (c-10). Subject to Commission
3 approval, the Agency shall develop bid application
4 requirements and a bid evaluation methodology for ensuring
5 that utilization of equity eligible contractors, whether
6 as bidders or as participants on project development, is
7 optimized, including requiring that winning or successful
8 applicants for utility-scale projects are or will partner
9 with equity eligible contractors and giving preference to
10 bids through which a higher portion of contract value
11 flows to equity eligible contractors. To the extent
12 practicable, entities participating in competitive
13 procurements shall also be required to meet all the equity
14 accountability requirements for approved vendors and their
15 designees under this subsection (c-10). In developing
16 these requirements, the Agency shall also consider whether
17 equity goals can be further advanced through additional
18 measures.

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

22 (A) The current status and number of equity
23 eligible contractors listed in the Energy Workforce
24 Equity Database designed in subsection (c-25),
25 including the number of equity eligible contractors
26 with current certifications as issued by the Agency.

1 (B) A mechanism for measuring, tracking, and
2 reporting project workforce at the approved vendor or
3 designee level, as applicable, which shall include a
4 measurement methodology and records to be made
5 available for audit by the Agency or the Program
6 Administrator.

7 (C) A program for approved vendors, designees,
8 eligible persons, and equity eligible contractors to
9 receive trainings, guidance, and other support from
10 the Agency or its designee regarding the equity
11 category outlined in item (vi) of subparagraph (K) of
12 paragraph (1) of subsection (c) and in meeting the
13 minimum equity standards of this subsection (c-10).

14 (D) A process for certifying equity eligible
15 contractors and equity eligible persons. The
16 certification process shall coordinate with the Energy
17 Workforce Equity Database set forth in subsection
18 (c-25).

19 (E) An application for waiver of the minimum
20 equity standards of this subsection, which the Agency
21 shall have the discretion to grant in rare
22 circumstances. The Agency may grant such a waiver
23 where the applicant provides evidence of significant
24 efforts toward meeting the minimum equity commitment,
25 including: use of the Energy Workforce Equity
26 Database; efforts to hire or contract with entities

1 that hire eligible persons; and efforts to establish
2 contracting relationships with eligible contractors.
3 The Agency shall support applicants in understanding
4 the Energy Workforce Equity Database and other
5 resources for pursuing compliance of the minimum
6 equity standards. Waivers shall be project-specific,
7 unless the Agency deems it necessary to grant a waiver
8 across a portfolio of projects, and in effect for no
9 longer than one year. Any waiver extension or
10 subsequent waiver request from an applicant shall be
11 subject to the requirements of this Section and shall
12 specify efforts made to reach compliance. When
13 considering whether to grant a waiver, and to what
14 extent, the Agency shall consider the degree to which
15 similarly situated applicants have been able to meet
16 these minimum equity commitments. For repeated waiver
17 requests for specific lack of eligible persons or
18 eligible contractors available, the Agency shall make
19 recommendations to target recruitment to add such
20 eligible persons or eligible contractors to the
21 database.

22 (5) The Agency shall collect information about work on
23 projects or portfolios of projects subject to these
24 minimum equity standards to ensure compliance with this
25 subsection (c-10). Reporting in furtherance of this
26 requirement may be combined with other annual reporting

1 requirements. Such reporting shall include proof of
2 certification of each equity eligible contractor or equity
3 eligible person during the applicable time period.

4 As part of the reporting requirement under this
5 subparagraph (5), the Agency shall collect and report
6 information about the use of equity eligible contractors
7 and equity eligible persons, as well as Minimum Equity
8 Standard compliance and waiver usage on the Adjustable
9 Block program and utility-scale projects subject to
10 project labor agreements. The Agency shall note any
11 instances of the projects being unable to meet or
12 requiring a waiver to meet Minimum Equity Standard
13 requirements and the location of those projects.

14 On an annual basis, the Agency shall submit a written
15 summary of its findings on an annual basis to the General
16 Assembly and the Governor and shall make the report and
17 summary available on the Agency's website.

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

21 (7) Modifications to the equity accountability system.
22 As part of the update of the long-term renewable resources
23 procurement plan to be initiated in 2023, or sooner if the
24 Agency deems necessary, the Agency shall determine the
25 extent to which the equity accountability system described
26 in this subsection (c-10) has advanced the goals of this

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

23 (8) An energy storage project shall not be eligible
24 for the procurement of energy storage credits under this
25 subsection (c-10) unless the owner or developer of the
26 energy storage project demonstrates, as a condition of bid

1 eligibility, that the energy storage project's long-term
2 debt financing is secured through bonds issued by the
3 Illinois Finance Authority pursuant to the Illinois
4 Finance Authority Act. The Agency shall disqualify any bid
5 for energy storage credits that does not use such
6 State-backed conduit financing unless the Illinois Finance
7 Authority determines that the project meets its standard
8 underwriting criteria.

9 (9) For any procurement of energy storage credits or
10 capacity conducted on or after the effective date of this
11 amendatory Act of the 104th General Assembly, the Agency
12 shall require, as a condition of bid eligibility, that any
13 new energy storage project with a nameplate capacity
14 exceeding 20 megawatts use bonding issued by the Illinois
15 Finance Authority. A project developer shall submit a
16 letter of intent or commitment from the Illinois Finance
17 Authority as part of the project developer's bid package.
18 Failure to use such State-backed conduit financing shall
19 result in the disqualification of a bid, unless the
20 Illinois Finance Authority provides written certification
21 that the project meets its standard underwriting criteria.

22 (10) The Agency shall not execute any procurement plan
23 or enter into contracts for energy storage or renewable
24 energy credits that would result in the average retail
25 customer's bill exceeding any cost-control caps under
26 Section 16-107.5 or Section 16-108 of the Public Utilities

1 Act, unless the excess amount is approved by the General
2 Assembly as required under subsections (m) and (n) of
3 Section 16-107.6 of the Public Utilities Act.

4 (c-15) Racial discrimination elimination powers and
5 process.

6 (1) Purpose. It is the purpose of this subsection to
7 empower the Agency and other State actors to remedy racial
8 discrimination in Illinois' clean energy economy as
9 effectively and expediently as possible, including through
10 the use of race-conscious remedies, such as race-conscious
11 contracting and hiring goals, as consistent with State and
12 federal law.

13 (2) Racial disparity and discrimination review
14 process.

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

26 (B) As soon as is practicable thereafter, the

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

1 (c-20) Program data collection.

2 (1) Purpose. Data collection, data analysis, and
3 reporting are critical to ensure that the benefits of the
4 clean energy economy provided to Illinois residents and
5 businesses are equitably distributed across the State. The
6 Agency shall collect data from program applicants in order
7 to track and improve equitable distribution of benefits
8 across Illinois communities for all procurements the
9 Agency conducts. The Agency shall use this data to, among
10 other things, measure any potential impact of racial
11 discrimination on the distribution of benefits and provide
12 information necessary to correct any discrimination
13 through methods consistent with State and federal law.

14 (2) Agency collection of program data. The Agency
15 shall collect demographic and geographic data for each
16 entity awarded contracts under any Agency-administered
17 program.

18 (3) Required information to be collected. The Agency
19 shall collect the following information from applicants
20 and program participants where applicable:

21 (A) demographic information, including racial or
22 ethnic identity for real persons employed, contracted,
23 or subcontracted through the program and owners of
24 businesses or entities that apply to receive renewable
25 energy credits from the Agency;

26 (B) geographic location of the residency of real

1 persons employed, contracted, or subcontracted through
2 the program and geographic location of the
3 headquarters of the business or entity that applies to
4 receive renewable energy credits from the Agency; and

5 (C) any other information the Agency determines is
6 necessary for the purpose of achieving the purpose of
7 this subsection.

8 (4) Publication of collected information. The Agency
9 shall publish, at least annually, information on the
10 demographics of program participants on an aggregate
11 basis.

12 (5) Nothing in this subsection shall be interpreted to
13 limit the authority of the Agency, or other agency or
14 department of the State, to require or collect demographic
15 information from applicants of other State programs.

16 (c-25) Energy Workforce Equity Database.

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

1 (A) publicly accessible;

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

3 (C) organized by company specialty or field;

4 (D) region-specific; and

5 (E) populated with information including, but not
6 limited to, contacts for suppliers, vendors, or
7 subcontractors who are minority and women-owned
8 business enterprise certified or who participate or
9 have participated in any of the programs described in
10 this Act.

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

14 (A) a map of environmental justice and equity
15 investment eligible communities;

16 (B) job postings and recruiting opportunities;

17 (C) a means by which recruiting clean energy
18 companies can find and interact with current or former
19 participants of clean energy workforce training
20 programs;

21 (D) information on workforce training service
22 providers and training opportunities available to
23 prospective workers;

24 (E) renewable energy company diversity reporting;

25 (F) a list of equity eligible contractors with
26 their contact information, types of work performed,

1 and locations worked in;

2 (G) reporting on outcomes of the programs
3 described in the workforce programs of the Energy
4 Transition Act, including information such as, but not
5 limited to, retention rate, graduation rate, and
6 placement rates of trainees; and

7 (H) information about the Jobs and Environmental
8 Justice Grant Program, the Clean Energy Jobs and
9 Justice Fund, and other sources of capital.

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

19 (c-30) Enforcement of minimum equity standards. All
20 entities seeking renewable energy credits must submit an
21 annual report to demonstrate compliance with each of the
22 equity commitments required under subsection (c-10). If the
23 Agency concludes the entity has not met or maintained its
24 minimum equity standards required under the applicable
25 subparagraphs under subsection (c-10), the Agency shall deny
26 the entity's ability to participate in procurement programs in

1 subsection (c), including by withholding approved vendor or
2 designee status. The Agency may require the entity to enter
3 into a corrective action plan. An entity that is not
4 recertified for failing to meet required equity actions in
5 subparagraph (c-10) may reapply once they have a corrective
6 action plan and achieve compliance with the minimum equity
7 standards.

8 (d) Clean coal portfolio standard.

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

1 expenditures pursuant to such sourcing agreements covering
2 electricity generated by clean coal facilities, other than
3 the initial clean coal facility, by the procurement
4 administrator, in consultation with the Commission staff,
5 Agency staff, and the procurement monitor and shall be
6 subject to Commission review and approval.

7 A utility party to a sourcing agreement shall
8 immediately retire any emission credits that it receives
9 in connection with the electricity covered by such
10 agreement.

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

17 A utility shall be deemed to have complied with the
18 clean coal portfolio standard specified in this subsection
19 (d) if the utility enters into a sourcing agreement as
20 required by this subsection (d).

21 (2) For purposes of this subsection (d), the required
22 execution of sourcing agreements with the initial clean
23 coal facility for a particular year shall be measured as a
24 percentage of the actual amount of electricity
25 (megawatt-hours) supplied by the electric utility to
26 eligible retail customers in the planning year ending

1 immediately prior to the agreement's execution. For
2 purposes of this subsection (d), the amount paid per
3 kilowatthour means the total amount paid for electric
4 service expressed on a per kilowatthour basis. For
5 purposes of this subsection (d), the total amount paid for
6 electric service includes without limitation amounts paid
7 for supply, transmission, distribution, surcharges and
8 add-on taxes.

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

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

20 (B) in 2011, the greater of an additional 0.5% of
21 the amount paid per kilowatthour by those customers
22 during the year ending May 31, 2010 or 1% of the amount
23 paid per kilowatthour by those customers during the
24 year ending May 31, 2009;

25 (C) in 2012, the greater of an additional 0.5% of
26 the amount paid per kilowatthour by those customers

1 during the year ending May 31, 2011 or 1.5% of the
2 amount paid per kilowatthour by those customers during
3 the year ending May 31, 2009;

4 (D) in 2013, the greater of an additional 0.5% of
5 the amount paid per kilowatthour by those customers
6 during the year ending May 31, 2012 or 2% of the amount
7 paid per kilowatthour by those customers during the
8 year ending May 31, 2009; and

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

22 No later than June 30, 2015, the Commission shall
23 review the limitation on the total amount paid under
24 sourcing agreements, if any, with clean coal facilities
25 pursuant to this subsection (d) and report to the General
26 Assembly its findings as to whether that limitation unduly

1 constrains the amount of electricity generated by
2 cost-effective clean coal facilities that is covered by
3 sourcing agreements.

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

26 (A) a formula contractual price (the "contract

1 price") approved pursuant to paragraph (4) of this
2 subsection (d), which shall:

3 (i) be determined using a cost of service
4 methodology employing either a level or deferred
5 capital recovery component, based on a capital
6 structure consisting of 45% equity and 55% debt,
7 and a return on equity as may be approved by the
8 Federal Energy Regulatory Commission, which in any
9 case may not exceed the lower of 11.5% or the rate
10 of return approved by the General Assembly
11 pursuant to paragraph (4) of this subsection (d);
12 and

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

1 revenue requirement for this initial clean coal
2 facility;

3 (B) power purchase provisions, which shall:

4 (i) provide that the utility party to such
5 sourcing agreement shall pay the contract price
6 for electricity delivered under such sourcing
7 agreement;

8 (ii) require delivery of electricity to the
9 regional transmission organization market of the
10 utility that is party to such sourcing agreement;

11 (iii) require the utility party to such
12 sourcing agreement to buy from the initial clean
13 coal facility in each hour an amount of energy
14 equal to all clean coal energy made available from
15 the initial clean coal facility during such hour
16 times a fraction, the numerator of which is such
17 utility's retail market sales of electricity
18 (expressed in kilowatthours sold) in the State
19 during the prior calendar month and the
20 denominator of which is the total retail market
21 sales of electricity (expressed in kilowatthours
22 sold) in the State by utilities during such prior
23 month and the sales of electricity (expressed in
24 kilowatthours sold) in the State by alternative
25 retail electric suppliers during such prior month
26 that are subject to the requirements of this

1 subsection (d) and paragraph (5) of subsection (d)
2 of Section 16-115 of the Public Utilities Act,
3 provided that the amount purchased by the utility
4 in any year will be limited by paragraph (2) of
5 this subsection (d); and

6 (iv) be considered pre-existing contracts in
7 such utility's procurement plans for eligible
8 retail customers;

9 (C) contract for differences provisions, which
10 shall:

11 (i) require the utility party to such sourcing
12 agreement to contract with the initial clean coal
13 facility in each hour with respect to an amount of
14 energy equal to all clean coal energy made
15 available from the initial clean coal facility
16 during such hour times a fraction, the numerator
17 of which is such utility's retail market sales of
18 electricity (expressed in kilowatthours sold) in
19 the utility's service territory in the State
20 during the prior calendar month and the
21 denominator of which is the total retail market
22 sales of electricity (expressed in kilowatthours
23 sold) in the State by utilities during such prior
24 month and the sales of electricity (expressed in
25 kilowatthours sold) in the State by alternative
26 retail electric suppliers during such prior month

1 that are subject to the requirements of this
2 subsection (d) and paragraph (5) of subsection (d)
3 of Section 16-115 of the Public Utilities Act,
4 provided that the amount paid by the utility in
5 any year will be limited by paragraph (2) of this
6 subsection (d);

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

25 (iii) not require the utility to take physical
26 delivery of the electricity produced by the

1 facility;

2 (D) general provisions, which shall:

3 (i) specify a term of no more than 30 years,
4 commencing on the commercial operation date of the
5 facility;

6 (ii) provide that utilities shall maintain
7 adequate records documenting purchases under the
8 sourcing agreements entered into to comply with
9 this subsection (d) and shall file an accounting
10 with the load forecast that must be filed with the
11 Agency by July 15 of each year, in accordance with
12 subsection (d) of Section 16-111.5 of the Public
13 Utilities Act;

14 (iii) provide that all costs associated with
15 the initial clean coal facility will be
16 periodically reported to the Federal Energy
17 Regulatory Commission and to purchasers in
18 accordance with applicable laws governing
19 cost-based wholesale power contracts;

20 (iv) permit the Illinois Power Agency to
21 assume ownership of the initial clean coal
22 facility, without monetary consideration and
23 otherwise on reasonable terms acceptable to the
24 Agency, if the Agency so requests no less than 3
25 years prior to the end of the stated contract
26 term;

1 (v) require the owner of the initial clean
2 coal facility to provide documentation to the
3 Commission each year, starting in the facility's
4 first year of commercial operation, accurately
5 reporting the quantity of carbon emissions from
6 the facility that have been captured and
7 sequestered and report any quantities of carbon
8 released from the site or sites at which carbon
9 emissions were sequestered in prior years, based
10 on continuous monitoring of such sites. If, in any
11 year after the first year of commercial operation,
12 the owner of the facility fails to demonstrate
13 that the initial clean coal facility captured and
14 sequestered at least 50% of the total carbon
15 emissions that the facility would otherwise emit
16 or that sequestration of emissions from prior
17 years has failed, resulting in the release of
18 carbon dioxide into the atmosphere, the owner of
19 the facility must offset excess emissions. Any
20 such carbon offsets must be permanent, additional,
21 verifiable, real, located within the State of
22 Illinois, and legally and practicably enforceable.
23 The cost of such offsets for the facility that are
24 not recoverable shall not exceed \$15 million in
25 any given year. No costs of any such purchases of
26 carbon offsets may be recovered from a utility or

1 its customers. All carbon offsets purchased for
2 this purpose and any carbon emission credits
3 associated with sequestration of carbon from the
4 facility must be permanently retired. The initial
5 clean coal facility shall not forfeit its
6 designation as a clean coal facility if the
7 facility fails to fully comply with the applicable
8 carbon sequestration requirements in any given
9 year, provided the requisite offsets are
10 purchased. However, the Attorney General, on
11 behalf of the People of the State of Illinois, may
12 specifically enforce the facility's sequestration
13 requirement and the other terms of this contract
14 provision. Compliance with the sequestration
15 requirements and offset purchase requirements
16 specified in paragraph (3) of this subsection (d)
17 shall be reviewed annually by an independent
18 expert retained by the owner of the initial clean
19 coal facility, with the advance written approval
20 of the Attorney General. The Commission may, in
21 the course of the review specified in item (vii),
22 reduce the allowable return on equity for the
23 facility if the facility willfully fails to comply
24 with the carbon capture and sequestration
25 requirements set forth in this item (v);

26 (vi) include limits on, and accordingly

1 provide for modification of, the amount the
2 utility is required to source under the sourcing
3 agreement consistent with paragraph (2) of this
4 subsection (d);

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

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

1 (ix) limit the utility's or alternative retail
2 electric supplier's obligation to incur any
3 liability until such time as the facility is in
4 commercial operation and generating power and
5 energy and such power and energy is being
6 delivered to the facility busbar;

7 (x) provide that the owner or owners of the
8 initial clean coal facility, which is the
9 counterparty to such sourcing agreement, shall
10 have the right from time to time to elect whether
11 the obligations of the utility party thereto shall
12 be governed by the power purchase provisions or
13 the contract for differences provisions;

14 (xi) append documentation showing that the
15 formula rate and contract, insofar as they relate
16 to the power purchase provisions, have been
17 approved by the Federal Energy Regulatory
18 Commission pursuant to Section 205 of the Federal
19 Power Act;

20 (xii) provide that any changes to the terms of
21 the contract, insofar as such changes relate to
22 the power purchase provisions, are subject to
23 review under the public interest standard applied
24 by the Federal Energy Regulatory Commission
25 pursuant to Sections 205 and 206 of the Federal
26 Power Act; and

1 (xiii) conform with customary lender
2 requirements in power purchase agreements used as
3 the basis for financing non-utility generators.

4 (4) Effective date of sourcing agreements with the
5 initial clean coal facility. Any proposed sourcing
6 agreement with the initial clean coal facility shall not
7 become effective unless the following reports are prepared
8 and submitted and authorizations and approvals obtained:

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

22 (ii) Commission report. Within 6 months following
23 receipt of the facility cost report, the Commission,
24 in consultation with the Agency, shall submit a report
25 to the General Assembly setting forth its analysis of
26 the facility cost report. Such report shall include,

1 but not be limited to, a comparison of the costs
2 associated with electricity generated by the initial
3 clean coal facility to the costs associated with
4 electricity generated by other types of generation
5 facilities, an analysis of the rate impacts on
6 residential and small business customers over the life
7 of the sourcing agreements, and an analysis of the
8 likelihood that the initial clean coal facility will
9 commence commercial operation by and be delivering
10 power to the facility's busbar by 2016. To assist in
11 the preparation of its report, the Commission, in
12 consultation with the Agency, may hire one or more
13 experts or consultants, the costs of which shall be
14 paid for by the owner of the initial clean coal
15 facility. The Commission and Agency may begin the
16 process of selecting such experts or consultants prior
17 to receipt of the facility cost report.

18 (iii) General Assembly approval. The proposed
19 sourcing agreements shall not take effect unless,
20 based on the facility cost report and the Commission's
21 report, the General Assembly enacts authorizing
22 legislation approving (A) the projected price, stated
23 in cents per kilowatthour, to be charged for
24 electricity generated by the initial clean coal
25 facility, (B) the projected impact on residential and
26 small business customers' bills over the life of the

1 sourcing agreements, and (C) the maximum allowable
2 return on equity for the project; and

3 (iv) Commission review. If the General Assembly
4 enacts authorizing legislation pursuant to
5 subparagraph (iii) approving a sourcing agreement, the
6 Commission shall, within 90 days of such enactment,
7 complete a review of such sourcing agreement. During
8 such time period, the Commission shall implement any
9 directive of the General Assembly, resolve any
10 disputes between the parties to the sourcing agreement
11 concerning the terms of such agreement, approve the
12 form of such agreement, and issue an order finding
13 that the sourcing agreement is prudent and reasonable.
14 The facility cost report shall be prepared as follows:

15 (A) The facility cost report shall be prepared by
16 duly licensed engineering and construction firms
17 detailing the estimated capital costs payable to one
18 or more contractors or suppliers for the engineering,
19 procurement and construction of the components
20 comprising the initial clean coal facility and the
21 estimated costs of operation and maintenance of the
22 facility. The facility cost report shall include:

23 (i) an estimate of the capital cost of the
24 core plant based on one or more front end
25 engineering and design studies for the
26 gasification island and related facilities. The

1 core plant shall include all civil, structural,
2 mechanical, electrical, control, and safety
3 systems.

4 (ii) an estimate of the capital cost of the
5 balance of the plant, including any capital costs
6 associated with sequestration of carbon dioxide
7 emissions and all interconnects and interfaces
8 required to operate the facility, such as
9 transmission of electricity, construction or
10 backfeed power supply, pipelines to transport
11 substitute natural gas or carbon dioxide, potable
12 water supply, natural gas supply, water supply,
13 water discharge, landfill, access roads, and coal
14 delivery.

15 The quoted construction costs shall be expressed
16 in nominal dollars as of the date that the quote is
17 prepared and shall include capitalized financing costs
18 during construction, taxes, insurance, and other
19 owner's costs, and an assumed escalation in materials
20 and labor beyond the date as of which the construction
21 cost quote is expressed.

22 (B) The front end engineering and design study for
23 the gasification island and the cost study for the
24 balance of plant shall include sufficient design work
25 to permit quantification of major categories of
26 materials, commodities and labor hours, and receipt of

1 quotes from vendors of major equipment required to
2 construct and operate the clean coal facility.

3 (C) The facility cost report shall also include an
4 operating and maintenance cost quote that will provide
5 the estimated cost of delivered fuel, personnel,
6 maintenance contracts, chemicals, catalysts,
7 consumables, spares, and other fixed and variable
8 operations and maintenance costs. The delivered fuel
9 cost estimate will be provided by a recognized third
10 party expert or experts in the fuel and transportation
11 industries. The balance of the operating and
12 maintenance cost quote, excluding delivered fuel
13 costs, will be developed based on the inputs provided
14 by duly licensed engineering and construction firms
15 performing the construction cost quote, potential
16 vendors under long-term service agreements and plant
17 operating agreements, or recognized third party plant
18 operator or operators.

19 The operating and maintenance cost quote
20 (including the cost of the front end engineering and
21 design study) shall be expressed in nominal dollars as
22 of the date that the quote is prepared and shall
23 include taxes, insurance, and other owner's costs, and
24 an assumed escalation in materials and labor beyond
25 the date as of which the operating and maintenance
26 cost quote is expressed.

1 (D) The facility cost report shall also include an
2 analysis of the initial clean coal facility's ability
3 to deliver power and energy into the applicable
4 regional transmission organization markets and an
5 analysis of the expected capacity factor for the
6 initial clean coal facility.

7 (E) Amounts paid to third parties unrelated to the
8 owner or owners of the initial clean coal facility to
9 prepare the core plant construction cost quote,
10 including the front end engineering and design study,
11 and the operating and maintenance cost quote will be
12 reimbursed through Coal Development Bonds.

13 (5) Re-powering and retrofitting coal-fired power
14 plants previously owned by Illinois utilities to qualify
15 as clean coal facilities. During the 2009 procurement
16 planning process and thereafter, the Agency and the
17 Commission shall consider sourcing agreements covering
18 electricity generated by power plants that were previously
19 owned by Illinois utilities and that have been or will be
20 converted into clean coal facilities, as defined by
21 Section 1-10 of this Act. Pursuant to such procurement
22 planning process, the owners of such facilities may
23 propose to the Agency sourcing agreements with utilities
24 and alternative retail electric suppliers required to
25 comply with subsection (d) of this Section and item (5) of
26 subsection (d) of Section 16-115 of the Public Utilities

1 Act, covering electricity generated by such facilities. In
2 the case of sourcing agreements that are power purchase
3 agreements, the contract price for electricity sales shall
4 be established on a cost of service basis. In the case of
5 sourcing agreements that are contracts for differences,
6 the contract price from which the reference price is
7 subtracted shall be established on a cost of service
8 basis. The Agency and the Commission may approve any such
9 utility sourcing agreements that do not exceed cost-based
10 benchmarks developed by the procurement administrator, in
11 consultation with the Commission staff, Agency staff and
12 the procurement monitor, subject to Commission review and
13 approval. The Commission shall have authority to inspect
14 all books and records associated with these clean coal
15 facilities during the term of any such contract.

16 (6) Costs incurred under this subsection (d) or
17 pursuant to a contract entered into under this subsection
18 (d) shall be deemed prudently incurred and reasonable in
19 amount and the electric utility shall be entitled to full
20 cost recovery pursuant to the tariffs filed with the
21 Commission.

22 (d-5) Zero emission standard.

23 (1) Beginning with the delivery year commencing on
24 June 1, 2017, the Agency shall, for electric utilities
25 that serve at least 100,000 retail customers in this
26 State, procure contracts with zero emission facilities

1 that are reasonably capable of generating cost-effective
2 zero emission credits in an amount approximately equal to
3 16% of the actual amount of electricity delivered by each
4 electric utility to retail customers in the State during
5 calendar year 2014. For an electric utility serving fewer
6 than 100,000 retail customers in this State that
7 requested, under Section 16-111.5 of the Public Utilities
8 Act, that the Agency procure power and energy for all or a
9 portion of the utility's Illinois load for the delivery
10 year commencing June 1, 2016, the Agency shall procure
11 contracts with zero emission facilities that are
12 reasonably capable of generating cost-effective zero
13 emission credits in an amount approximately equal to 16%
14 of the portion of power and energy to be procured by the
15 Agency for the utility. The duration of the contracts
16 procured under this subsection (d-5) shall be for a term
17 of 10 years ending May 31, 2027. The quantity of zero
18 emission credits to be procured under the contracts shall
19 be all of the zero emission credits generated by the zero
20 emission facility in each delivery year; however, if the
21 zero emission facility is owned by more than one entity,
22 then the quantity of zero emission credits to be procured
23 under the contracts shall be the amount of zero emission
24 credits that are generated from the portion of the zero
25 emission facility that is owned by the winning supplier.

26 The 16% value identified in this paragraph (1) is the

1 average of the percentage targets in subparagraph (B) of
2 paragraph (1) of subsection (c) of this Section for the 5
3 delivery years beginning June 1, 2017.

4 The procurement process shall be subject to the
5 following provisions:

6 (A) Those zero emission facilities that intend to
7 participate in the procurement shall submit to the
8 Agency the following eligibility information for each
9 zero emission facility on or before the date
10 established by the Agency:

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

13 (ii) the amount of power generated annually
14 for each of the years 2005 through 2015, and the
15 projected zero emission credits to be generated
16 over the remaining useful life of the zero
17 emission facility, which shall be used to
18 determine the capability of each facility;

19 (iii) the annual zero emission facility cost
20 projections, expressed on a per megawatthour
21 basis, over the next 6 delivery years, which shall
22 include the following: operation and maintenance
23 expenses; fully allocated overhead costs, which
24 shall be allocated using the methodology developed
25 by the Institute for Nuclear Power Operations;
26 fuel expenditures; non-fuel capital expenditures;

1 spent fuel expenditures; a return on working
2 capital; the cost of operational and market risks
3 that could be avoided by ceasing operation; and
4 any other costs necessary for continued
5 operations, provided that "necessary" means, for
6 purposes of this item (iii), that the costs could
7 reasonably be avoided only by ceasing operations
8 of the zero emission facility; and

9 (iv) a commitment to continue operating, for
10 the duration of the contract or contracts executed
11 under the procurement held under this subsection
12 (d-5), the zero emission facility that produces
13 the zero emission credits to be procured in the
14 procurement.

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

26 (B) The price for each zero emission credit

1 procured under this subsection (d-5) for each delivery
2 year shall be in an amount that equals the Social Cost
3 of Carbon, expressed on a price per megawatthour
4 basis. However, to ensure that the procurement remains
5 affordable to retail customers in this State if
6 electricity prices increase, the price in an
7 applicable delivery year shall be reduced below the
8 Social Cost of Carbon by the amount ("Price
9 Adjustment") by which the market price index for the
10 applicable delivery year exceeds the baseline market
11 price index for the consecutive 12-month period ending
12 May 31, 2016. If the Price Adjustment is greater than
13 or equal to the Social Cost of Carbon in an applicable
14 delivery year, then no payments shall be due in that
15 delivery year. The components of this calculation are
16 defined as follows:

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

1 additional \$1 per megawatthour each delivery year
2 thereafter.

3 (ii) Baseline market price index: The baseline
4 market price index for the consecutive 12-month
5 period ending May 31, 2016 is \$31.40 per
6 megawatthour, which is based on the sum of (aa)
7 the average day-ahead energy price across all
8 hours of such 12-month period at the PJM
9 Interconnection LLC Northern Illinois Hub, (bb)
10 50% multiplied by the Base Residual Auction, or
11 its successor, capacity price for the rest of the
12 RTO zone group determined by PJM Interconnection
13 LLC, divided by 24 hours per day, and (cc) 50%
14 multiplied by the Planning Resource Auction, or
15 its successor, capacity price for Zone 4
16 determined by the Midcontinent Independent System
17 Operator, Inc., divided by 24 hours per day.

18 (iii) Market price index: The market price
19 index for a delivery year shall be the sum of
20 projected energy prices and projected capacity
21 prices determined as follows:

22 (aa) Projected energy prices: the
23 projected energy prices for the applicable
24 delivery year shall be calculated once for the
25 year using the forward market price for the
26 PJM Interconnection, LLC Northern Illinois

1 Hub. The forward market price shall be
2 calculated as follows: the energy forward
3 prices for each month of the applicable
4 delivery year averaged for each trade date
5 during the calendar year immediately preceding
6 that delivery year to produce a single energy
7 forward price for the delivery year. The
8 forward market price calculation shall use
9 data published by the Intercontinental
10 Exchange, or its successor.

11 (bb) Projected capacity prices:

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

1 such price is determined by the
2 Midcontinent Independent System Operator,
3 Inc.

4 (II) For the delivery year commencing
5 June 1, 2020, and each year thereafter,
6 the projected capacity price shall be
7 equal to the sum of (1) 50% multiplied by
8 the Base Residual Auction, or its
9 successor, price for the ComEd zone as
10 determined by PJM Interconnection LLC,
11 divided by 24 hours per day, and (2) 50%
12 multiplied by the resource auction price
13 determined in the resource auction
14 administered by the Midcontinent
15 Independent System Operator, Inc., in
16 which the largest percentage of load
17 cleared for Local Resource Zone 4, divided
18 by 24 hours per day, and where such price
19 is determined by the Midcontinent
20 Independent System Operator, Inc.

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

22 "Rest of the RTO" and "ComEd Zone" shall have
23 the meaning ascribed to them by PJM
24 Interconnection, LLC.

25 "RTO" means regional transmission
26 organization.

1 (C) No later than 45 days after June 1, 2017 (the
2 effective date of Public Act 99-906), the Agency shall
3 publish its proposed zero emission standard
4 procurement plan. The plan shall be consistent with
5 the provisions of this paragraph (1) and shall provide
6 that winning bids shall be selected based on public
7 interest criteria that include, but are not limited
8 to, minimizing carbon dioxide emissions that result
9 from electricity consumed in Illinois and minimizing
10 sulfur dioxide, nitrogen oxide, and particulate matter
11 emissions that adversely affect the citizens of this
12 State. In particular, the selection of winning bids
13 shall take into account the incremental environmental
14 benefits resulting from the procurement, such as any
15 existing environmental benefits that are preserved by
16 the procurements held under Public Act 99-906 and
17 would cease to exist if the procurements were not
18 held, including the preservation of zero emission
19 facilities. The plan shall also describe in detail how
20 each public interest factor shall be considered and
21 weighted in the bid selection process to ensure that
22 the public interest criteria are applied to the
23 procurement and given full effect.

24 For purposes of developing the plan, the Agency
25 shall consider any reports issued by a State agency,
26 board, or commission under House Resolution 1146 of

1 the 98th General Assembly and paragraph (4) of
2 subsection (d) of this Section, as well as publicly
3 available analyses and studies performed by or for
4 regional transmission organizations that serve the
5 State and their independent market monitors.

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

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

1 (2) of this subsection to be exceeded.

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

6 (i) identify how the winning bids satisfy the
7 public interest criteria described in subparagraph
8 (C) of this paragraph (1) of minimizing carbon
9 dioxide emissions that result from electricity
10 consumed in Illinois and minimizing sulfur
11 dioxide, nitrogen oxide, and particulate matter
12 emissions that adversely affect the citizens of
13 this State;

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

23 (iii) quantify the environmental benefit of
24 preserving the resources identified in item (ii)
25 of this subparagraph (C-5), including the
26 following:

1 (aa) the value of avoided greenhouse gas
2 emissions measured as the product of the zero
3 emission facilities' output over the contract
4 term multiplied by the U.S. Environmental
5 Protection Agency eGrid subregion carbon
6 dioxide emission rate and the U.S. Interagency
7 Working Group on Social Cost of Carbon's price
8 in the August 2016 Technical Update using a 3%
9 discount rate, adjusted for inflation for each
10 delivery year; and

11 (bb) the costs of replacement with other
12 zero carbon dioxide resources, including wind
13 and photovoltaic, based upon the simple
14 average of the following:

15 (I) the price, or if there is more
16 than one price, the average of the prices,
17 paid for renewable energy credits from new
18 utility-scale wind projects in the
19 procurement events specified in item (i)
20 of subparagraph (G) of paragraph (1) of
21 subsection (c) of this Section; and

22 (II) the price, or if there is more
23 than one price, the average of the prices,
24 paid for renewable energy credits from new
25 utility-scale solar projects and
26 brownfield site photovoltaic projects in

1 the procurement events specified in item
2 (ii) of subparagraph (G) of paragraph (1)
3 of subsection (c) of this Section and,
4 after January 1, 2015, renewable energy
5 credits from photovoltaic distributed
6 generation projects in procurement events
7 held under subsection (c) of this Section.

8 Each utility shall enter into binding contractual
9 arrangements with the winning suppliers.

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

1 date of Public Act 99-906).

2 (D) Following the procurement event described in
3 this paragraph (1) and consistent with subparagraph
4 (B) of this paragraph (1), the Agency shall calculate
5 the payments to be made under each contract for the
6 next delivery year based on the market price index for
7 that delivery year. The Agency shall publish the
8 payment calculations no later than May 25, 2017 and
9 every May 25 thereafter.

10 (E) Notwithstanding the requirements of this
11 subsection (d-5), the contracts executed under this
12 subsection (d-5) shall provide that the zero emission
13 facility may, as applicable, suspend or terminate
14 performance under the contracts in the following
15 instances:

16 (i) A zero emission facility shall be excused
17 from its performance under the contract for any
18 cause beyond the control of the resource,
19 including, but not restricted to, acts of God,
20 flood, drought, earthquake, storm, fire,
21 lightning, epidemic, war, riot, civil disturbance
22 or disobedience, labor dispute, labor or material
23 shortage, sabotage, acts of public enemy,
24 explosions, orders, regulations or restrictions
25 imposed by governmental, military, or lawfully
26 established civilian authorities, which, in any of

1 the foregoing cases, by exercise of commercially
2 reasonable efforts the zero emission facility
3 could not reasonably have been expected to avoid,
4 and which, by the exercise of commercially
5 reasonable efforts, it has been unable to
6 overcome. In such event, the zero emission
7 facility shall be excused from performance for the
8 duration of the event, including, but not limited
9 to, delivery of zero emission credits, and no
10 payment shall be due to the zero emission facility
11 during the duration of the event.

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

25 (iii) A zero emission facility shall be
26 permitted to terminate the contract in the event

1 that the resource requires capital expenditures in
2 excess of \$40,000,000 that were neither known nor
3 reasonably foreseeable at the time it executed the
4 contract and that a prudent owner or operator of
5 such resource would not undertake.

6 (iv) A zero emission facility shall be
7 permitted to terminate the contract in the event
8 the Nuclear Regulatory Commission terminates the
9 resource's license.

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

19 (2) For purposes of this subsection (d-5), the amount
20 paid per kilowatthour means the total amount paid for
21 electric service expressed on a per kilowatthour basis.
22 For purposes of this subsection (d-5), the total amount
23 paid for electric service includes, without limitation,
24 amounts paid for supply, transmission, distribution,
25 surcharges, and add-on taxes.

26 Notwithstanding the requirements of this subsection

(d-5), the contracts executed under this subsection (d-5) shall provide that the total of zero emission credits procured under a procurement plan shall be subject to the limitations of this paragraph (2). For each delivery year, the contractual volume receiving payments in such year shall be reduced for all retail customers based on the amount necessary to limit the net increase that delivery year to the costs of those credits included in the amounts paid by eligible retail customers in connection with electric service to no more than 1.65% of the amount paid per kilowatthour by eligible retail customers during the year ending May 31, 2009. The result of this computation shall apply to and reduce the procurement for all retail customers, and all those customers shall pay the same single, uniform cents per kilowatthour charge under subsection (k) of Section 16-108 of the Public Utilities Act. To arrive at a maximum dollar amount of zero emission credits to be paid for the particular delivery year, the resulting per kilowatthour amount shall be applied to the actual amount of kilowatthours of electricity delivered by the electric utility in the delivery year immediately prior to the procurement, to all retail customers in its service territory. Unpaid contractual volume for any delivery year shall be paid in any subsequent delivery year in which such payments can be made without exceeding the amount specified in this paragraph (2). The

1 calculations required by this paragraph (2) shall be made
2 only once for each procurement plan year. Once the
3 determination as to the amount of zero emission credits to
4 be paid is made based on the calculations set forth in this
5 paragraph (2), no subsequent rate impact determinations
6 shall be made and no adjustments to those contract amounts
7 shall be allowed. All costs incurred under those contracts
8 and in implementing this subsection (d-5) shall be
9 recovered by the electric utility as provided in this
10 Section.

11 No later than June 30, 2019, the Commission shall
12 review the limitation on the amount of zero emission
13 credits procured under this subsection (d-5) and report to
14 the General Assembly its findings as to whether that
15 limitation unduly constrains the procurement of
16 cost-effective zero emission credits.

17 (3) Six years after the execution of a contract under
18 this subsection (d-5), the Agency shall determine whether
19 the actual zero emission credit payments received by the
20 supplier over the 6-year period exceed the Average ZEC
21 Payment. In addition, at the end of the term of a contract
22 executed under this subsection (d-5), or at the time, if
23 any, a zero emission facility's contract is terminated
24 under subparagraph (E) of paragraph (1) of this subsection
25 (d-5), then the Agency shall determine whether the actual
26 zero emission credit payments received by the supplier

1 over the term of the contract exceed the Average ZEC
2 Payment, after taking into account any amounts previously
3 credited back to the utility under this paragraph (3). If
4 the Agency determines that the actual zero emission credit
5 payments received by the supplier over the relevant period
6 exceed the Average ZEC Payment, then the supplier shall
7 credit the difference back to the utility. The amount of
8 the credit shall be remitted to the applicable electric
9 utility no later than 120 days after the Agency's
10 determination, which the utility shall reflect as a credit
11 on its retail customer bills as soon as practicable;
12 however, the credit remitted to the utility shall not
13 exceed the total amount of payments received by the
14 facility under its contract.

15 For purposes of this Section, the Average ZEC Payment
16 shall be calculated by multiplying the quantity of zero
17 emission credits delivered under the contract times the
18 average contract price. The average contract price shall
19 be determined by subtracting the amount calculated under
20 subparagraph (B) of this paragraph (3) from the amount
21 calculated under subparagraph (A) of this paragraph (3),
22 as follows:

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

26 (B) The average of the market price indices, as

1 defined in subparagraph (B) of paragraph (1) of this
2 subsection (d-5), during the term of the contract,
3 minus the baseline market price index, as defined in
4 subparagraph (B) of paragraph (1) of this subsection
5 (d-5).

6 If the subtraction yields a negative number, then the
7 Average ZEC Payment shall be zero.

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

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

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

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

26 (d-10) Nuclear Plant Assistance; carbon mitigation

1 credits.

2 (1) The General Assembly finds:

3 (A) The health, welfare, and prosperity of all
4 Illinois citizens require that the State of Illinois act
5 to avoid and not increase carbon emissions from electric
6 generation sources while continuing to ensure affordable,
7 stable, and reliable electricity to all citizens.

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

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

23 (D) The clean energy attributes of nuclear generation
24 facilities support the State in its efforts to achieve
25 100% clean energy.

26 (E) The State currently invests in various forms of

1 clean energy, including, but not limited to, renewable
2 energy, energy efficiency, and low-emission vehicles,
3 among others.

4 (F) The Environmental Protection Agency commissioned
5 an independent audit which provided a detailed assessment
6 of the financial condition of the Illinois nuclear fleet
7 to evaluate its financial viability and whether the
8 environmental benefits of such resources were at risk. The
9 report identified the risk of losing the environmental
10 benefits of several specific nuclear units. The report
11 also identified that the LaSalle County Generating Station
12 will continue to operate through 2026 and therefore is not
13 eligible to participate in the carbon mitigation credit
14 program.

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

18 (H) The procurement of carbon mitigation credits
19 representing the environmental benefits of carbon-free
20 generation will further the State's efforts at achieving
21 100% clean energy and decarbonizing the electricity sector
22 in a safe, reliable, and affordable manner. Further, the
23 procurement of carbon emission credits will enhance the
24 health and welfare of Illinois residents through decreased
25 reliance on more highly polluting generation.

26 (I) The General Assembly therefore finds it necessary

1 to establish carbon mitigation credits to ensure decreased
2 reliance on more carbon-intensive energy resources, for
3 transitioning to a fully decarbonized electricity sector,
4 and to help ensure health and welfare of the State's
5 residents.

6 (2) As used in this subsection:

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

21 "Carbon mitigation credit" means a tradable credit that
22 represents the carbon emission reduction attributes of one
23 megawatt-hour of energy produced from a carbon-free energy
24 resource.

25 "Carbon-free energy resource" means a generation facility
26 that: (1) is fueled by nuclear power; and (2) is

1 interconnected to PJM Interconnection, LLC.

2 (3) Procurement.

3 (A) Beginning with the delivery year commencing on
4 June 1, 2022, the Agency shall, for electric utilities
5 serving at least 3,000,000 retail customers in the State,
6 seek to procure contracts for no more than approximately
7 54,500,000 cost-effective carbon mitigation credits from
8 carbon-free energy resources because such credits are
9 necessary to support current levels of carbon-free energy
10 generation and ensure the State meets its carbon dioxide
11 emissions reduction goals. The Agency shall not make a
12 partial award of a contract for carbon mitigation credits
13 covering a fractional amount of a carbon-free energy
14 resource's projected output.

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

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

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

24 (iii) a commitment to be reflected in any contract
25 entered into pursuant to this subsection (d-10) to
26 continue operating the carbon-free energy resource at

1 a capacity factor of at least 88% annually on average
2 for the duration of the contract or contracts executed
3 under the procurement held under this subsection
4 (d-10), except in an instance described in
5 subparagraph (E) of paragraph (1) of subsection (d-5)
6 of this Section or made impracticable as a result of
7 compliance with law or regulation;

8 (iv) financial need and the risk of loss of the
9 environmental benefits of such resource, which shall
10 include the following information:

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

1 (II) the carbon-free energy resource's revenue
2 projections, including energy, capacity, ancillary
3 services, any other direct State support, known or
4 anticipated federal attribute credits, known or
5 anticipated tax credits, and any other direct
6 federal support.

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

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

24 (i) Contracts are for delivery of carbon
25 mitigation credits, and are not energy or capacity
26 sales contracts requiring physical delivery. Pursuant

1 to item (iii), contract payments shall fully deduct
2 the value of any monetized federal production tax
3 credits, credits issued pursuant to a federal clean
4 energy standard, and other federal credits if
5 applicable.

6 (ii) Contracts for carbon mitigation credits shall
7 commence with the delivery year beginning on June 1,
8 2022 and shall be for a term of 5 delivery years
9 concluding on May 31, 2027.

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

13 (I) one of the following energy price indices,
14 selected by the bidder at the time of the bid for
15 the term of the contract:

16 (aa) the weighted-average hourly day-ahead
17 price for the applicable delivery year at the
18 busbar of all resources procured pursuant to
19 this subsection (d-10), weighted by actual
20 production from the resources; or

21 (bb) the projected energy price for the
22 PJM Interconnection, LLC Northern Illinois Hub
23 for the applicable delivery year determined
24 according to subitem (aa) of item (iii) of
25 subparagraph (B) of paragraph (1) of
26 subsection (d-5).

1 (II) the Base Residual Auction Capacity Price
2 for the ComEd zone as determined by PJM
3 Interconnection, LLC, divided by 24 hours per day,
4 for the applicable delivery year for the first 3
5 delivery years, and then any subsequent delivery
6 years unless the PJM Interconnection, LLC applies
7 the Minimum Offer Price Rule to participating
8 carbon-free energy resources because they supply
9 carbon mitigation credits pursuant to this Section
10 at which time, upon notice by the carbon-free
11 energy resource to the Commission and subject to
12 the Commission's confirmation, the value under
13 this subitem shall be zero, as further described
14 in the carbon mitigation credit procurement plan;
15 and

16 (III) any value of monetized federal tax
17 credits, direct payments, or similar subsidy
18 provided to the carbon-free energy resource from
19 any unit of government that is not already
20 reflected in energy prices.

21 If the price-per-megawatt-hour calculation
22 performed under item (iii) of this subparagraph (C)
23 for a given delivery year results in a net positive
24 value, then the electric utility counterparty to the
25 contract shall multiply such net value by the
26 applicable contract quantity and remit the amount to

1 the supplier.

2 To protect retail customers from retail rate
3 impacts that may arise upon the initiation of carbon
4 policy changes, if the price-per-megawatt-hour
5 calculation performed under item (iii) of this
6 subparagraph (C) for a given delivery year results in
7 a net negative value, then the supplier counterparty
8 to the contract shall multiply such net value by the
9 applicable contract quantity and remit such amount to
10 the electric utility counterparty. The electric
11 utility shall reflect such amounts remitted by
12 suppliers as a credit on its retail customer bills as
13 soon as practicable.

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

21 The baseline costs for the applicable year shall
22 be the following:

23 (I) For the delivery year beginning June 1,
24 2022, the baseline costs shall be an amount equal
25 to \$30.30 per megawatt-hour.

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

1 2023, the baseline costs shall be an amount equal
2 to \$32.50 per megawatt-hour.

3 (III) For the delivery year beginning June 1,
4 2024, the baseline costs shall be an amount equal
5 to \$33.43 per megawatt-hour.

6 (IV) For the delivery year beginning June 1,
7 2025, the baseline costs shall be an amount equal
8 to \$33.50 per megawatt-hour.

9 (V) For the delivery year beginning June 1,
10 2026, the baseline costs shall be an amount equal
11 to \$34.50 per megawatt-hour.

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

22 Although actual energy and capacity prices may
23 vary from year-to-year, the General Assembly finds
24 that this customer protection cap will help ensure
25 that the cost of carbon mitigation credits will be
26 less than its value, based upon the social cost of

1 carbon identified in the Technical Support Document
2 issued in February 2021 by the U.S. Interagency
3 Working Group on Social Cost of Greenhouse Gases and
4 the PJM Interconnection, LLC carbon dioxide marginal
5 emission rate for 2020, and that a carbon-free energy
6 resource receiving payment for carbon mitigation
7 credits receives no more than necessary to keep those
8 units in operation.

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

1 interest criteria score, the relative ranking of such
2 bidders shall be determined by price. The Plan shall
3 describe in detail how each public interest factor shall
4 be considered and weighted in the bid selection process to
5 ensure that the public interest criteria are applied to
6 the procurement. The Plan shall, to the extent practical
7 and permissible by federal law, ensure that successful
8 bidders make commercially reasonable efforts to apply for
9 federal tax credits, direct payments, or similar subsidy
10 programs that support carbon-free generation and for which
11 the successful bidder is eligible. Upon publishing of the
12 carbon mitigation credit procurement plan, copies of the
13 plan shall be posted and made publicly available on the
14 Agency's website. All interested parties shall have 7 days
15 following the date of posting to provide comment to the
16 Agency on the plan. All comments shall be posted to the
17 Agency's website. Following the end of the comment period,
18 but no more than 19 days later than the effective date of
19 this amendatory Act of the 102nd General Assembly, the
20 Agency shall revise the plan as necessary based on the
21 comments received and file its carbon mitigation credit
22 procurement plan with the Commission.

23 (E) If the Commission determines that the plan is
24 likely to result in the procurement of cost-effective
25 carbon mitigation credits, then the Commission shall,
26 after notice and hearing and opportunity for comment, but

1 no later than 42 days after the Agency filed the plan,
2 approve the plan or approve it with modification. For
3 purposes of this subsection (d-10), "cost-effective" means
4 carbon mitigation credits that are procured from
5 carbon-free energy resources at prices that are within the
6 limits specified in this paragraph (3). As part of the
7 Commission's review and acceptance or rejection of the
8 procurement results, the Commission shall, in its public
9 notice of successful bidders:

10 (i) identify how the selected carbon-free energy
11 resources satisfy the public interest criteria
12 described in this paragraph (3) of minimizing carbon
13 dioxide emissions that result from electricity
14 consumed in Illinois and minimizing sulfur dioxide,
15 nitrogen oxide, and particulate matter emissions that
16 adversely affect the citizens of this State;

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

26 (iii) quantify the environmental benefit of

1 preserving the carbon-free energy resources procured
2 pursuant to this subsection (d-10), including the
3 following:

4 (I) an assessment value of avoided greenhouse
5 gas emissions measured as the product of the
6 carbon-free energy resources' output over the
7 contract term, using generally accepted
8 methodologies for the valuation of avoided
9 emissions; and

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

20 (F) The procurements described in this paragraph (3),
21 including, but not limited to, the execution of all
22 contracts procured, shall be completed no later than
23 December 3, 2021. The procurement and plan approval
24 processes required by this paragraph (3) shall be
25 conducted in conjunction with the procurement and plan
26 approval processes required by Section 16-111.5 of the

1 Public Utilities Act, to the extent practicable. However,
2 the Agency and Commission may, as appropriate, modify the
3 various dates and timelines under this subparagraph and
4 subparagraphs (D) and (E) of this paragraph (3) to meet
5 the December 3, 2021 contract execution deadline.
6 Following the completion of such procurements, and
7 consistent with this paragraph (3), the Agency shall
8 calculate the payments to be made under each contract in a
9 timely fashion.

10 (F-1) Costs incurred by the electric utility pursuant
11 to a contract authorized by this subsection (d-10) shall
12 be deemed prudently incurred and reasonable in amount, and
13 the electric utility shall be entitled to full cost
14 recovery pursuant to a tariff or tariffs filed with the
15 Commission.

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

19 (H) If a carbon-free energy resource is sold to
20 another owner, the rights, obligations, and commitments
21 under this subsection (d-10) shall continue to the
22 subsequent owner.

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

25 (d-20) Energy storage system portfolio standard.

26 (1) The General Assembly finds that the deployment of

1 energy storage systems is necessary to successfully
2 integrate high levels of renewable energy, to avoid the
3 creation and increase of carbon emissions from electric
4 generation sources, and to ensure affordable, stable,
5 clean, reliable, and resilient electricity.

6 (2) The Agency shall develop an energy storage system
7 resources procurement plan that includes the competitive
8 procurement events, procurement programs, or both, as
9 necessary (i) to meet the goals set forth in this
10 subsection (d-20), (ii) to meet the planning requirements
11 established under Sections 16-201 and 16-202 of the Public
12 Utilities Act, (iii) to meet the clean energy policy
13 established by Public Act 102-662, and (iv) to cause
14 electric utilities serving more than 300,000 customers in
15 the State as of January 1, 2019 to contract for energy
16 storage resources. The energy storage system resources
17 procurement plan approval processes shall be conducted
18 consistent with the processes outlined in paragraph (6) of
19 subsection (b) of Section 16-111.5 of the Public Utilities
20 Act, with the initial energy storage system resources
21 procurement plan released for comment in calendar year
22 2027. The Agency shall review and may revise the energy
23 storage system resources procurement plan at least every 2
24 years. The Agency shall establish, and the Commission
25 shall approve or approve as modified, an energy storage
26 system resources procurement plan that includes:

1 (A) storage targets in addition to the initial
2 procurements specified in paragraph (3) of this
3 subsection (d-20) at levels identified through the
4 integrated resource planning process outlined in
5 Section 16-202 of the Public Utilities Act;

6 (B) a bid selection process that is based on the
7 bid price, when compared with an equal energy storage
8 duration and interconnected to the same independent
9 system operator (ISO) or regional transmission
10 organization (RTO), and that may provide for
11 consideration of the following:

12 (i) the project's viability and ability to
13 meet or exceed operational date targets;

14 (ii) the developer's experience;

15 (iii) requirements for demonstration of
16 binding site control that are sufficient for
17 proposed energy storage facilities;

18 (iv) the availability or dependence on any
19 transmission expansion or upgrades needed; and

20 (v) other resource adequacy and reliability
21 considerations;

22 (C) consideration of the need to ensure adequate,
23 reliable, affordable, efficient, and environmentally
24 sustainable electric service at the lowest total cost
25 over time;

26 (D) proposals for the financial support of energy

1 storage systems using contract models, which may
2 include, but are not limited to, the following:

3 (i) an indexed storage credit procurement,
4 including payments to energy storage system owners
5 or operators with any offsets and refunds for
6 potential energy and capacity revenues;

7 (ii) support for energy storage system
8 resources through contract structures that do not
9 create contractual obligations on utilities that
10 are not contingent on full and timely cost
11 recovery, that avoid negative financial impacts on
12 the utilities, and that are agreed upon by the
13 utilities; and

14 (iii) other approaches as deemed suitable by
15 the Agency and the Commission; and

16 (E) consideration that the Agency may include a
17 methodology that could prioritize procurement of
18 energy storage resources that are located in
19 communities eligible to receive Energy Transition
20 Community Grants pursuant to Section 10-20 of the
21 Energy Community Reinvestment Act.

22 In developing its procurement plan and conducting the
23 storage procurements outlined in this paragraph (2) and in
24 paragraph (3), the Agency may use the services of expert
25 consulting firms identified in paragraphs (1) and (2) of
26 subsection (a) of this Section.

1 (3) Notwithstanding whether an energy storage system
2 resources procurement plan has been approved, the
3 following provisions shall apply to the Agency's initial
4 procurement of energy storage system resources under this
5 subsection (d-20):

6 (A) The Agency shall conduct an initial energy
7 storage procurement on or before August 26, 2026 or 90
8 days after the effective date of this amendatory Act
9 of the 104th General Assembly, whichever is earlier.
10 For the purposes of this initial energy storage
11 procurement, the Agency shall conduct a procurement
12 that results in electric utilities that served more
13 than 300,000 customers in the State as of January 1,
14 2019 contracting for at least 1,038 megawatts of
15 cost-effective stand-alone energy storage systems that
16 can achieve commercial operation on or before December
17 31, 2029 or an alternative date proposed by the Agency
18 that is no later than December 31, 2030. The
19 procurement target shall be separated for projects
20 interconnected within Midcontinent Independent System
21 Operator Local Resource Zone 4 (MISO Zone 4) and for
22 projects interconnected within the PJM
23 Interconnection, LLC ComEd Locational Deliverability
24 Area (PJM ComEd Area) as follows:

25 (i) 450 megawatts in MISO Zone 4; and

26 (ii) 588 megawatts in the PJM ComEd Area.

1 For purposes of this subsection (d-20),
2 "stand-alone" means systems that are (i) separately
3 metered by a revenue-quality meter that satisfies the
4 requirements of the RTO; (ii) operate independently
5 without constraints or hindrances from other
6 generation units; and (iii) demonstrate the ability to
7 charge and discharge independent of any generation
8 unit output.

9 (B) The Agency shall conduct a series of
10 additional energy storage procurements that result in
11 electric utilities contracting for energy storage
12 resources in an amount of 3,000 megawatts of
13 cumulative energy storage capacity for projects
14 committed to reaching commercial operation on or
15 before December 31, 2030, or an alternative date
16 proposed by the Agency, subject to extension for a
17 delay due to interconnection of the energy storage
18 system, a delay in obtaining permits necessary to
19 build or operate the energy storage system, or other
20 circumstances at the discretion of the Agency.

21 The additional energy storage resources
22 procurements shall be conducted in calendar years 2027
23 and 2028 in a manner that ensures the quantities
24 listed in this subparagraph (B), and as updated in the
25 integrated resource plan approved by the Commission
26 pursuant to Section 16-201 of the Public Utilities

1 Act, are met in the specified timeframe. To the extent
2 the integrated resource planning process outlined in
3 Section 16-202 of the Public Utilities Act authorizes
4 energy storage system procurement amounts above the
5 amount identified in this subparagraph (B), the Agency
6 shall conduct additional energy storage procurements
7 in 2028, 2029, 2030, and thereafter that result in
8 electric utilities contracting for energy storage
9 resources at those additional identified levels. The
10 procurements shall be conducted in a manner that
11 maximizes projects available in the MISO and PJM
12 queues, ensures the likelihood of project development
13 through the development of project maturity
14 requirements, enables sufficient competition for price
15 competitiveness, and aligns to the extent practicable
16 with regional transmission organization study phases.
17 The procurements shall select projects interconnected
18 to MISO Zone 4 and the PJM ComEd Area and shall follow
19 either (i) a similar geographic split to the ratio of
20 quantities established in subparagraph (A) of this
21 paragraph (3), (ii) an alternative geographic split
22 proposed by the Agency based on project availability
23 in advanced stages of the MISO and PJM queues, or (iii)
24 that is informed by MISO and PJM planning activities,
25 auctions, or reports that indicate capacity resource
26 shortages or impending shortages and that reflect the

1 assessments made through the processes outlined in
2 subparagraph (A) of paragraph (2). The additional
3 energy storage capacity procurements may be adjusted
4 upward if determined necessary through the planning
5 process outlined in Section 16-201 of the Public
6 Utilities Act at times determined by the Commission.

7 (C) The initial energy storage resources
8 procurement under subparagraph (A) of this paragraph
9 (3) shall adopt a standard indexed storage credit
10 contract modeled after the contract and follow a
11 process modeled after the process included in the
12 staff report submitted to the Governor, General
13 Assembly, and Commission pursuant to subsection (g) of
14 Section 16-135 of the Public Utilities Act on May 1,
15 2025. In developing the procurement rules and
16 procurement process for the initial procurement, the
17 Agency shall provide an opportunity for comment on the
18 indexed storage credit contract included in the May 1,
19 2025 staff report and shall adopt modifications to the
20 contract consistent with the process outlined in
21 paragraph (2) of subsection (e) of Section 16-111.5 of
22 the Public Utilities Act.

23 (D) For the additional energy storage resources
24 procurements conducted in accordance with subparagraph
25 (B) of this paragraph (3), the Agency may, among other
26 considerations, consider other contract structures if

1 such contract structures and agreements do not create
2 contractual obligations on utilities that are not
3 contingent on full and timely cost recovery, avoid
4 negative financial impacts on the utilities, and are
5 agreed upon by the participating utility.

6 (E) The initial and additional energy storage
7 resources procurements under this paragraph (3) shall
8 solicit 20-year contracts.

9 (F) The Agency shall submit its proposed selection
10 of successful bids for each procurement event pursuant
11 to paragraphs (2) and (3) to the Commission for
12 approval consistent with the processes outlined in
13 Section 16-111.5 of the Public Utilities Act to the
14 extent practicable.

15 (4) The energy storage system resources procurement
16 plans developed by the Agency may consider alternatives to
17 the initial and additional procurement terms described in
18 paragraph (3) of this subsection (d-20), including, but
19 not limited to:

20 (A) alternatives to the standard indexed storage
21 credit contract used in the initial terms described in
22 subparagraph (C) of paragraph (3) of this subsection
23 (d-20);

24 (B) energy storage systems that are not
25 stand-alone;

26 (C) proportionate allocations between MISO Zone 4

1 and the PJM ComEd Area that are not based upon load
2 share, including allocations reflecting the
3 assessments made through the processes outlined in
4 subparagraph (A) of paragraph (2);

5 (D) contract lengths other than 20 years;

6 (E) energy storage system durations other than 4
7 hours; and

8 (F) energy storage systems connected to the
9 distribution systems of the electric utilities.

10 The Agency may propose specific timelines for energy
11 storage system resources procurements, which may differ
12 across RTO zones, that are based in part upon a
13 consideration of (i) the timing of the release of
14 interconnection cost information through both MISO and PJM
15 interconnection queue processes, (ii) factors that
16 maximize the likelihood of successful project development,
17 (iii) enabling sufficient competition for price
18 competitiveness, and (iv) aligning to the extent
19 practicable with RTO study phases.

20 (5) The Agency shall procure cost-effective energy
21 storage credits or other contract instruments intended to
22 facilitate the successful development of energy storage
23 projects. The procurement administrator shall establish
24 confidential price benchmarks based on publicly available
25 data on regional technology costs. Confidential price
26 benchmarks shall be developed by the procurement

1 administrator, in consultation with Commission staff,
2 Agency staff, and the procurement monitor, and shall be
3 subject to Commission review and approval. Price
4 benchmarks shall reflect development costs, financing
5 costs, and related costs resulting from requirements
6 imposed through other provisions of State law. As used in
7 this paragraph (5), "cost-effective" means a bidder's bid
8 price that does not exceed confidential price benchmarks.

9 (6) All procurements under this subsection (d-20)
10 shall comply with the geographic requirements in
11 subparagraph (I) of paragraph (1) of subsection (c) of
12 Section 1-75 and shall follow the procurement processes
13 and procedures described in this Section and Section
14 16-111.5 of the Public Utilities Act, to the extent
15 practicable. The processes and procedures may be expedited
16 to accommodate the schedule established by this Section.
17 The Agency shall require all bidders to pay to the Agency a
18 nonrefundable deposit determined by the Agency and no less
19 than \$10,000 per bid as practical. The Agency may also
20 assess bidder and supplier fees to cover the cost of
21 procurement events and develop collateral requirements to
22 maximize the likelihood of successful project development.
23 Bidders in the initial and additional procurements
24 described in paragraph (3) of this subsection (d-20) shall
25 also demonstrate experience in developing to commercial
26 readiness. As used in this paragraph (6), "developing to

1 commercial readiness" means having notice to proceed in
2 owning or operating energy facilities with a combined
3 nameplate capacity of at least 100 megawatts.

4 (7) In order to advance priority access to the clean
5 energy economy for businesses and workers from communities
6 that have been excluded from economic opportunities in the
7 energy sector, have been subject to disproportionate
8 levels of pollution, and have disproportionately
9 experienced negative public health outcomes, the Agency
10 shall apply its equity accountability system and minimum
11 equity standards established under subsections (c-10),
12 (c-15), (c-20), (c-25), and (c-30) of this Section to
13 energy storage procurement and programs and may include
14 any proposed modifications to the equity accountability
15 system and minimum equity standards that may be warranted
16 with respect to energy storage resources in its plan
17 submission to the Commission under Section 16-111.5 of the
18 Public Utilities Act.

19 (8) Projects shall be developed in compliance with the
20 prevailing wage and project labor agreement requirements
21 for renewable energy projects in subparagraph (Q) of
22 paragraph (1) of subsection (c) of Section 1-75.

23 (9) An entity operating an energy storage facility
24 shall demonstrate that it has entered into a labor peace
25 agreement with a bona fide labor organization that is
26 actively engaged in representing its employees. The labor

1 peace agreement shall apply to the employees necessary for
2 the ongoing maintenance and operation of the energy
3 storage facility. The existence of a labor peace agreement
4 shall be an ongoing material condition of an entity's
5 authorization to maintain and operate the energy storage
6 facility.

7 (10) In order to promote the competitive development
8 of energy storage systems in furtherance of the State's
9 interest in the health, safety, and welfare of its
10 residents, storage credits shall not be eligible to be
11 selected under this subsection (d-20) if the energy
12 storage resources are sourced from an energy storage
13 system whose costs were being recovered through rates
14 regulated by the State or any other state or states on or
15 after January 1, 2017. No entity shall be permitted to bid
16 unless it certifies to the Agency that it is not an
17 electric utility, as defined in Section 16-102 of the
18 Public Utilities Act, serving more than 10,000 customers
19 in the State.

20 (11) The Agency shall require, as a prerequisite to
21 payment for any storage credits, that the winning bidder
22 provide the Agency or its designee a copy of the
23 interconnection agreement under which the applicable
24 energy storage system is connected to the transmission or
25 distribution system.

26 (12) Contracts shall provide that, if the cost

1 recovery mechanism referenced in subsection (k) of Section
2 16-108 of the Public Utilities Act remains in full force
3 without amendment or the utility is otherwise authorized
4 or entitled to full, prompt, and uninterrupted recovery of
5 its costs through any other mechanism, then such seller
6 shall be entitled to full, prompt, and uninterrupted
7 payment under the applicable contract notwithstanding the
8 application of this paragraph (12).

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

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

16 (g) The Agency shall assess fees to each affected utility
17 to recover the costs incurred in preparation of procurement
18 plans and in the operation of programs.

19 (h) The Agency shall assess fees to each bidder to recover
20 the costs incurred in connection with a competitive
21 procurement process.

22 (i) A renewable energy credit, carbon emission credit,
23 zero emission credit, or carbon mitigation credit can only be
24 used once to comply with a single portfolio or other standard
25 as set forth in subsection (c), subsection (d), or subsection
26 (d-5) of this Section, respectively. A renewable energy

1 credit, carbon emission credit, zero emission credit, or
2 carbon mitigation credit cannot be used to satisfy the
3 requirements of more than one standard. If more than one type
4 of credit is issued for the same megawatt hour of energy, only
5 one credit can be used to satisfy the requirements of a single
6 standard. After such use, the credit must be retired together
7 with any other credits issued for the same megawatt hour of
8 energy.

9 (Source: P.A. 103-380, eff. 1-1-24; 103-580, eff. 12-8-23;
10 103-1066, eff. 2-20-25; 104-458, eff. 6-1-26.)

11 Section 20. The Public Utilities Act is amended by
12 changing Section 16-107.6 and by adding Section 8-507.5 as
13 follows:

14 (220 ILCS 5/8-507.5 new)

15 Sec. 8-507.5. Annual Energy Affordability and Rate Impact
16 Study.

17 (a) The Commission shall conduct an annual Energy
18 Affordability and Rate Impact Study pursuant to the provisions
19 of this Section.

20 (b) The Study shall include, at a minimum:

21 (1) historical and current electric and natural gas
22 rates for residential, commercial, and industrial
23 customers;

24 (2) the cumulative impacts of existing State energy

1 statutes, programs, mandates, riders, and tariffs on
2 customer rates;

3 (3) projected rate impacts associated with future
4 Commission decisions, including, but not limited to, the
5 following:

6 (A) pending and anticipated utility rate cases;

7 (B) approved or proposed integrated resource
8 plans;

9 (C) infrastructure investment programs and riders;

10 (D) clean energy, electrification, or grid
11 modernization initiatives; and

12 (E) any other Commission actions reasonably
13 expected to materially affect customer rates;

14 (4) an analysis of how the combined effects of current
15 and projected Commission decisions are expected to affect
16 customer bills over time, including cumulative impacts on
17 customer bills across multiple years;

18 (5) any disproportionate rate impacts on low-income
19 and moderate-income households;

20 (6) rate impacts on energy-intensive commercial and
21 industrial customers; and

22 (7) an identification of affordability risks,
23 including the risk that future regulatory actions may
24 cause rates to exceed statutory or policy-based
25 affordability thresholds.

26 (c) The Commission shall, to the extent practicable,

1 include scenario-based projections illustrating how different
2 regulatory outcomes or planning assumptions may affect future
3 rates.

4 (d) The Study conducted in 2026 shall be made publicly
5 available on the Commission's website and shall be submitted
6 to the General Assembly by no later than November 1, 2027. For
7 any Study conducted after 2026, the Study for the preceding
8 year shall be made publicly available on the Commission's
9 website and shall be submitted to the General Assembly by no
10 later than November 1 of the following year. The findings of
11 the Study shall be used to inform legislative oversight and
12 future energy policy decisions of the Commission.

13 (e) Nothing in this Section shall be construed to limit
14 the authority of the Commission to make decisions in
15 individual proceedings.

16 (220 ILCS 5/16-107.6)

17 (Text of Section before amendment by P.A. 104-458)

18 Sec. 16-107.6. Distributed generation rebate.

19 (a) In this Section:

20 "Additive services" means the services that distributed
21 energy resources provide to the energy system and society that
22 are not (1) already included in the base rebates for
23 system-wide grid services; or (2) otherwise already
24 compensated. Additive services may reflect, but shall not be
25 limited to, any geographic, time-based, performance-based, and

1 other benefits of distributed energy resources, as well as the
2 present and future technological capabilities of distributed
3 energy resources and present and future grid needs.

4 "Distributed energy resource" means a wide range of
5 technologies that are located on the customer side of the
6 customer's electric meter, including, but not limited to,
7 distributed generation, energy storage, electric vehicles, and
8 demand response technologies.

9 "Energy storage system" means commercially available
10 technology that is capable of absorbing energy and storing it
11 for a period of time for use at a later time, including, but
12 not limited to, electrochemical, thermal, and
13 electromechanical technologies, and may be interconnected
14 behind the customer's meter or interconnected behind its own
15 meter.

16 "Smart inverter" means a device that converts direct
17 current into alternating current and meets the IEEE 1547-2018
18 equipment standards. Until devices that meet the IEEE
19 1547-2018 standard are available, devices that meet the UL
20 1741 SA standard are acceptable.

21 "Subscriber" has the meaning set forth in Section 1-10 of
22 the Illinois Power Agency Act.

23 "Subscription" has the meaning set forth in Section 1-10
24 of the Illinois Power Agency Act.

25 "System-wide grid services" means the benefits that a
26 distributed energy resource provides to the distribution grid

1 for a period of no less than 25 years. System-wide grid
2 services do not vary by location, time, or the performance
3 characteristics of the distributed energy resource.
4 System-wide grid services include, but are not limited to,
5 avoided or deferred distribution capacity costs, resilience
6 and reliability benefits, avoided or deferred distribution
7 operation and maintenance costs, distribution voltage and
8 power quality benefits, and line loss reductions.

9 "Threshold date" means December 31, 2024 or the date on
10 which the utility's tariff or tariffs setting the new
11 compensation values established under subsection (e) take
12 effect, whichever is later.

13 (b) An electric utility that serves more than 200,000
14 customers in the State shall file a petition with the
15 Commission requesting approval of the utility's tariff to
16 provide a rebate to the owner or operator of distributed
17 generation, including third-party owned systems, that meets
18 the following criteria:

19 (1) has a nameplate generating capacity no greater
20 than 5,000 kilowatts and is primarily used to offset a
21 customer's electricity load;

22 (2) is located on the customer's side of the billing
23 meter and for the customer's own use;

24 (3) is interconnected to electric distribution
25 facilities owned by the electric utility under rules
26 adopted by the Commission by means of one or more

1 inverters or smart inverters required by this Section, as
2 applicable.

3 For purposes of this Section, "distributed generation"
4 shall satisfy the definition of distributed renewable energy
5 generation device set forth in Section 1-10 of the Illinois
6 Power Agency Act to the extent such definition is consistent
7 with the requirements of this Section.

8 In addition, any new photovoltaic distributed generation
9 that is installed after June 1, 2017 (the effective date of
10 Public Act 99-906) must be installed by a qualified person, as
11 defined by subsection (i) of Section 1-56 of the Illinois
12 Power Agency Act.

13 The tariff shall include a base rebate that compensates
14 distributed generation for the system-wide grid services
15 associated with distributed generation and, after the
16 proceeding described in subsection (e) of this Section, an
17 additional payment or payments for the additive services. The
18 tariff shall provide that the smart inverter or smart
19 inverters associated with the distributed generation shall
20 provide autonomous response to grid conditions through its
21 default settings as approved by the Commission. Default
22 settings may not be changed after the execution of the
23 interconnection agreement except by mutual agreement between
24 the utility and the owner or operator of the distributed
25 generation. Nothing in this Section shall negate or supersede
26 Institute of Electrical and Electronics Engineers equipment

1 standards or other similar standards or requirements. The
2 tariff shall not limit the ability of the smart inverter or
3 smart inverters or other distributed energy resource to
4 provide wholesale market products such as regulation, demand
5 response, or other services, or limit the ability of the owner
6 of the smart inverter or the other distributed energy resource
7 to receive compensation for providing those wholesale market
8 products or services.

9 (b-5) Within 30 days after the effective date of this
10 amendatory Act of the 102nd General Assembly, each electric
11 public utility with 3,000,000 or more retail customers shall
12 file a tariff with the Commission that further compensates any
13 retail customer that installs or has installed photovoltaic
14 facilities paired with energy storage facilities on or
15 adjacent to its premises for the benefits the facilities
16 provide to the distribution grid. The tariff shall provide
17 that, in addition to the other rebates identified in this
18 Section, the electric utility shall rebate to such retail
19 customer (i) the previously incurred and future costs of
20 installing interconnection facilities and related
21 infrastructure to enable full participation in the PJM
22 Interconnection, LLC or its successor organization frequency
23 regulation market; and (ii) all wholesale demand charges
24 incurred after the effective date of this amendatory Act of
25 the 102nd General Assembly. The Commission shall approve, or
26 approve with modification, the tariff within 120 days after

1 the utility's filing.

2 (c) The proposed tariff authorized by subsection (b) of
3 this Section shall include the following participation terms
4 for rebates to be applied under this Section for distributed
5 generation that satisfies the criteria set forth in subsection
6 (b) of this Section:

7 (1) The owner or operator of distributed generation
8 that services customers not eligible for net metering
9 under subsection (d), (d-5), or (e) of Section 16-107.5 of
10 this Act may apply for a rebate as provided for in this
11 Section. Until the threshold date, the value of the rebate
12 shall be \$250 per kilowatt of nameplate generating
13 capacity, measured as nominal DC power output, of that
14 customer's distributed generation. To the extent the
15 distributed generation also has an associated energy
16 storage, then the energy storage system shall be
17 separately compensated with a base rebate of \$250 per
18 kilowatt-hour of nameplate capacity. Any distributed
19 generation device that is compensated for storage in this
20 subsection (1) before the threshold date shall participate
21 in one or more programs determined through the Multi-Year
22 Integrated Grid Planning process that are designed to meet
23 peak reduction and flexibility. After the threshold date,
24 the value of the base rebate and additional compensation
25 for any additive services shall be as determined by the
26 Commission in the proceeding described in subsection (e)

1 of this Section, provided that the value of the base
2 rebate for system-wide grid services shall not be lower
3 than \$250 per kilowatt of nameplate generating capacity of
4 distributed generation or community renewable generation
5 project.

6 (2) The owner or operator of distributed generation
7 that, before the threshold date, would have been eligible
8 for net metering under subsection (d), (d-5), or (e) of
9 Section 16-107.5 of this Act and that has not previously
10 received a distributed generation rebate, may apply for a
11 rebate as provided for in this Section. Until the
12 threshold date, the value of the base rebate shall be \$300
13 per kilowatt of nameplate generating capacity, measured as
14 nominal DC power output, of the distributed generation.
15 The owner or operator of distributed generation that,
16 before the threshold date, is eligible for net metering
17 under subsection (d), (d-5), or (e) of Section 16-107.5 of
18 this Act may apply for a base rebate for an associated
19 energy storage device behind the same retail customer
20 meter as the distributed generation, regardless of whether
21 the distributed generation applies for a rebate for the
22 distributed generation device. The energy storage system
23 shall be separately compensated at a base payment of \$300
24 per kilowatt-hour of nameplate capacity. Any distributed
25 generation device that is compensated for storage in this
26 subsection (2) before the threshold date shall participate

1 in a peak time rebate program, hourly pricing program, or
2 time-of-use rate program offered by the applicable
3 electric utility. After the threshold date, the value of
4 the base rebate and additional compensation for any
5 additive services shall be as determined by the Commission
6 in the proceeding described in subsection (e) of this
7 Section, provided that, prior to December 31, 2029, the
8 value of the base rebate for system-wide services shall
9 not be lower than \$300 per kilowatt of nameplate
10 generating capacity of distributed generation, after which
11 it shall not be lower than \$250 per kilowatt of nameplate
12 capacity. The eligibility of energy storage devices that
13 are interconnected behind the same retail customer meter
14 as the distributed generation shall not be limited to
15 energy storage devices interconnected after the effective
16 date of this amendatory Act of the 103rd General Assembly.
17 To the extent that an electric utility's tariffs are
18 inconsistent with the requirements of this paragraph (2)
19 as modified by this amendatory Act of the 103rd General
20 Assembly, such electric utility shall, within 30 days,
21 file modified tariffs consistent with the requirements of
22 this paragraph (2).

23 (3) Upon approval of a rebate application submitted
24 under this subsection (c), the retail customer shall no
25 longer be entitled to receive any delivery service credits
26 for the excess electricity generated by its facility and

1 shall be subject to the provisions of subsection (n) of
2 Section 16-107.5 of this Act unless the owner or operator
3 receives a rebate only for an energy storage device and
4 not for the distributed generation device.

5 (4) To be eligible for a rebate described in this
6 subsection (c), the owner or operator of the distributed
7 generation must have a smart inverter installed and in
8 operation on the distributed generation.

9 (d) The Commission shall review the proposed tariff
10 authorized by subsection (b) of this Section and may make
11 changes to the tariff that are consistent with this Section
12 and with the Commission's authority under Article IX of this
13 Act, subject to notice and hearing. Following notice and
14 hearing, the Commission shall issue an order approving, or
15 approving with modification, such tariff no later than 240
16 days after the utility files its tariff. Upon the effective
17 date of this amendatory Act of the 102nd General Assembly, an
18 electric utility shall file a petition with the Commission to
19 amend and update any existing tariffs to comply with
20 subsections (b) and (c).

21 (e) By no later than June 30, 2023, the Commission shall
22 open an independent, statewide investigation into the value
23 of, and compensation for, distributed energy resources. The
24 Commission shall conduct the investigation, but may arrange
25 for experts or consultants independent of the utilities and
26 selected by the Commission to assist with the investigation.

1 The cost of the investigation shall be shared by the utilities
2 filing tariffs under subsection (b) of this Section but may be
3 recovered as an expense through normal ratemaking procedures.

4 (1) The Commission shall ensure that the investigation
5 includes, at minimum, diverse sets of stakeholders; a
6 review of best practices in calculating the value of
7 distributed energy resource benefits; a review of the full
8 value of the distributed energy resources and the manner
9 in which each component of that value is or is not
10 otherwise compensated; and assessments of how the value of
11 distributed energy resources may evolve based on the
12 present and future technological capabilities of
13 distributed energy resources and based on present and
14 future grid needs.

15 (2) The Commission's final order concluding this
16 investigation shall establish an annual process and
17 formula for the compensation of distributed generation and
18 energy storage systems, and an initial set of inputs for
19 that formula. The Commission's final order concluding this
20 investigation shall establish base rebates that compensate
21 distributed generation, community renewable generation
22 projects and energy storage systems for the system-wide
23 grid services that they provide. Those base rebate values
24 shall be consistent across the state, and shall not vary
25 by customer, customer class, customer location, or any
26 other variable. With respect to rebates for distributed

1 generation or community renewable generation projects,
2 that rebate shall not be lower than \$250 per kilowatt of
3 nameplate generating capacity of the distributed
4 generation or community renewable generation project. The
5 Commission's final order concluding this proceeding shall
6 also direct the utilities to update the formula, on an
7 annual basis, with inputs derived from their integrated
8 grid plans developed pursuant to Section 16-105.17. The
9 base rebate shall be updated annually based on the annual
10 updates to the formula inputs, but, with respect to
11 rebates for distributed generation or community renewable
12 generation projects, shall be no lower than \$250 per
13 kilowatt of nameplate generating capacity of the
14 distributed generation or community renewable generation
15 project.

16 (3) The Commission shall also determine, as a part of
17 its investigation under this subsection, whether
18 distributed energy resources can provide any additive
19 services. Those additive services may include services
20 that are provided through utility-controlled responses to
21 grid conditions. If the Commission determines that
22 distributed energy resources can provide additive grid
23 services, the Commission shall determine the terms and
24 conditions for the operation and compensation of those
25 services. That compensation shall be above and beyond the
26 base rebate that the distributed energy generation,

1 community renewable generation project and energy storage
2 system receives. Compensation for additive services may
3 vary by location, time, performance characteristics,
4 technology types, or other variables.

5 (4) The Commission shall ensure that compensation for
6 distributed energy resources, including base rebates and
7 any payments for additive services, shall reflect all
8 reasonably known and measurable values of the distributed
9 generation over its full expected useful life.
10 Compensation for additive services shall reflect, but
11 shall not be limited to, any geographic, time-based,
12 performance-based, and other benefits of distributed
13 generation, as well as the present and future
14 technological capabilities of distributed energy resources
15 and present and future grid needs.

16 (5) The Commission shall consider the electric
17 utility's integrated grid plan developed pursuant to
18 Section 16-105.17 of this Act to help identify the value
19 of distributed energy resources for the purpose of
20 calculating the compensation described in this subsection.

21 (6) The Commission shall determine additional
22 compensation for distributed energy resources that creates
23 savings and value on the distribution system by being
24 co-located or in close proximity to electric vehicle
25 charging infrastructure in use by medium-duty and
26 heavy-duty vehicles, primarily serving environmental

1 justice communities, as outlined in the utility integrated
2 grid planning process under Section 16-105.17 of this Act.

3 No later than 60 days after the Commission enters its
4 final order under this subsection (e), each utility shall file
5 its updated tariff or tariffs in compliance with the order,
6 including new tariffs for the recovery of costs incurred under
7 this subsection (e) that shall provide for volumetric-based
8 cost recovery, and the Commission shall approve, or approve
9 with modification, the tariff or tariffs within 240 days after
10 the utility's filing.

11 (f) Notwithstanding any provision of this Act to the
12 contrary, the owner or operator of a community renewable
13 generation project as defined in Section 1-10 of the Illinois
14 Power Agency Act shall also be eligible to apply for the rebate
15 described in this Section. The owner or operator of the
16 community renewable generation project may apply for a rebate
17 only if the owner or operator, or previous owner or operator,
18 of the community renewable generation project has not already
19 submitted an application, and, regardless of whether the
20 subscriber is a residential or non-residential customer, may
21 be allowed the amount identified in paragraph (1) of
22 subsection (c) applicable on the date that the application is
23 submitted.

24 (g) The owner of the distributed generation or community
25 renewable generation project may apply for the rebate or
26 rebates approved under this Section at the time of execution

1 of an interconnection agreement with the distribution utility
2 and shall receive the value available at that time of
3 execution of the interconnection agreement, provided the
4 project reaches mechanical completion within 24 months after
5 execution of the interconnection agreement. If the project has
6 not reached mechanical completion within 24 months after
7 execution, the owner may reapply for the rebate or rebates
8 approved under this Section available at the time of
9 application and shall receive the value available at the time
10 of application. The utility shall issue the rebate no later
11 than 60 days after the project is energized. In the event the
12 application is incomplete or the utility is otherwise unable
13 to calculate the payment based on the information provided by
14 the owner, the utility shall issue the payment no later than 60
15 days after the application is complete or all requested
16 information is received.

17 (h) An electric utility shall recover from its retail
18 customers all of the costs of the rebates made under a tariff
19 or tariffs approved under subsection (d) of this Section,
20 including, but not limited to, the value of the rebates and all
21 costs incurred by the utility to comply with and implement
22 subsections (b) and (c) of this Section, but not including
23 costs incurred by the utility to comply with and implement
24 subsection (e) of this Section, consistent with the following
25 provisions:

26 (1) The utility shall defer the full amount of its

1 costs as a regulatory asset. The total costs deferred as a
2 regulatory asset shall be amortized over a 15-year period.
3 The unamortized balance shall be recognized as of December
4 31 for a given year. The utility shall also earn a return
5 on the total of the unamortized balance of the regulatory
6 assets, less any deferred taxes related to the unamortized
7 balance, at an annual rate equal to the utility's weighted
8 average cost of capital that includes, based on a year-end
9 capital structure, the utility's actual cost of debt for
10 the applicable calendar year and a cost of equity, which
11 shall be calculated as the sum of (i) the average for the
12 applicable calendar year of the monthly average yields of
13 30-year U.S. Treasury bonds published by the Board of
14 Governors of the Federal Reserve System in its weekly H.15
15 Statistical Release or successor publication; and (ii) 580
16 basis points, including a revenue conversion factor
17 calculated to recover or refund all additional income
18 taxes that may be payable or receivable as a result of that
19 return.

20 When an electric utility creates a regulatory asset
21 under the provisions of this paragraph (1) of subsection
22 (h), the costs are recovered over a period during which
23 customers also receive a benefit, which is in the public
24 interest. Accordingly, it is the intent of the General
25 Assembly that an electric utility that elects to create a
26 regulatory asset under the provisions of this paragraph

1 (1) shall recover all of the associated costs, including,
2 but not limited to, its cost of capital as set forth in
3 this paragraph (1). After the Commission has approved the
4 prudence and reasonableness of the costs that comprise the
5 regulatory asset, the electric utility shall be permitted
6 to recover all such costs, and the value and
7 recoverability through rates of the associated regulatory
8 asset shall not be limited, altered, impaired, or reduced.
9 To enable the financing of the incremental capital
10 expenditures, including regulatory assets, for electric
11 utilities that serve less than 3,000,000 retail customers
12 but more than 500,000 retail customers in the State, the
13 utility's actual year-end capital structure that includes
14 a common equity ratio, excluding goodwill, of up to and
15 including 50% of the total capital structure shall be
16 deemed reasonable and used to set rates.

17 (2) The utility, at its election, may recover all of
18 the costs as part of a filing for a general increase in
19 rates under Article IX of this Act, as part of an annual
20 filing to update a performance-based formula rate under
21 subsection (d) of Section 16-108.5 of this Act, or through
22 an automatic adjustment clause tariff, provided that
23 nothing in this paragraph (2) permits the double recovery
24 of such costs from customers. If the utility elects to
25 recover the costs it incurs under subsections (b) and (c)
26 through an automatic adjustment clause tariff, the utility

1 may file its proposed tariff together with the tariff it
2 files under subsection (b) of this Section or at a later
3 time. The proposed tariff shall provide for an annual
4 reconciliation, less any deferred taxes related to the
5 reconciliation, with interest at an annual rate of return
6 equal to the utility's weighted average cost of capital as
7 calculated under paragraph (1) of this subsection (h),
8 including a revenue conversion factor calculated to
9 recover or refund all additional income taxes that may be
10 payable or receivable as a result of that return, of the
11 revenue requirement reflected in rates for each calendar
12 year, beginning with the calendar year in which the
13 utility files its automatic adjustment clause tariff under
14 this subsection (h), with what the revenue requirement
15 would have been had the actual cost information for the
16 applicable calendar year been available at the filing
17 date. The Commission shall review the proposed tariff and
18 may make changes to the tariff that are consistent with
19 this Section and with the Commission's authority under
20 Article IX of this Act, subject to notice and hearing.
21 Following notice and hearing, the Commission shall issue
22 an order approving, or approving with modification, such
23 tariff no later than 240 days after the utility files its
24 tariff.

25 (i) An electric utility shall recover from its retail
26 customers, on a volumetric basis, all of the costs of the

1 rebates made under a tariff or tariffs placed into effect
2 under subsection (e) of this Section, including, but not
3 limited to, the value of the rebates and all costs incurred by
4 the utility to comply with and implement subsection (e) of
5 this Section, consistent with the following provisions:

6 (1) The utility may defer a portion of its costs as a
7 regulatory asset. The Commission shall determine the
8 portion that may be appropriately deferred as a regulatory
9 asset. Factors that the Commission shall consider in
10 determining the portion of costs that shall be deferred as
11 a regulatory asset include, but are not limited to: (i)
12 whether and the extent to which a cost effectively
13 deferred or avoided other distribution system operating
14 costs or capital expenditures; (ii) the extent to which a
15 cost provides environmental benefits; (iii) the extent to
16 which a cost improves system reliability or resilience;
17 (iv) the electric utility's distribution system plan
18 developed pursuant to Section 16-105.17 of this Act; (v)
19 the extent to which a cost advances equity principles; and
20 (vi) such other factors as the Commission deems
21 appropriate. The remainder of costs shall be deemed an
22 operating expense and shall be recoverable if found
23 prudent and reasonable by the Commission.

24 The total costs deferred as a regulatory asset shall
25 be amortized over a 15-year period. The unamortized
26 balance shall be recognized as of December 31 for a given

1 year. The utility shall also earn a return on the total of
2 the unamortized balance of the regulatory assets, less any
3 deferred taxes related to the unamortized balance, at an
4 annual rate equal to the utility's weighted average cost
5 of capital that includes, based on a year-end capital
6 structure, the utility's actual cost of debt for the
7 applicable calendar year and a cost of equity, which shall
8 be calculated as the sum of: (I) the average for the
9 applicable calendar year of the monthly average yields of
10 30-year U.S. Treasury bonds published by the Board of
11 Governors of the Federal Reserve System in its weekly H.15
12 Statistical Release or successor publication; and (II) 580
13 basis points, including a revenue conversion factor
14 calculated to recover or refund all additional income
15 taxes that may be payable or receivable as a result of that
16 return.

17 (2) The utility may recover all of the costs through
18 an automatic adjustment clause tariff, on a volumetric
19 basis. The utility may file its proposed cost-recovery
20 tariff together with the tariff it files under subsection
21 (e) of this Section or at a later time. The proposed tariff
22 shall provide for an annual reconciliation, less any
23 deferred taxes related to the reconciliation, with
24 interest at an annual rate of return equal to the
25 utility's weighted average cost of capital as calculated
26 under paragraph (1) of this subsection (i), including a

1 revenue conversion factor calculated to recover or refund
2 all additional income taxes that may be payable or
3 receivable as a result of that return, of the revenue
4 requirement reflected in rates for each calendar year,
5 beginning with the calendar year in which the utility
6 files its automatic adjustment clause tariff under this
7 subsection (i), with what the revenue requirement would
8 have been had the actual cost information for the
9 applicable calendar year been available at the filing
10 date. The Commission shall review the proposed tariff and
11 may make changes to the tariff that are consistent with
12 this Section and with the Commission's authority under
13 Article IX of this Act, subject to notice and hearing.
14 Following notice and hearing, the Commission shall issue
15 an order approving, or approving with modification, such
16 tariff no later than 240 days after the utility files its
17 tariff.

18 (j) No later than 90 days after the Commission enters an
19 order, or order on rehearing, whichever is later, approving an
20 electric utility's proposed tariff under this Section, the
21 electric utility shall provide notice of the availability of
22 rebates under this Section.

23 (m) An electric utility may not recover any costs, through
24 a tariff or other recovery mechanism, associated with the
25 deployment of utility-owned or utility-contracted energy
26 storage systems unless the utility demonstrates that the

1 capital for the energy storage system was procured through the
2 Illinois Finance Authority. This subsection (m) applies to all
3 new battery storage projects in this State initiated after
4 June 1, 2026.

5 (n) Notwithstanding any other provision of this Act, an
6 electric utility may not recover any costs, through a tariff,
7 base rate, or any other recovery mechanism, associated with a
8 new battery storage project with a capacity exceeding 20
9 megawatts unless the utility demonstrates to the Commission
10 that the project was financed or bonded through the Illinois
11 Finance Authority. This subsection (n) applies to all battery
12 storage projects for which a certificate of public convenience
13 and necessity or any other form of regulatory approval is
14 sought after the effective date of this amendatory Act of the
15 104th General Assembly.

16 (o) Notwithstanding any other provision of this Act, if a
17 Multi-Year Integrated Grid Plan or any subsequent integrated
18 resource plan submitted by a utility or the Commission
19 includes a proposal to increase, suspend, or otherwise exceed
20 any existing statutory rate caps or cost-control benchmarks
21 established under Section 16-107.5 or Section 16-108, such
22 adjustment shall not take effect unless the adjustment is
23 specifically approved by a joint resolution of the General
24 Assembly.

25 (p) Upon the Commission's preliminary finding that an
26 adjustment to a rate cap is necessary for grid reliability or

1 the achievement of State energy goals, the Commission shall
2 submit a report to the General Assembly within 30 days after
3 the issuance of the preliminary finding that details the
4 necessity of the adjustment, the projected impact of the
5 adjustment on residential and industrial ratepayers, and the
6 proposed duration of the adjustment. The General Assembly
7 shall act upon the report within 60 days after the report's
8 submission during a regular or special session. If the General
9 Assembly fails to approve the adjustment by joint resolution,
10 the integrated resource plan shall be modified to remain
11 within existing statutory rate caps.

12 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22;
13 103-1066, eff. 2-20-25.)

14 (Text of Section after amendment by P.A. 104-458)

15 Sec. 16-107.6. Distributed generation and storage rebate.

16 (a) In this Section:

17 "Additive services" means the services that distributed
18 energy resources provide to the energy system and society that
19 are described in Section 16-107.9.

20 "Distributed energy resource" means a wide range of
21 technologies that are located on the customer side of the
22 customer's electric meter, including, but not limited to,
23 distributed generation, energy storage, electric vehicles, and
24 demand response technologies.

25 "Distributed storage" means energy storage systems that

1 are interconnected behind the customer's meter to the
2 distribution system or interconnected behind the storage
3 system's own meter to the distribution system.

4 "Energy storage system" means commercially available
5 technology that is capable of absorbing energy and storing it
6 for a period of time for use at a later time, including, but
7 not limited to, electrochemical, thermal, and
8 electromechanical technologies, and may be interconnected
9 behind the customer's meter or interconnected behind its own
10 meter.

11 "Smart inverter" means a device that converts direct
12 current into alternating current and meets the IEEE 1547-2018
13 equipment standards. Until devices that meet the IEEE
14 1547-2018 standard are available, devices that meet the UL
15 1741 SA standard are acceptable.

16 "Subscriber" has the meaning set forth in Section 1-10 of
17 the Illinois Power Agency Act.

18 "Subscription" has the meaning set forth in Section 1-10
19 of the Illinois Power Agency Act.

20 "System-wide grid services" means the benefits that a
21 distributed energy resource provides to the distribution grid
22 for a period of no less than 25 years. System-wide grid
23 services do not vary by location, time, or the performance
24 characteristics of the distributed energy resource.
25 System-wide grid services include, but are not limited to,
26 avoided or deferred distribution capacity costs, resilience

1 and reliability benefits, avoided or deferred distribution
2 operation and maintenance costs, distribution voltage and
3 power quality benefits, and line loss reductions.

4 "Threshold date" means the date 2 years after the
5 effective date of this amendatory Act of the 104th General
6 Assembly or the date on which the utility's tariff or tariffs
7 authorized by Section 16-107.9 take effect, whichever is
8 later.

9 (b) An electric utility that serves more than 200,000
10 customers in the State shall file a petition with the
11 Commission requesting approval of the utility's tariff to
12 provide a rebate to the owner or operator of distributed
13 generation, including third-party owned systems, that meets
14 the following criteria:

15 (1) has a nameplate generating capacity no greater
16 than 5,000 kilowatts and is primarily used to offset a
17 customer's electricity load, or as otherwise as defined
18 for community renewable generation projects in Section
19 1-10 of the Illinois Power Agency Act;

20 (2) is located on the customer's side of the billing
21 meter and for the customer's own use;

22 (3) is interconnected to electric distribution
23 facilities owned by the electric utility under rules
24 adopted by the Commission by means of one or more
25 inverters or smart inverters required by this Section, as
26 applicable.

1 For purposes of this Section, "distributed generation"
2 shall satisfy the definition of distributed renewable energy
3 generation device set forth in Section 1-10 of the Illinois
4 Power Agency Act to the extent such definition is consistent
5 with the requirements of this Section.

6 In addition, any new photovoltaic distributed generation
7 that is installed after June 1, 2017 (the effective date of
8 Public Act 99-906) must be installed by a qualified person, as
9 defined by subsection (i) of Section 1-56 of the Illinois
10 Power Agency Act.

11 The tariff shall include a base rebate that compensates
12 distributed generation for the system-wide grid services
13 associated with distributed generation and an additional
14 payment or payments for any additive services identified by
15 the Commission under Section 16-107.9. The distributed
16 generation and storage tariff shall provide that the smart
17 inverter or smart inverters associated with the distributed
18 generation shall provide autonomous response to grid
19 conditions through its default settings as approved by the
20 Commission. Default settings may not be changed after the
21 execution of the interconnection agreement except by mutual
22 agreement between the utility and the owner or operator of the
23 distributed generation. Nothing in this Section shall negate
24 or supersede Institute of Electrical and Electronics Engineers
25 equipment standards or other similar standards or
26 requirements. The tariff shall not limit the ability of the

1 smart inverter or smart inverters or other distributed energy
2 resource to provide wholesale market products such as
3 regulation, demand response, or other services, or limit the
4 ability of the owner of the smart inverter or the other
5 distributed energy resource to receive compensation for
6 providing those wholesale market products or services.

7 (b-5) Within 30 days after the effective date of this
8 amendatory Act of the 102nd General Assembly, each electric
9 public utility with 3,000,000 or more retail customers shall
10 file a tariff with the Commission that further compensates any
11 retail customer that installs or has installed photovoltaic
12 facilities paired with energy storage facilities on or
13 adjacent to its premises for the benefits the facilities
14 provide to the distribution grid. The tariff shall provide
15 that, in addition to the other rebates identified in this
16 Section, the electric utility shall rebate to such retail
17 customer (i) the previously incurred and future costs of
18 installing interconnection facilities and related
19 infrastructure to enable full participation in the PJM
20 Interconnection, LLC or its successor organization frequency
21 regulation market; and (ii) all wholesale demand charges
22 incurred after the effective date of this amendatory Act of
23 the 102nd General Assembly. The Commission shall approve, or
24 approve with modification, the tariff within 120 days after
25 the utility's filing.

26 To be eligible for a rebate described in this subsection

1 (b-5), the owner or operator of the distributed generation
2 shall provide proof of participation in the frequency
3 regulation market. Upon providing proof of participation, the
4 retail customer shall be entitled to a rebate equal to the cost
5 of the interconnection facilities paid to ComEd, regardless of
6 whether the retail customer would have incurred the
7 interconnection costs in the absence of participating in the
8 frequency regulation market, plus the cost of software,
9 telecommunications hardware, and telemetry paid to enable
10 communication with PJM for purposes of participating in the
11 frequency regulation market. A utility providing rebates
12 described in this subsection (b-5) shall be entitled to
13 recover the costs of the rebates as provided for in subsection
14 (h) of this Section. To the extent the electric utility's
15 tariff is modified to comply with this subsection (b-5), it
16 shall file a revised tariff with the Commission within 120
17 days after the effective date of this amendatory Act of the
18 104th General Assembly, and the Commission shall approve, or
19 approve with modification, the tariff within 240 days after
20 the Commission initiates the docket.

21 (c) The proposed tariff authorized by subsection (b) of
22 this Section shall include the following participation terms
23 for rebates to be applied under this Section for distributed
24 generation that satisfies the criteria set forth in subsection
25 (b) of this Section:

26 (1) The owner or operator of distributed generation or

distributed storage that services customers not eligible for net metering under subsection (d), (d-5), or (e) of Section 16-107.5 of this Act may apply for a rebate as provided for in this Section. The value of the rebate shall be \$250 per kilowatt of nameplate generating capacity, measured as nominal DC power output, of that customer's distributed generation. To the extent the distributed generation also has an associated energy storage, then until the threshold date for systems other than community renewable generation projects paired with an energy storage system, the energy storage system shall be separately compensated with a rebate of \$250 per kilowatt-hour of nameplate capacity. To the extent that a community renewable generation project is paired with an energy storage system or an energy storage system that is paired with distributed generation, the energy storage system shall be separately compensated with a rebate of \$250 per kilowatt-hour of nameplate capacity. A stand-alone energy storage system shall be compensated with a rebate of \$250 per kilowatt-hour of nameplate capacity. Any distributed generation device that is compensated for storage in this subsection (1) after the effective date of this amendatory Act of the 104th General Assembly shall participate in one or more programs authorized by paragraph (1) of subsection (e). Compensation for any additive services shall be as

1 determined by the Commission in the proceeding described
2 in Section 16-107.9. To the extent that an electric
3 utility's tariffs are inconsistent with the requirements
4 of this paragraph (1) as modified by this amendatory Act
5 of the 104th General Assembly, the electric utility shall,
6 within 60 days after the effective date of this amendatory
7 Act of the 104th General Assembly, file modified tariffs
8 consistent with the requirements of this paragraph (1). If
9 the Commission chooses to suspend the modified tariffs
10 following notice and hearing, the Commission shall issue
11 an order approving, or approving with modification, the
12 modified tariffs no later than 90 days after the
13 Commission initiates the docket.

14 (2) The owner or operator of distributed generation
15 that, before the threshold date, would have been eligible
16 for net metering under subsection (d), (d-5), or (e) of
17 Section 16-107.5 of this Act and that has not previously
18 received a distributed generation rebate, may apply for a
19 rebate as provided for in this Section. Until December 31,
20 2029, the value of the base rebate shall be \$300 per
21 kilowatt of nameplate generating capacity, measured as
22 nominal DC power output, of the distributed generation. On
23 or after January 1, 2030, the value of the base rebate
24 shall be \$250 per kilowatt of nameplate generating
25 capacity, measured as nominal DC power output, of the
26 distributed generation. The owner or operator of

distributed generation that, before the threshold date, is eligible for net metering under subsection (d), (d-5), or (e) of Section 16-107.5 of this Act may apply for a base rebate for an associated energy storage device behind the same retail customer meter as the distributed generation, regardless of whether the distributed generation applies for a rebate for the distributed generation device. An energy storage system, whether or not paired with distributed generation, shall be separately compensated at a base payment of \$300 per kilowatt-hour of nameplate capacity until the threshold date. After the threshold date, a stand-alone energy storage system shall be compensated with a rebate of \$250 per kilowatt-hour of nameplate capacity. Any distributed generation device that is compensated for storage in this subsection (2) has the option to participate in either an hourly pricing program or time-of-use rate program and any distributed generation device that is compensated for storage in this subsection (2) after the effective date of this amendatory Act of the 104th General Assembly shall participate in a scheduled dispatch program set forth in paragraph (1) of subsection (e) when it becomes available. Compensation for any additive services or other programs shall be as determined by the Commission in the proceeding described in Section 16-107.9. To the extent that an electric utility's tariffs are inconsistent with the requirements of this paragraph

1 (2) as modified by this amendatory Act of the 104th
2 General Assembly, such electric utility shall, within 60
3 days, file modified tariffs consistent with the
4 requirements of this paragraph (2).

5 (3) Upon approval of a rebate application submitted
6 under this subsection (c), the retail customer shall no
7 longer be entitled to receive any delivery service credits
8 for the excess electricity generated by its facility and
9 shall be subject to the provisions of subsection (n) of
10 Section 16-107.5 of this Act unless the owner or operator
11 receives a rebate only for an energy storage device and
12 not for the distributed generation device.

13 (4) To be eligible for a rebate described in this
14 subsection (c), the owner or operator of the distributed
15 generation must have a smart inverter installed and in
16 operation on the distributed generation.

17 (5) The owner or operator of any distributed
18 generation or distributed storage system whose electric
19 service has not been declared competitive under Section
20 16-113 as of July 1, 2011 or the owner or operator of a
21 community renewable generation project participating in
22 the Adjustable Block Program as a community-driven
23 community solar project as defined in item (v) of
24 subparagraph (K) of paragraph (1) of subsection (c) of
25 Section 1-75 of the Illinois Power Agency Act and that has
26 an interconnection agreement dated after the effective

1 date of this amendatory Act of the 104th General Assembly
2 shall be eligible for an additional payment or payments to
3 the applicable rebate under paragraphs (1) or (2) of this
4 subsection (c) in an amount set by tariff and approved by
5 the Commission if located in an equity investment eligible
6 community, as defined in Section 1-10 of the Illinois
7 Power Agency Act, at the time the interconnection
8 agreement is signed.

9 (d) The Commission shall review the proposed tariff
10 authorized by subsection (b) of this Section and may make
11 changes to the tariff that are consistent with this Section
12 and with the Commission's authority under Article IX of this
13 Act, subject to notice and hearing. Following notice and
14 hearing, the Commission shall issue an order approving, or
15 approving with modification, such tariff no later than 240
16 days after the utility files its tariff. Upon the effective
17 date of this amendatory Act of the 102nd General Assembly, an
18 electric utility shall file a petition with the Commission to
19 amend and update any existing tariffs to comply with
20 subsections (b) and (c).

21 (e) By no later than June 30, 2026, the Commission shall
22 establish a scheduled dispatch virtual power plant program in
23 which customers that own or operate an energy storage system
24 that receive a rebate for the distributed storage portion
25 under paragraphs (1) and (2) of subsection (c) are required to
26 participate.

1 (1) The scheduled dispatch virtual power plant program
2 shall require an enrollment period of 5 years and require
3 each participating system to commit to dispatch each
4 weekday during the months of June, July, August, and
5 September from 4 p.m. to 6 p.m. for systems interconnected
6 behind the meter of a retail customer and from 4 p.m. to 7
7 p.m. for systems interconnected on the distribution system
8 of an electric utility and not behind the meter of a retail
9 customer. For stand-alone storage, commitments to dispatch
10 shall be voluntary. Upon petition by the applicable
11 electric utility or on its own motion, the Commission may
12 approve different dispatch schedules provided that
13 dispatch events do not exceed 80 days and shall not exceed
14 2 hours for systems interconnected behind the meter of a
15 retail customer or 3 hours for systems interconnected on
16 the distribution system of an electric utility and not
17 behind the meter of a retail customer.

18 (2) The scheduled dispatch virtual power plant program
19 shall be open to all customer classes with eligible
20 distributed energy resources and shall measure performance
21 based on combined export of paired resources if the
22 eligible device is inverter-based renewables paired with
23 storage through at least December 31, 2030 and until the
24 Commission approves and the utility implements a tariff
25 under subsection (d) of Section 16-107.9 of this Act, at
26 which time such customers shall be transitioned to that

1 tariff in a manner prescribed in the tariff. The scheduled
2 dispatch virtual power plant program shall be required for
3 all community renewable generation projects paired with
4 distributed energy resources without regard to the
5 threshold date.

6 (3) Compensation shall be set by the Commission but
7 shall not be less than \$10 per kilowatt of average
8 dispatch during identified hours, paid to enrolled
9 customers or project owners at end of program year. For
10 distributed generation interconnected to an electric
11 utility's distribution system and not behind the meter of
12 a retail customer, dispatch to determine compensation
13 shall be measured at point of interconnection. For
14 distributed generation and storage interconnected behind
15 the meter of a retail customer, dispatch to determine
16 compensation shall be measured at the inverter connected
17 to the storage device.

18 (4) No later than June 1, 2026, each public utility
19 shall file an initial scheduled dispatch virtual power
20 plant tariff. The Commission shall approve, or approve
21 with modifications, the initial scheduled dispatch virtual
22 power plant tariff for each utility not later than June
23 30, 2026.

24 (5) The Commission, by its own motion or by petition
25 by an electric utility, may establish other additive
26 services programs in addition to the virtual power plant

1 program under Section 16-107.9. Nothing in this Section is
2 intended to preempt or delay the implementation of other
3 utility programs for devices that are not a part of the
4 scheduled dispatch virtual power plant program that the
5 Commission or utility may propose or require.

6 (6) No later than December 31, 2028, the utilities
7 shall file with the Commission a report that includes
8 information on the following: (A) the number of
9 participants in the scheduled dispatch program; (B)
10 impacts to energy supply prices and wholesale market
11 activities; (C) impacts on distribution system investments
12 and planning; and (D) any potential pathways by which the
13 virtual power plan program described in Section 16-107.9
14 may be designed to capture wholesale market value through
15 participation in the wholesale market and apply that
16 wholesale market revenue to reduce utility distribution or
17 electric supply rates for customers.

18 (f) Notwithstanding any provision of this Act to the
19 contrary, the owner or operator of a community renewable
20 generation project as defined in Section 1-10 of the Illinois
21 Power Agency Act whether or not a paired energy storage system
22 or the owner or operator of an energy storage system that is
23 eligible for net metering under subsection (1-10) of Section
24 16-107.5 shall also be eligible to apply for the rebate
25 described in this Section. The owner or operator of the
26 community renewable generation project whether or not a paired

1 energy storage system or the owner or operator of an energy
2 storage system that is eligible for net metering under
3 subsection (1-10) of Section 16-107.5 may apply for a rebate
4 only if the owner or operator, or previous owner or operator,
5 of the community renewable generation project whether or not a
6 paired energy storage system or the owner or operator of an
7 energy storage system that is eligible for net metering under
8 subsection (1-10) of Section 16-107.5 has not already
9 submitted an application, and, regardless of whether the
10 subscriber is a residential or non-residential customer, may
11 be allowed the amount identified in paragraph (1) of
12 subsection (c) applicable on the date that the application is
13 submitted.

14 (g) The owner of a distributed storage system, whether or
15 not paired with distributed generation, may apply for the
16 rebate or rebates approved under this Section at the time of
17 execution of an interconnection agreement with the
18 distribution utility and shall receive the value available at
19 that time of execution of the interconnection agreement. The
20 utility shall issue the rebate no later than 60 days after the
21 project is energized. In the event the application is
22 incomplete or the utility is otherwise unable to calculate the
23 payment based on the information provided by the owner, the
24 utility shall issue the payment no later than 60 days after the
25 application is complete or all requested information is
26 received.

1 (h) An electric utility shall recover from its retail
2 customers all of the costs of the rebates made under a tariff
3 or tariffs approved under this Section, including, but not
4 limited to, the value of the rebates and all costs incurred by
5 the utility to comply with and implement subsections (b),
6 (b-5), (c), and (e) of this Section, consistent with the
7 following provisions:

8 (1) The utility shall defer the full amount of its
9 costs as a regulatory asset. The total costs deferred as a
10 regulatory asset shall be amortized over a 15-year period.
11 The unamortized balance shall be recognized as of December
12 31 for a given year. The utility shall also earn a return
13 on the total of the unamortized balance of the regulatory
14 assets, less any deferred taxes related to the unamortized
15 balance, at an annual rate equal to the utility's weighted
16 average cost of capital that includes, based on a year-end
17 capital structure, the utility's actual cost of debt for
18 the applicable calendar year and a cost of equity, which
19 shall be equal to the baseline cost of equity approved by
20 the Commission for the utility's electric distribution
21 rates case effective during the applicable year, whether
22 those rates are set pursuant to Section 9-201,
23 subparagraph (B) of paragraph (3) of subsection (d) of
24 Section 16-108.18, or any successor electric distribution
25 ratemaking paradigm.

26 When an electric utility creates a regulatory asset

1 under the provisions of this paragraph (1) of subsection
2 (h), the costs are recovered over a period during which
3 customers also receive a benefit, which is in the public
4 interest. Accordingly, it is the intent of the General
5 Assembly that an electric utility that elects to create a
6 regulatory asset under the provisions of this paragraph
7 (1) shall recover all of the associated costs, including,
8 but not limited to, its cost of capital as set forth in
9 this paragraph (1). After the Commission has approved the
10 prudence and reasonableness of the costs that comprise the
11 regulatory asset, the electric utility shall be permitted
12 to recover all such costs, and the value and
13 recoverability through rates of the associated regulatory
14 asset shall not be limited, altered, impaired, or reduced.
15 To enable the financing of the incremental capital
16 expenditures, including regulatory assets, for electric
17 utilities that serve less than 3,000,000 retail customers
18 but more than 500,000 retail customers in the State, the
19 utility's actual year-end capital structure that includes
20 a common equity ratio, excluding goodwill, of up to and
21 including 50% of the total capital structure shall be
22 deemed reasonable and used to set rates.

23 (2) The utility, at its election, may recover all of
24 the costs as part of a filing for a general increase in
25 rates under Article IX of this Act, as part of an annual
26 filing to update a performance-based rate under Section

1 16-108.18, or through an automatic adjustment clause
2 tariff, provided that nothing in this paragraph (2)
3 permits the double recovery of such costs from customers.
4 If the utility elects to recover the costs it incurs under
5 subsections (b), (b-5), (c), and (e) through an automatic
6 adjustment clause tariff, the utility may file its
7 proposed tariff together with the tariff it files under
8 subsection (b) of this Section or at a later time. The
9 proposed tariff shall provide for an annual
10 reconciliation, less any deferred taxes related to the
11 reconciliation, with interest at an annual rate of return
12 equal to the utility's weighted average cost of capital as
13 calculated under paragraph (1) of this subsection (h),
14 including a revenue conversion factor calculated to
15 recover or refund all additional income taxes that may be
16 payable or receivable as a result of that return, of the
17 revenue requirement reflected in rates for each calendar
18 year, beginning with the calendar year in which the
19 utility files its automatic adjustment clause tariff under
20 this subsection (h), with what the revenue requirement
21 would have been had the actual cost information for the
22 applicable calendar year been available at the filing
23 date. The Commission shall review the proposed tariff and
24 may make changes to the tariff that are consistent with
25 this Section and with the Commission's authority under
26 Article IX of this Act, subject to notice and hearing.

1 Following notice and hearing, the Commission shall issue
2 an order approving, or approving with modification, such
3 tariff no later than 240 days after the utility files its
4 tariff.

5 (i) (Blank).

6 (j) No later than 90 days after the Commission enters an
7 order, or order on rehearing, whichever is later, approving an
8 electric utility's proposed tariff under this Section, the
9 electric utility shall provide notice of the availability of
10 rebates under this Section.

11 (k) No later than January 1, 2030, the utilities shall
12 file with the Commission a report that includes:

13 (1) the number and geographic distribution of
14 participants receiving rebates pursuant to this Section;

15 (2) impacts to energy supply prices and wholesale
16 market activities;

17 (3) impacts on distribution system investments and
18 planning; and

19 (4) any other values deemed relevant by the
20 Commission.

21 (l) Upon petition by the applicable electric utility or on
22 its own motion, the Commission may adjust rebate levels for
23 new customers and make other appropriate changes to the rebate
24 program in a manner that is consistent with the State's clean
25 energy goals and the public interest.

26 (m) An electric utility may not recover any costs, through

1 a tariff or other recovery mechanism, associated with the
2 deployment of utility-owned or utility-contracted energy
3 storage systems unless the utility demonstrates that the
4 capital for the energy storage system was procured through the
5 Illinois Finance Authority. This subsection (m) applies to all
6 new battery storage projects in this State initiated after
7 June 1, 2026.

8 (n) Notwithstanding any other provision of this Act, an
9 electric utility may not recover any costs, through a tariff,
10 base rate, or any other recovery mechanism, associated with a
11 new battery storage project with a capacity exceeding 20
12 megawatts unless the utility demonstrates to the Commission
13 that the project was financed or bonded through the Illinois
14 Finance Authority. This subsection (n) applies to all battery
15 storage projects for which a certificate of public convenience
16 and necessity or any other form of regulatory approval is
17 sought after the effective date of this amendatory Act of the
18 104th General Assembly.

19 (o) Notwithstanding any other provision of this Act, if a
20 Multi-Year Integrated Grid Plan or any subsequent integrated
21 resource plan submitted by a utility or the Commission
22 includes a proposal to increase, suspend, or otherwise exceed
23 any existing statutory rate caps or cost-control benchmarks
24 established under Section 16-107.5 or Section 16-108, such
25 adjustment shall not take effect unless the adjustment is
26 specifically approved by a joint resolution of the General

1 Assembly.

2 (p) Upon the Commission's preliminary finding that an
3 adjustment to a rate cap is necessary for grid reliability or
4 the achievement of State energy goals, the Commission shall
5 submit a report to the General Assembly within 30 days after
6 the issuance of the preliminary finding that details the
7 necessity of the adjustment, the projected impact of the
8 adjustment on residential and industrial ratepayers, and the
9 proposed duration of the adjustment. The General Assembly
10 shall act upon the report within 60 days after the report's
11 submission during a regular or special session. If the General
12 Assembly fails to approve the adjustment by joint resolution,
13 the integrated resource plan shall be modified to remain
14 within existing statutory rate caps.

15 (Source: P.A. 103-1066, eff. 2-20-25; 104-458, eff. 6-1-26.)

16 (415 ILCS 5/9.15 rep.)

17 Section 25. The Environmental Protection Act is amended by
18 repealing Section 9.15.

19 Section 90. Applicability. This Act shall apply to any
20 integrated resource plan or Multi-Year Integrated Grid Plan
21 pending review by the Commission or initiated after the
22 effective date of this Act.

23 Section 95. No acceleration or delay. Where this Act makes

1 changes in a statute that is represented in this Act by text
2 that is not yet or no longer in effect (for example, a Section
3 represented by multiple versions), the use of that text does
4 not accelerate or delay the taking effect of (i) the changes
5 made by this Act or (ii) provisions derived from any other
6 Public Act.

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

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 3501/801-40

4 20 ILCS 3501/825-65

5 20 ILCS 3855/1-75

6 220 ILCS 5/8-507.5 new

7 220 ILCS 5/16-107.6

8 415 ILCS 5/9.15 rep.