



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB3761

Introduced 2/5/2026, by Sen. Mike Simmons

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-75
220 ILCS 5/4-620 new
220 ILCS 5/16-105.5

Amends the Illinois Power Agency Act. Establishes the data center self-direct program to allow for customers taking service under the data center tariff to receive a reduction in the charges collected for the procurement of renewable energy resources. Provides that the reduction in charges available to the customer shall increase based on the energy or capacity value of the new additive clean energy generation's contribution pursuant to the specified requirements. Provides that the Illinois Power Agency may require that participating customers provide annual reports related to facility operation and performance, customer electricity consumption and load profiles, and other information as necessary. Amends the Public Utilities Act. Provides that, on or after January 1, 2027, at least 180 days prior to commencing any construction activities, the data center operator of a proposed data center shall submit a data center disclosure to the Illinois Commerce Commission. Establishes publication and open meeting requirements concerning the data center disclosures. On and after January 1, 2027, requires all data centers operating within the State to maintain water consumption data to submit annual disclosures of the data center's water usage to the Department of Natural Resources. Requires the Department of Natural Resources to make an aggregated and anonymized form of data disclosed to it available on a publicly accessible website. Provides that data centers that fail to comply with any disclosure requirements under the Act may be subject to fines of up to \$10,000 per violation. Requires the Department of Natural Resources and the Illinois Commerce Commission to adopt implementing rules. Requires a specified electric utility to, no later than 90 days after the effective date of the amendatory Act, make a filing with the Commission that proposes revenue-neutral tariff changes, which shall present the Commission with an opportunity to suspend the tariffs and consider revenue-neutral tariff changes related to rate design. Makes other changes. Effective immediately.

LRB104 19110 AAS 32555 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 5. The Illinois Power Agency Act is amended by
5 changing Section 1-75 as follows:

6 (20 ILCS 3855/1-75)

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

8 Sec. 1-75. Planning and Procurement Bureau. The Planning
9 and Procurement Bureau has the following duties and
10 responsibilities:

11 (a) The Planning and Procurement Bureau shall each year,
12 beginning in 2008, develop procurement plans and conduct
13 competitive procurement processes in accordance with the
14 requirements of Section 16-111.5 of the Public Utilities Act
15 for the eligible retail customers of electric utilities that
16 on December 31, 2005 provided electric service to at least
17 100,000 customers in Illinois. Beginning with the delivery
18 year commencing on June 1, 2017, the Planning and Procurement
19 Bureau shall develop plans and processes for the procurement
20 of zero emission credits from zero emission facilities in
21 accordance with the requirements of subsection (d-5) of this
22 Section. Beginning on the effective date of this amendatory
23 Act of the 102nd General Assembly, the Planning and

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

19 Beginning with the plan or plans to be implemented in the
20 2017 delivery year, the Agency shall no longer include the
21 procurement of renewable energy resources in the annual
22 procurement plans required by this subsection (a), except as
23 provided in subsection (q) of Section 16-111.5 of the Public
24 Utilities Act, and shall instead develop a long-term renewable
25 resources procurement plan in accordance with subsection (c)
26 of this Section and Section 16-111.5 of the Public Utilities

1 Act.

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

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

17 (A) direct previous experience assembling
18 large-scale power supply plans or portfolios for
19 end-use customers;

20 (B) an advanced degree in economics, mathematics,
21 engineering, risk management, or a related area of
22 study;

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

25 (D) expertise in wholesale electricity market
26 rules, including those established by the Federal

1 Energy Regulatory Commission and regional transmission
2 organizations;

3 (E) expertise in credit protocols and familiarity
4 with contract protocols;

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

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

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

16 (A) direct previous experience administering a
17 large-scale competitive procurement process;

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

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

22 (D) expertise in wholesale electricity market
23 rules, including those established by the Federal
24 Energy Regulatory Commission and regional transmission
25 organizations;

26 (E) expertise in credit and contract protocols;

1 (F) adequate resources to perform and fulfill the
2 required functions and responsibilities; and

3 (G) the absence of a conflict of interest and
4 inappropriate bias for or against potential bidders or
5 the affected electric utilities.

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

21 (A) failure to satisfy qualification criteria;

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

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

25 The Agency shall remove experts or expert consulting
26 firms from the lists within 10 days if there is a

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

9 (4) The Agency shall issue requests for proposals to
10 the qualified experts or expert consulting firms to
11 develop a procurement plan for the affected utilities and
12 to serve as procurement administrator.

13 (5) The Agency shall select an expert or expert
14 consulting firm to develop procurement plans based on the
15 proposals submitted and shall award contracts of up to 5
16 years to those selected.

17 (6) The Agency shall select an expert or expert
18 consulting firm, with approval of the Commission, to serve
19 as procurement administrator based on the proposals
20 submitted. If the Commission rejects, within 5 days, the
21 Agency's selection, the Agency shall submit another
22 recommendation within 3 days based on the proposals
23 submitted. The Agency shall award a 5-year contract to the
24 expert or expert consulting firm so selected with
25 Commission approval.

26 (b) The experts or expert consulting firms retained by the

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

14 (c) Renewable portfolio standard.

15 (1) (A) The Agency shall develop a long-term renewable
16 resources procurement plan that shall include procurement
17 programs and competitive procurement events necessary to
18 meet the goals set forth in this subsection (c). The
19 initial long-term renewable resources procurement plan
20 shall be released for comment no later than 160 days after
21 June 1, 2017 (the effective date of Public Act 99-906).
22 The Agency shall review, and may revise on an expedited
23 basis, the long-term renewable resources procurement plan
24 at least every 2 years, which shall be conducted in
25 conjunction with the procurement plan under Section
26 16-111.5 of the Public Utilities Act to the extent

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

14 (B) Subject to subparagraph (F) of this paragraph (1),
15 the long-term renewable resources procurement plan shall
16 attempt to meet the goals for procurement of renewable
17 energy credits at levels of at least the following overall
18 percentages: 13% by the 2017 delivery year; increasing by
19 at least 1.5% each delivery year thereafter to at least
20 25% by the 2025 delivery year; increasing by at least 3%
21 each delivery year thereafter to at least 40% by the 2030
22 delivery year, and continuing at no less than 40% for each
23 delivery year thereafter. The Agency shall attempt to
24 procure 50% by delivery year 2040. The Agency shall
25 determine the annual increase between delivery year 2030
26 and delivery year 2040, if any, taking into account energy

1 demand, other energy resources, and other public policy
2 goals. In the event of a conflict between these goals and
3 the new wind, new photovoltaic, and hydropower procurement
4 requirements described in items (i) through (iii) of
5 subparagraph (C) of this paragraph (1), the long-term plan
6 shall prioritize compliance with the new wind, new
7 photovoltaic, and hydropower procurement requirements
8 described in items (i) through (iii) of subparagraph (C)
9 of this paragraph (1) over the annual percentage targets
10 described in this subparagraph (B). The Agency shall not
11 comply with the annual percentage targets described in
12 this subparagraph (B) by procuring renewable energy
13 credits that are unlikely to lead to the development of
14 new renewable resources or new, modernized, or retooled
15 hydropower facilities.

16 For the delivery year beginning June 1, 2017, the
17 procurement plan shall attempt to include, subject to the
18 prioritization outlined in this subparagraph (B),
19 cost-effective renewable energy resources equal to at
20 least 13% of each utility's load for eligible retail
21 customers and 13% of the applicable portion of each
22 utility's load for retail customers who are not eligible
23 retail customers, which applicable portion shall equal 50%
24 of the utility's load for retail customers who are not
25 eligible retail customers on February 28, 2017.

26 For the delivery year beginning June 1, 2018, 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 14.5% of each utility's load for eligible retail
5 customers and 14.5% 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 75%
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, 2019, and for
11 each year thereafter, the procurement plans shall attempt
12 to include, subject to the prioritization outlined in this
13 subparagraph (B), cost-effective renewable energy
14 resources equal to a minimum percentage of each utility's
15 load for all retail customers as follows: 16% by June 1,
16 2019; increasing by 1.5% each year thereafter to 25% by
17 June 1, 2025; and 25% by June 1, 2026; increasing by at
18 least 3% each delivery year thereafter to at least 40% by
19 the 2030 delivery year, and continuing at no less than 40%
20 for each delivery year thereafter. The Agency shall
21 attempt to procure 50% by delivery year 2040. The Agency
22 shall determine the annual increase between delivery year
23 2030 and delivery year 2040, if any, taking into account
24 energy demand, other energy resources, and other public
25 policy goals.

26 For each delivery year, the Agency shall first

1 recognize each utility's obligations for that delivery
2 year under existing contracts. Any renewable energy
3 credits under existing contracts, including renewable
4 energy credits as part of renewable energy resources,
5 shall be used to meet the goals set forth in this
6 subsection (c) for the delivery year.

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

11 (i) At least 10,000,000 renewable energy credits
12 delivered annually by the end of the 2021 delivery
13 year, and increasing ratably to reach 45,000,000
14 renewable energy credits delivered annually from new
15 wind and solar projects, from repowered wind projects,
16 or from retooled hydropower facilities by the end of
17 delivery year 2030 such that the goals in subparagraph
18 (B) of this paragraph (1) are met entirely by
19 procurements of renewable energy credits from new wind
20 and photovoltaic projects. Of that amount, to the
21 extent possible, the Agency shall endeavor to procure
22 45% from new and repowered wind and hydropower
23 projects and shall procure at least 55% from
24 photovoltaic projects. Of the amount to be procured
25 from photovoltaic projects, the Agency shall procure:
26 at least 50% from solar photovoltaic projects using

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

17 In developing the long-term renewable resources
18 procurement plan, the Agency shall consider other
19 approaches, in addition to competitive procurements,
20 that can be used to procure renewable energy credits
21 from brownfield site photovoltaic projects and thereby
22 help return blighted or contaminated land to
23 productive use while enhancing public health and the
24 well-being of Illinois residents, including those in
25 environmental justice communities, as defined using
26 existing methodologies and findings used by the Agency

1 and its Administrator in its Illinois Solar for All
2 Program. The Agency shall also consider other
3 approaches, in addition to competitive procurements,
4 to procure renewable energy credits from new and
5 existing hydropower facilities to support the
6 development and maintenance of these facilities. The
7 Agency shall explore options to convert existing dams
8 but shall not consider approaches to develop new dams
9 where they do not already exist. To encourage the
10 continued operation of utility-scale wind projects,
11 the Agency shall consider and may propose other
12 approaches in addition to competitive procurements to
13 procure renewable energy credits from repowered wind
14 projects.

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

21 (iii) For purposes of this Section:

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

25 "New photovoltaic projects" means photovoltaic
26 renewable energy facilities that are energized after

1 June 1, 2017. Photovoltaic projects developed under
2 Section 1-56 of this Act shall not apply towards the
3 new photovoltaic project requirements in this
4 subparagraph (C).

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

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

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

1 price benchmarks based on publicly available data on
2 regional technology costs and expected current and future
3 regional energy prices. The benchmarks in this Section
4 shall not be used to curtail or otherwise reduce
5 contractual obligations entered into by or through the
6 Agency prior to June 1, 2017 (the effective date of Public
7 Act 99-906).

8 (E) For purposes of this subsection (c), the required
9 procurement of cost-effective renewable energy resources
10 for a particular year commencing prior to June 1, 2017
11 shall be measured as a percentage of the actual amount of
12 electricity (megawatt-hours) supplied by the electric
13 utility to eligible retail customers in the delivery year
14 ending immediately prior to the procurement, and, for
15 delivery years commencing on and after June 1, 2017, the
16 required procurement of cost-effective renewable energy
17 resources for a particular year shall be measured as a
18 percentage of the actual amount of electricity
19 (megawatt-hours) delivered by the electric utility in the
20 delivery year ending immediately prior to the procurement,
21 to all retail customers in its service territory. For
22 purposes of this subsection (c), the amount paid per
23 kilowatthour means the total amount paid for electric
24 service expressed on a per kilowatthour basis. For
25 purposes of this subsection (c), the total amount paid for
26 electric service includes without limitation amounts paid

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

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

1 Once the determination as to the amount of renewable
2 energy resources to procure is made based on the
3 calculations set forth in this subparagraph (E) and the
4 contracts procuring those amounts are executed between the
5 seller and applicable electric utility, no subsequent rate
6 impact determinations shall be made and no adjustments to
7 those contract amounts shall be allowed. As provided in
8 subparagraph (E-5) of paragraph (1) of this subsection
9 (c), the seller shall be entitled to full, prompt, and
10 uninterrupted payment under the applicable contract
11 notwithstanding the application of this subparagraph (E),
12 and all costs incurred under such contracts shall be fully
13 recoverable by the electric utility as provided in this
14 Section.

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

24 (i) If the electric utility has retained unspent
25 funds in an interest-bearing account as prescribed in
26 subsection (k) of Section 16-108 of the Public

1 Utilities Act, then the utility shall use those funds
2 to remit full payment to the sellers to ensure prompt
3 and uninterrupted payment of existing contractual
4 obligation.

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

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

1 Procurement Plan that includes the applicable delivery
2 year.

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

20 (aa) If the Agency determines that additional
21 renewable energy credit procurement contract
22 awards could be made without exceeding the
23 limitations of subparagraph (E), then the
24 procurements shall be authorized at a scale
25 determined not to exceed the limitations of
26 subparagraph (E) in a manner consistent with the

1 priorities of this Section.

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

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

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

1 made.

2 (ee) The contract shall provide that, so long
3 as at least one of: (i) the cost recovery
4 mechanisms referenced in subsection (k) of Section
5 16-108 and subsection (l) of Section 16-111.5 of
6 the Public Utilities Act remains in full force
7 without limitation or (ii) the utility is
8 otherwise authorized and or entitled to full,
9 prompt, and uninterrupted recovery of its costs
10 through any other mechanism, then such seller
11 shall be entitled to full, prompt, and
12 uninterrupted payment under the applicable
13 contract notwithstanding the application of this
14 subparagraph (E).

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

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

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

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

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

7 (G) The following provisions shall apply to the
8 Agency's procurement of renewable energy credits under
9 this subsection (c):

10 (i) Notwithstanding whether a long-term renewable
11 resources procurement plan has been approved, the
12 Agency shall conduct an initial forward procurement
13 for renewable energy credits from new utility-scale
14 wind projects within 160 days after June 1, 2017 (the
15 effective date of Public Act 99-906). For the purposes
16 of this initial forward procurement, the Agency shall
17 solicit 15-year contracts for delivery of 1,000,000
18 renewable energy credits delivered annually from new
19 utility-scale wind projects to begin delivery on June
20 1, 2019, if available, but not later than June 1, 2021,
21 unless the project has delays in the establishment of
22 an operating interconnection with the applicable
23 transmission or distribution system as a result of the
24 actions or inactions of the transmission or
25 distribution provider, or other causes for force
26 majeure as outlined in the procurement contract, in

1 which case, not later than June 1, 2022. Payments to
2 suppliers of renewable energy credits shall commence
3 upon delivery. Renewable energy credits procured under
4 this initial procurement shall be included in the
5 Agency's long-term plan and shall apply to all
6 renewable energy goals in this subsection (c).

7 (ii) Notwithstanding whether a long-term renewable
8 resources procurement plan has been approved, the
9 Agency shall conduct an initial forward procurement
10 for renewable energy credits from new utility-scale
11 solar projects and brownfield site photovoltaic
12 projects within one year after June 1, 2017 (the
13 effective date of Public Act 99-906). For the purposes
14 of this initial forward procurement, the Agency shall
15 solicit 15-year contracts for delivery of 1,000,000
16 renewable energy credits delivered annually from new
17 utility-scale solar projects and brownfield site
18 photovoltaic projects to begin delivery on June 1,
19 2019, if available, but not later than June 1, 2021,
20 unless the project has delays in the establishment of
21 an operating interconnection with the applicable
22 transmission or distribution system as a result of the
23 actions or inactions of the transmission or
24 distribution provider, or other causes for force
25 majeure as outlined in the procurement contract, in
26 which case, not later than June 1, 2022. The Agency may

1 structure this initial procurement in one or more
2 discrete procurement events. Payments to suppliers of
3 renewable energy credits shall commence upon delivery.
4 Renewable energy credits procured under this initial
5 procurement shall be included in the Agency's
6 long-term plan and shall apply to all renewable energy
7 goals in this subsection (c).

8 (iii) Notwithstanding whether the Commission has
9 approved the periodic long-term renewable resources
10 procurement plan revision described in Section
11 16-111.5 of the Public Utilities Act, the Agency shall
12 conduct at least one subsequent forward procurement
13 for renewable energy credits from new utility-scale
14 wind projects, new utility-scale solar projects, and
15 new brownfield site photovoltaic projects within 240
16 days after the effective date of this amendatory Act
17 of the 102nd General Assembly in quantities necessary
18 to meet the requirements of subparagraph (C) of this
19 paragraph (1) through the delivery year beginning June
20 1, 2021.

21 (iv) Notwithstanding whether the Commission has
22 approved the periodic long-term renewable resources
23 procurement plan revision described in Section
24 16-111.5 of the Public Utilities Act, the Agency shall
25 open capacity for each category in the Adjustable
26 Block program within 90 days after the effective date

1 of this amendatory Act of the 102nd General Assembly
2 manner:

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

1 operation. Renewable energy credits generated by
2 the project thereafter shall not be transferred
3 under the renewable energy credit delivery
4 contract with the counterparty electric utility.

5 (2) The Agency shall open the first block of
6 annual capacity for the category described in item
7 (ii) of subparagraph (K) of this paragraph (1).
8 The first block of annual capacity for item (ii)
9 shall be for at least 75 megawatts of total
10 nameplate capacity.

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

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

23 (B) The price of renewable energy credits
24 for any project not on the waitlist for this
25 category before the opening of the block shall
26 be determined and published by the Agency.

1 Projects not on a waitlist as of the opening
2 of this block shall be subject to the
3 requirements of subparagraph (Q) of this
4 paragraph (1), as applicable. Projects not on
5 a waitlist as of the opening of this block
6 shall be subject to the contract provisions
7 outlined in item (iii) of subparagraph (L) of
8 this paragraph (1). The Agency shall strive to
9 publish updated prices and an updated
10 renewable energy credit delivery contract as
11 quickly as possible.

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

23 The first 2 blocks of annual capacity for item
24 (iii) shall be for 250 megawatts of total
25 nameplate capacity, with both blocks opening
26 simultaneously under the schedule outlined in the

1 paragraphs below. Projects shall be selected as
2 follows:

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

10 (B) Contract awards for waitlisted
11 projects shall be allocated proportionate to
12 the total nameplate capacity amount across
13 both ordinal waitlists associated with that
14 applicant firm or its affiliates, subject to
15 the following conditions.

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

22 (ii) Each applicant firm, upon
23 receiving an award of program capacity
24 proportionate to its waitlisted capacity,
25 may then determine which waitlisted
26 projects it chooses to be selected for a

1 contract award up to that capacity amount.

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

8 (iv) Assuming all other program
9 requirements are met, applicant firms may
10 adjust the expected production associated
11 with applicant projects, subject to
12 verification by the Program Administrator.

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

20 (D) Applicant firms shall submit their
21 portfolio of projects used to satisfy those
22 contract awards no less than 90 days after the
23 Agency's announcement. The total nameplate
24 capacity of all projects used to satisfy that
25 portfolio shall be no greater than the
26 Agency's nameplate capacity award amount

1 associated with that applicant firm. An
2 applicant firm may decline, in whole or in
3 part, its nameplate capacity award without
4 penalty, with such unmet capacity rolled over
5 to the next block opening for project
6 selection under item (iii) of subparagraph (K)
7 of this subsection (c). Any projects not
8 included in an applicant firm's portfolio may
9 reapply without prejudice upon the next block
10 reopening for project selection under item
11 (iii) of subparagraph (K) of this subsection
12 (c).

13 (E) The renewable energy credit delivery
14 contract shall be subject to the contract and
15 payment terms outlined in item (iv) of
16 subparagraph (L) of this subsection (c).
17 Contract instruments used for this
18 subparagraph shall contain the following
19 terms:

20 (i) Renewable energy credit prices
21 shall be fixed, without further adjustment
22 under any other provision of this Act or
23 for any other reason, at 10% lower than
24 prices applicable to the last open block
25 for this category, inclusive of any adders
26 available for achieving a minimum of 50%

1 of subscribers to the project's nameplate
2 capacity being residential or small
3 commercial customers with subscriptions of
4 below 25 kilowatts in size;

5 (ii) A requirement that a minimum of
6 50% of subscribers to the project's
7 nameplate capacity be residential or small
8 commercial customers with subscriptions of
9 below 25 kilowatts in size;

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

25 The Agency shall publish a finalized
26 updated renewable energy credit delivery

1 contract developed consistent with these terms
2 and conditions no less than 30 days before
3 applicant firms must submit their portfolio of
4 projects pursuant to item (D).

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

12 (4) The Agency shall open the first block of
13 annual capacity for the category described in item
14 (iv) of subparagraph (K) of this paragraph (1).
15 The first block of annual capacity for item (iv)
16 shall be for at least 50 megawatts of total
17 nameplate capacity. Renewable energy credit prices
18 shall be fixed, without further adjustment under
19 any other provision of this Act or for any other
20 reason, at the price in the last open block in the
21 category described in item (ii) of subparagraph
22 (K) of this paragraph (1). Pricing for future
23 blocks of annual capacity for this category may be
24 adjusted in the Agency's second revision to its
25 Long-Term Renewable Resources Procurement Plan.
26 Projects in this category shall be subject to the

1 contract terms outlined in item (iv) of
2 subparagraph (L) of this paragraph (1).

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

22 (6) The Agency shall open the first blocks of
23 annual capacity for the category described in item
24 (vi) of subparagraph (K) of this paragraph (1),
25 with allocations of capacity within the block
26 generally matching the historical share of block

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

17 (v) Upon the effective date of this amendatory Act
18 of the 102nd General Assembly, for all competitive
19 procurements and any procurements of renewable energy
20 credit from new utility-scale wind and new
21 utility-scale photovoltaic projects, the Agency shall
22 procure indexed renewable energy credits and direct
23 respondents to offer a strike price.

24 (1) The purchase price of the indexed
25 renewable energy credit payment shall be
26 calculated for each settlement period. That

1 payment, for any settlement period, shall be equal
2 to the difference resulting from subtracting the
3 strike price from the index price for that
4 settlement period. If this difference results in a
5 negative number, the indexed REC counterparty
6 shall owe the seller the absolute value multiplied
7 by the quantity of energy produced in the relevant
8 settlement period. If this difference results in a
9 positive number, the seller shall owe the indexed
10 REC counterparty this amount multiplied by the
11 quantity of energy produced in the relevant
12 settlement period.

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

16 (3) To ensure funding in the annual budget
17 established under subparagraph (E) for indexed
18 renewable energy credit procurements for each year
19 of the term of such contracts, which must have a
20 minimum tenure of 20 calendar years, the
21 procurement administrator, Agency, Commission
22 staff, and procurement monitor shall quantify the
23 annual cost of the contract by utilizing an
24 industry-standard, third-party forward price curve
25 for energy at the appropriate hub or load zone,
26 including the estimated magnitude and timing of

1 the price effects related to federal carbon
2 controls. Each forward price curve shall contain a
3 specific value of the forecasted market price of
4 electricity for each annual delivery year of the
5 contract. For procurement planning purposes, the
6 impact on the annual budget for the cost of
7 indexed renewable energy credits for each delivery
8 year shall be determined as the expected annual
9 contract expenditure for that year, equaling the
10 difference between (i) the sum across all relevant
11 contracts of the applicable strike price
12 multiplied by contract quantity and (ii) the sum
13 across all relevant contracts of the forward price
14 curve for the applicable load zone for that year
15 multiplied by contract quantity. The contracting
16 utility shall not assume an obligation in excess
17 of the estimated annual cost of the contracts for
18 indexed renewable energy credits. Forward curves
19 shall be revised on an annual basis as updated
20 forward price curves are released and filed with
21 the Commission in the proceeding approving the
22 Agency's most recent long-term renewable resources
23 procurement plan. If the expected contract spend
24 is higher or lower than the total quantity of
25 contracts multiplied by the forward price curve
26 value for that year, the forward price curve shall

1 be updated by the procurement administrator, in
2 consultation with the Agency, Commission staff,
3 and procurement monitors, using then-currently
4 available price forecast data and additional
5 budget dollars shall be obligated or reobligated
6 as appropriate.

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

17 (vi) All procurements under this subparagraph (G),
18 including the procurement of renewable energy credits
19 from hydropower facilities, shall comply with the
20 geographic requirements in subparagraph (I) of this
21 paragraph (1) and shall follow the procurement
22 processes and procedures described in this Section and
23 Section 16-111.5 of the Public Utilities Act to the
24 extent practicable, and these processes and procedures
25 may be expedited to accommodate the schedule
26 established by this subparagraph (G).

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

15 (H) The procurement of renewable energy resources for
16 a given delivery year shall be reduced as described in
17 this subparagraph (H) if an alternative retail electric
18 supplier meets the requirements described in this
19 subparagraph (H).

20 (i) Within 45 days after June 1, 2017 (the
21 effective date of Public Act 99-906), an alternative
22 retail electric supplier or its successor shall submit
23 an informational filing to the Illinois Commerce
24 Commission certifying that, as of December 31, 2015,
25 the alternative retail electric supplier owned one or
26 more electric generating facilities that generates

1 renewable energy resources as defined in Section 1-10
2 of this Act, provided that such facilities are not
3 powered by wind or photovoltaics, and the facilities
4 generate one renewable energy credit for each
5 megawatthour of energy produced from the facility.

6 The informational filing shall identify each
7 facility that was eligible to satisfy the alternative
8 retail electric supplier's obligations under Section
9 16-115D of the Public Utilities Act as described in
10 this item (i).

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

17 (iii) The alternative retail electric supplier
18 shall notify the Agency and the applicable utility, no
19 later than February 28 of the year preceding the
20 applicable delivery year or 15 days after June 1, 2017
21 (the effective date of Public Act 99-906), whichever
22 is later, of its election under item (ii) of this
23 subparagraph (H) to supply renewable energy credits to
24 retail customers of the utility. Such election shall
25 identify the amount of renewable energy credits to be
26 supplied by the alternative retail electric supplier

1 to the utility's retail customers and the source of
2 the renewable energy credits identified in the
3 informational filing as described in item (i) of this
4 subparagraph (H), subject to the following
5 limitations:

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

16 For delivery years beginning June 1, 2019 and
17 each year thereafter, the maximum amount of
18 renewable energy credits to be supplied by an
19 alternative retail electric supplier under this
20 subparagraph (H) shall be 68% multiplied by 50%
21 multiplied by 16% multiplied by the amount of
22 metered electricity (megawatt-hours) delivered by
23 the alternative retail electric supplier to
24 Illinois retail customers during the delivery year
25 ending May 31, 2016, provided that the 16% value
26 shall increase by 1.5% each delivery year

1 thereafter to 25% by the delivery year beginning
2 June 1, 2025, and thereafter the 25% value shall
3 apply to each delivery year.

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

17 If the requirements set forth in items (i) through
18 (iii) of this subparagraph (H) are met, the charges
19 that would otherwise be applicable to the retail
20 customers of the alternative retail electric supplier
21 under paragraph (6) of this subsection (c) for the
22 applicable delivery year shall be reduced by the ratio
23 of the quantity of renewable energy credits supplied
24 by the alternative retail electric supplier compared
25 to that supplier's target renewable energy credit
26 quantity. The supplier's target renewable energy

1 credit quantity for the delivery year beginning June
2 1, 2018 is 14.5% multiplied by the total amount of
3 metered electricity (megawatt-hours) delivered by the
4 alternative retail supplier in that delivery year,
5 provided that the 14.5% shall increase by 1.5% each
6 delivery year thereafter to 25% by the delivery year
7 beginning June 1, 2025, and thereafter the 25% value
8 shall apply to each delivery year.

9 On or before April 1 of each year, the Agency shall
10 annually publish a report on its website that
11 identifies the aggregate amount of renewable energy
12 credits supplied by alternative retail electric
13 suppliers under this subparagraph (H).

14 (I) The Agency shall design its long-term renewable
15 energy procurement plan to maximize the State's interest
16 in the health, safety, and welfare of its residents,
17 including but not limited to minimizing sulfur dioxide,
18 nitrogen oxide, particulate matter and other pollution
19 that adversely affects public health in this State,
20 increasing fuel and resource diversity in this State,
21 enhancing the reliability and resiliency of the
22 electricity distribution system in this State, meeting
23 goals to limit carbon dioxide emissions under federal or
24 State law, and contributing to a cleaner and healthier
25 environment for the citizens of this State. In order to
26 further these legislative purposes, renewable energy

1 credits shall be eligible to be counted toward the
2 renewable energy requirements of this subsection (c) if
3 they are generated from facilities located in this State.
4 The Agency may qualify renewable energy credits from
5 facilities located in states adjacent to Illinois or
6 renewable energy credits associated with the electricity
7 generated by a utility-scale wind energy facility or
8 utility-scale photovoltaic facility and transmitted by a
9 qualifying direct current project described in subsection
10 (b-5) of Section 8-406 of the Public Utilities Act to a
11 delivery point on the electric transmission grid located
12 in this State or a state adjacent to Illinois, if the
13 generator demonstrates and the Agency determines that the
14 operation of such facility or facilities will help promote
15 the State's interest in the health, safety, and welfare of
16 its residents based on the public interest criteria
17 described above. For the purposes of this Section,
18 renewable resources that are delivered via a high voltage
19 direct current converter station located in Illinois shall
20 be deemed generated in Illinois at the time and location
21 the energy is converted to alternating current by the high
22 voltage direct current converter station if the high
23 voltage direct current transmission line: (i) after the
24 effective date of this amendatory Act of the 102nd General
25 Assembly, was constructed with a project labor agreement;
26 (ii) is capable of transmitting electricity at 525kv;

1 (iii) has an Illinois converter station located and
2 interconnected in the region of the PJM Interconnection,
3 LLC; (iv) does not operate as a public utility; and (v) if
4 the high voltage direct current transmission line was
5 energized after June 1, 2023. To ensure that the public
6 interest criteria are applied to the procurement and given
7 full effect, the Agency's long-term procurement plan shall
8 describe in detail how each public interest factor shall
9 be considered and weighted for facilities located in
10 states adjacent to Illinois.

11 (J) In order to promote the competitive development of
12 renewable energy resources in furtherance of the State's
13 interest in the health, safety, and welfare of its
14 residents, renewable energy credits shall not be eligible
15 to be counted toward the renewable energy requirements of
16 this subsection (c) if they are sourced from a generating
17 unit whose costs were being recovered through rates
18 regulated by this State or any other state or states on or
19 after January 1, 2017. Each contract executed to purchase
20 renewable energy credits under this subsection (c) shall
21 provide for the contract's termination if the costs of the
22 generating unit supplying the renewable energy credits
23 subsequently begin to be recovered through rates regulated
24 by this State or any other state or states; and each
25 contract shall further provide that, in that event, the
26 supplier of the credits must return 110% of all payments

1 received under the contract. Amounts returned under the
2 requirements of this subparagraph (J) shall be retained by
3 the utility and all of these amounts shall be used for the
4 procurement of additional renewable energy credits from
5 new wind or new photovoltaic resources as defined in this
6 subsection (c). The long-term plan shall provide that
7 these renewable energy credits shall be procured in the
8 next procurement event.

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

24 (K) The long-term renewable resources procurement plan
25 developed by the Agency in accordance with subparagraph
26 (A) of this paragraph (1) shall include an Adjustable

1 Block program for the procurement of renewable energy
2 credits from new photovoltaic projects that are
3 distributed renewable energy generation devices or new
4 photovoltaic community renewable generation projects. The
5 Adjustable Block program shall be generally designed to
6 provide for the steady, predictable, and sustainable
7 growth of new solar photovoltaic development in Illinois.
8 To this end, the Adjustable Block program shall provide a
9 transparent annual schedule of prices and quantities to
10 enable the photovoltaic market to scale up and for
11 renewable energy credit prices to adjust at a predictable
12 rate over time. The prices set by the Adjustable Block
13 program can be reflected as a set value or as the product
14 of a formula.

15 The Adjustable Block program shall include for each
16 category of eligible projects for each delivery year: a
17 single block of nameplate capacity, a price for renewable
18 energy credits within that block, and the terms and
19 conditions for securing a spot on a waitlist once the
20 block is fully committed or reserved. Except as outlined
21 below, the waitlist of projects in a given year will carry
22 over to apply to the subsequent year when another block is
23 opened. Only projects energized on or after June 1, 2017
24 shall be eligible for the Adjustable Block program. For
25 each category for each delivery year the Agency shall
26 determine the amount of generation capacity in each block,

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

23 The Adjustable Block program shall include the
24 following categories in at least the following amounts:

25 (i) At least 20% from distributed renewable energy
26 generation devices with a nameplate capacity of no

1 more than 25 kilowatts.

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

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

22 (1) the Agency shall select projects on a
23 first-come, first-serve basis, however the Agency
24 may suggest additional methods to prioritize
25 projects that are submitted at the same time;

26 (2) projects shall have subscriptions of 25 kW

1 or less for at least 50% of the facility's
2 nameplate capacity and the Agency shall price the
3 renewable energy credits with that as a factor;

4 (3) projects shall not be colocated with one
5 or more other community renewable generation
6 projects, as defined in the Agency's first revised
7 long-term renewable resources procurement plan
8 approved by the Commission on February 18, 2020,
9 such that the aggregate nameplate capacity exceeds
10 5,000 kilowatts; and

11 (4) projects greater than 2 MW may not apply
12 until after the approval of the Agency's revised
13 Long-Term Renewable Resources Procurement Plan
14 after the effective date of this amendatory Act of
15 the 102nd General Assembly.

16 (iv) At least 15% from distributed renewable
17 generation devices or photovoltaic community renewable
18 generation projects installed on public school land.
19 The Agency may create subcategories within this
20 category to account for the differences between
21 project size or location. Projects located within
22 environmental justice communities or within
23 Organizational Units that fall within Tier 1 or Tier 2
24 shall be given priority. Each of the Agency's periodic
25 updates to its long-term renewable resources
26 procurement plan to incorporate the procurement

1 described in this subparagraph (iv) shall also include
2 the proposed quantities or blocks, pricing, and
3 contract terms applicable to the procurement as
4 indicated herein. In each such update and procurement,
5 the Agency shall set the renewable energy credit price
6 and establish payment terms for the renewable energy
7 credits procured pursuant to this subparagraph (iv)
8 that make it feasible and affordable for public
9 schools to install photovoltaic distributed renewable
10 energy devices on their premises, including, but not
11 limited to, those public schools subject to the
12 prioritization provisions of this subparagraph. For
13 the purposes of this item (iv):

14 "Environmental Justice Community" shall have the
15 same meaning set forth in the Agency's long-term
16 renewable resources procurement plan;

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

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

24 (v) At least 5% from community-driven community
25 solar projects intended to provide more direct and
26 tangible connection and benefits to the communities

1 which they serve or in which they operate and,
2 additionally, to increase the variety of community
3 solar locations, models, and options in Illinois. As
4 part of its long-term renewable resources procurement
5 plan, the Agency shall develop selection criteria for
6 projects participating in this category. Nothing in
7 this Section shall preclude the Agency from creating a
8 selection process that maximizes community ownership
9 and community benefits in selecting projects to
10 receive renewable energy credits. Selection criteria
11 shall include:

12 (1) community ownership or community
13 wealth-building;

14 (2) additional direct and indirect community
15 benefit, beyond project participation as a
16 subscriber, including, but not limited to,
17 economic, environmental, social, cultural, and
18 physical benefits;

19 (3) meaningful involvement in project
20 organization and development by community members
21 or nonprofit organizations or public entities
22 located in or serving the community;

23 (4) engagement in project operations and
24 management by nonprofit organizations, public
25 entities, or community members; and

26 (5) whether a project is developed in response

1 to a site-specific RFP developed by community
2 members or a nonprofit organization or public
3 entity located in or serving the community.

4 Selection criteria may also prioritize projects
5 that:

6 (1) are developed in collaboration with or to
7 provide complementary opportunities for the Clean
8 Jobs Workforce Network Program, the Illinois
9 Climate Works Preapprenticeship Program, the
10 Returning Residents Clean Jobs Training Program,
11 the Clean Energy Contractor Incubator Program, or
12 the Clean Energy Primes Contractor Accelerator
13 Program;

14 (2) increase the diversity of locations of
15 community solar projects in Illinois, including by
16 locating in urban areas and population centers;

17 (3) are located in Equity Investment Eligible
18 Communities;

19 (4) are not greenfield projects;

20 (5) serve only local subscribers;

21 (6) have a nameplate capacity that does not
22 exceed 500 kW;

23 (7) are developed by an equity eligible
24 contractor; or

25 (8) otherwise meaningfully advance the goals
26 of providing more direct and tangible connection

1 and benefits to the communities which they serve
2 or in which they operate and increasing the
3 variety of community solar locations, models, and
4 options in Illinois.

5 For the purposes of this item (v):

6 "Community" means a social unit in which people
7 come together regularly to effect change; a social
8 unit in which participants are marked by a cooperative
9 spirit, a common purpose, or shared interests or
10 characteristics; or a space understood by its
11 residents to be delineated through geographic
12 boundaries or landmarks.

13 "Community benefit" means a range of services and
14 activities that provide affirmative, economic,
15 environmental, social, cultural, or physical value to
16 a community; or a mechanism that enables economic
17 development, high-quality employment, and education
18 opportunities for local workers and residents, or
19 formal monitoring and oversight structures such that
20 community members may ensure that those services and
21 activities respond to local knowledge and needs.

22 "Community ownership" means an arrangement in
23 which an electric generating facility is, or over time
24 will be, in significant part, owned collectively by
25 members of the community to which an electric
26 generating facility provides benefits; members of that

1 community participate in decisions regarding the
2 governance, operation, maintenance, and upgrades of
3 and to that facility; and members of that community
4 benefit from regular use of that facility.

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

15 (vi) At least 10% from distributed renewable
16 energy generation devices, which includes distributed
17 renewable energy devices with a nameplate capacity
18 under 5,000 kilowatts or photovoltaic community
19 renewable generation projects, from applicants that
20 are equity eligible contractors. The Agency may create
21 subcategories within this category to account for the
22 differences between project size and type. The Agency
23 shall propose to increase the percentage in this item
24 (vi) over time to 40% based on factors, including, but
25 not limited to, the number of equity eligible
26 contractors and capacity used in this item (vi) in

1 previous delivery years.

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

20 Contracts developed featuring capital advanced
21 prior to a project's energization shall feature
22 provisions to ensure both the successful development
23 of applicant projects and the delivery of the
24 renewable energy credits for the full term of the
25 contract, including ongoing collateral requirements
26 and other provisions deemed necessary by the Agency,

1 and may include energization timelines longer than for
2 comparable project types. The percentage or amount of
3 capital advanced prior to project energization shall
4 not operate to increase the overall contract value,
5 however contracts executed under this subparagraph may
6 feature renewable energy credit prices higher than
7 those offered to similar projects participating in
8 other categories. Capital advanced prior to
9 energization shall serve to reduce the ratable
10 payments made after energization under items (ii) and
11 (iii) of subparagraph (L) or payments made for each
12 renewable energy credit delivery under item (iv) of
13 subparagraph (L).

14 (vii) The remaining capacity shall be allocated by
15 the Agency in order to respond to market demand. The
16 Agency shall allocate any discretionary capacity prior
17 to the beginning of each delivery year.

18 To the extent there is uncontracted capacity from any
19 block in any of categories (i) through (vi) at the end of a
20 delivery year, the Agency shall redistribute that capacity
21 to one or more other categories giving priority to
22 categories with projects on a waitlist. The redistributed
23 capacity shall be added to the annual capacity in the
24 subsequent delivery year, and the price for renewable
25 energy credits shall be the price for the new delivery
26 year. Redistributed capacity shall not be considered

1 redistributed when determining whether the goals in this
2 subsection (K) have been met.

3 Notwithstanding anything to the contrary, as the
4 Agency increases the capacity in item (vi) to 40% over
5 time, the Agency may reduce the capacity of items (i)
6 through (v) proportionate to the capacity of the
7 categories of projects in item (vi), to achieve a balance
8 of project types.

9 The Adjustable Block program shall be designed to
10 ensure that renewable energy credits are procured from
11 projects in diverse locations and are not concentrated in
12 a few regional areas.

13 (L) Notwithstanding provisions for advancing capital
14 prior to project energization found in item (vi) of
15 subparagraph (K), the procurement of photovoltaic
16 renewable energy credits under items (i) through (vi) of
17 subparagraph (K) of this paragraph (1) shall otherwise be
18 subject to the following contract and payment terms:

19 (i) (Blank).

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

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

14 (iii) For those renewable energy credits that
15 qualify and are procured under item (ii) and (v) of
16 subparagraph (K) of this paragraph (1) and any like
17 projects similar category that qualify and are
18 procured under item (vi), the contract length shall be
19 15 years. 15% of the renewable energy credit delivery
20 contract value, based on the estimated generation
21 during the first 15 years of operation, shall be paid
22 by the contracting utilities at the time that the
23 facility producing the renewable energy credits is
24 interconnected at the distribution system level of the
25 utility and verified as energized and compliant by the
26 Program Administrator. The remaining portion shall be

1 paid ratably over the subsequent 6-year period. The
2 electric utility shall receive and retire all
3 renewable energy credits generated by the project for
4 the first 15 years of operation. Renewable energy
5 credits generated by the project thereafter shall not
6 be transferred under the renewable energy credit
7 delivery contract with the counterparty electric
8 utility.

9 (iv) For those renewable energy credits that
10 qualify and are procured under items (iii) and (iv) of
11 subparagraph (K) of this paragraph (1), and any like
12 projects that qualify and are procured under item
13 (vi), the renewable energy credit delivery contract
14 length shall be 20 years and shall be paid over the
15 delivery term, not to exceed during each delivery year
16 the contract price multiplied by the estimated annual
17 renewable energy credit generation amount. If
18 generation of renewable energy credits during a
19 delivery year exceeds the estimated annual generation
20 amount, the excess renewable energy credits shall be
21 carried forward to future delivery years and shall not
22 expire during the delivery term. If generation of
23 renewable energy credits during a delivery year,
24 including carried forward excess renewable energy
25 credits, if any, is less than the estimated annual
26 generation amount, payments during such delivery year

1 will not exceed the quantity generated plus the
2 quantity carried forward multiplied by the contract
3 price. The electric utility shall receive all
4 renewable energy credits generated by the project
5 during the first 20 years of operation and retire all
6 renewable energy credits paid for under this item (iv)
7 and return at the end of the delivery term all
8 renewable energy credits that were not paid for.
9 Renewable energy credits generated by the project
10 thereafter shall not be transferred under the
11 renewable energy credit delivery contract with the
12 counterparty electric utility. Notwithstanding the
13 preceding, for those projects participating under item
14 (iii) of subparagraph (K), the contract price for a
15 delivery year shall be based on subscription levels as
16 measured on the higher of the first business day of the
17 delivery year or the first business day 6 months after
18 the first business day of the delivery year.
19 Subscription of 90% of nameplate capacity or greater
20 shall be deemed to be fully subscribed for the
21 purposes of this item (iv). For projects receiving a
22 20-year delivery contract, REC prices shall be
23 adjusted downward for consistency with the incentive
24 levels previously determined to be necessary to
25 support projects under 15-year delivery contracts,
26 taking into consideration any additional new

1 requirements placed on the projects, including, but
2 not limited to, labor standards.

3 (v) Each contract shall include provisions to
4 ensure the delivery of the estimated quantity of
5 renewable energy credits and ongoing collateral
6 requirements and other provisions deemed appropriate
7 by the Agency.

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

14 (vii) If, at any time, approved applications for
15 the Adjustable Block program exceed funds collected by
16 the electric utility or would cause the Agency to
17 exceed the limitation described in subparagraph (E) of
18 this paragraph (1) on the amount of renewable energy
19 resources that may be procured, then the Agency may
20 consider future uncommitted funds to be reserved for
21 these contracts on a first-come, first-served basis.

22 (viii) Nothing in this Section shall require the
23 utility to advance any payment or pay any amounts that
24 exceed the actual amount of revenues anticipated to be
25 collected by the utility under paragraph (6) of this
26 subsection (c) and subsection (k) of Section 16-108 of

1 the Public Utilities Act inclusive of eligible funds
2 collected in prior years and alternative compliance
3 payments for use by the utility.

4 (ix) Notwithstanding other requirements of this
5 subparagraph (L), no modification shall be required to
6 Adjustable Block program contracts if they were
7 already executed prior to the establishment, approval,
8 and implementation of new contract forms as a result
9 of this amendatory Act of the 102nd General Assembly.

10 (x) Contracts may be assignable, but only to
11 entities first deemed by the Agency to have met
12 program terms and requirements applicable to direct
13 program participation. In developing contracts for the
14 delivery of renewable energy credits, the Agency shall
15 be permitted to establish fees applicable to each
16 contract assignment.

17 (M) The Agency shall be authorized to retain one or
18 more experts or expert consulting firms to develop,
19 administer, implement, operate, and evaluate the
20 Adjustable Block program described in subparagraph (K) of
21 this paragraph (1), and the Agency shall retain the
22 consultant or consultants in the same manner, to the
23 extent practicable, as the Agency retains others to
24 administer provisions of this Act, including, but not
25 limited to, the procurement administrator. The selection
26 of experts and expert consulting firms and the procurement

1 process described in this subparagraph (M) are exempt from
2 the requirements of Section 20-10 of the Illinois
3 Procurement Code, under Section 20-10 of that Code. The
4 Agency shall strive to minimize administrative expenses in
5 the implementation of the Adjustable Block program.

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

18 In addition to covering the costs of program
19 administration, the Agency, in conjunction with its
20 Program Administrator, may also use the proceeds of such
21 fees charged to participating firms to support public
22 education and ongoing regional and national coordination
23 with nonprofit organizations, public bodies, and others
24 engaged in the implementation of renewable energy
25 incentive programs or similar initiatives. This work may
26 include developing papers and reports, hosting regional

1 and national conferences, and other work deemed necessary
2 by the Agency to position the State of Illinois as a
3 national leader in renewable energy incentive program
4 development and administration.

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

24 The Agency and its program administrators for both the
25 Adjustable Block program and the Illinois Solar for All
26 Program, consistent with the requirements of this

1 subsection (c) and subsection (b) of Section 1-56 of this
2 Act, shall propose the Adjustable Block program terms,
3 conditions, and requirements, including the prices to be
4 paid for renewable energy credits, where applicable, and
5 requirements applicable to participating entities and
6 project applications, through the development, review, and
7 approval of the Agency's long-term renewable resources
8 procurement plan described in this subsection (c) and
9 paragraph (5) of subsection (b) of Section 16-111.5 of the
10 Public Utilities Act. Terms, conditions, and requirements
11 for program participation shall include the following:

12 (i) The Agency shall establish a registration
13 process for entities seeking to qualify for
14 program-administered incentive funding and establish
15 baseline qualifications for vendor approval. The
16 Agency must maintain a list of approved entities on
17 each program's website, and may revoke a vendor's
18 ability to receive program-administered incentive
19 funding status upon a determination that the vendor
20 failed to comply with contract terms, the law, or
21 other program requirements.

22 (ii) The Agency shall establish program
23 requirements and minimum contract terms to ensure
24 projects are properly installed and produce their
25 expected amounts of energy. Program requirements may
26 include on-site inspections and photo documentation of

1 projects under construction. The Agency may require
2 repairs, alterations, or additions to remedy any
3 material deficiencies discovered. Vendors who have a
4 disproportionately high number of deficient systems
5 may lose their eligibility to continue to receive
6 State-administered incentive funding through Agency
7 programs and procurements.

8 (iii) To discourage deceptive marketing or other
9 bad faith business practices, the Agency may require
10 direct program participants, including agents
11 operating on their behalf, to provide standardized
12 disclosures to a customer prior to that customer's
13 execution of a contract for the development of a
14 distributed generation system or a subscription to a
15 community solar project.

16 (iv) The Agency shall establish one or multiple
17 Consumer Complaints Centers to accept complaints
18 regarding businesses that participate in, or otherwise
19 benefit from, State-administered incentive funding
20 through Agency-administered programs. The Agency shall
21 maintain a public database of complaints with any
22 confidential or particularly sensitive information
23 redacted from public entries.

24 (v) Through a filing in the proceeding for the
25 approval of its long-term renewable energy resources
26 procurement plan, the Agency shall provide an annual

1 written report to the Illinois Commerce Commission
2 documenting the frequency and nature of complaints and
3 any enforcement actions taken in response to those
4 complaints.

5 (vi) The Agency shall schedule regular meetings
6 with representatives of the Office of the Attorney
7 General, the Illinois Commerce Commission, consumer
8 protection groups, and other interested stakeholders
9 to share relevant information about consumer
10 protection, project compliance, and complaints
11 received.

12 (vii) To the extent that complaints received
13 implicate the jurisdiction of the Office of the
14 Attorney General, the Illinois Commerce Commission, or
15 local, State, or federal law enforcement, the Agency
16 shall also refer complaints to those entities as
17 appropriate.

18 (N) The Agency shall establish the terms, conditions,
19 and program requirements for photovoltaic community
20 renewable generation projects with a goal to expand access
21 to a broader group of energy consumers, to ensure robust
22 participation opportunities for residential and small
23 commercial customers and those who cannot install
24 renewable energy on their own properties. Subject to
25 reasonable limitations, any plan approved by the
26 Commission shall allow subscriptions to community

1 renewable generation projects to be portable and
2 transferable. For purposes of this subparagraph (N),
3 "portable" means that subscriptions may be retained by the
4 subscriber even if the subscriber relocates or changes its
5 address within the same utility service territory; and
6 "transferable" means that a subscriber may assign or sell
7 subscriptions to another person within the same utility
8 service territory.

9 Through the development of its long-term renewable
10 resources procurement plan, the Agency may consider
11 whether community renewable generation projects utilizing
12 technologies other than photovoltaics should be supported
13 through State-administered incentive funding, and may
14 issue requests for information to gauge market demand.

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

20 The Agency shall purchase renewable energy credits
21 from subscribed shares of photovoltaic community renewable
22 generation projects through the Adjustable Block program
23 described in subparagraph (K) of this paragraph (1) or
24 through the Illinois Solar for All Program described in
25 Section 1-56 of this Act. The electric utility shall
26 purchase any unsubscribed energy from community renewable

1 generation projects that are Qualifying Facilities ("QF")
2 under the electric utility's tariff for purchasing the
3 output from QFs under Public Utilities Regulatory Policies
4 Act of 1978.

5 The owners of and any subscribers to a community
6 renewable generation project shall not be considered
7 public utilities or alternative retail electricity
8 suppliers under the Public Utilities Act solely as a
9 result of their interest in or subscription to a community
10 renewable generation project and shall not be required to
11 become an alternative retail electric supplier by
12 participating in a community renewable generation project
13 with a public utility.

14 (O) For the delivery year beginning June 1, 2018, the
15 long-term renewable resources procurement plan required by
16 this subsection (c) shall provide for the Agency to
17 procure contracts to continue offering the Illinois Solar
18 for All Program described in subsection (b) of Section
19 1-56 of this Act, and the contracts approved by the
20 Commission shall be executed by the utilities that are
21 subject to this subsection (c). The long-term renewable
22 resources procurement plan shall allocate up to
23 \$50,000,000 per delivery year to fund the programs, and
24 the plan shall determine the amount of funding to be
25 apportioned to the programs identified in subsection (b)
26 of Section 1-56 of this Act; provided that for the

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

17 (P) All programs and procurements under this
18 subsection (c) shall be designed to encourage
19 participating projects to use a diverse and equitable
20 workforce and a diverse set of contractors, including
21 minority-owned businesses, disadvantaged businesses,
22 trade unions, graduates of any workforce training programs
23 administered under this Act, and small businesses.

24 The Agency shall develop a method to optimize
25 procurement of renewable energy credits from proposed
26 utility-scale projects that are located in communities

1 eligible to receive Energy Transition Community Grants
2 pursuant to Section 10-20 of the Energy Community
3 Reinvestment Act. If this requirement conflicts with other
4 provisions of law or the Agency determines that full
5 compliance with the requirements of this subparagraph (P)
6 would be unreasonably costly or administratively
7 impractical, the Agency is to propose alternative
8 approaches to achieve development of renewable energy
9 resources in communities eligible to receive Energy
10 Transition Community Grants pursuant to Section 10-20 of
11 the Energy Community Reinvestment Act or seek an exemption
12 from this requirement from the Commission.

13 (Q) Each facility listed in subitems (i) through (ix)
14 of item (1) of this subparagraph (Q) for which a renewable
15 energy credit delivery contract is signed after the
16 effective date of this amendatory Act of the 102nd General
17 Assembly is subject to the following requirements through
18 the Agency's long-term renewable resources procurement
19 plan:

20 (1) Each facility shall be subject to the
21 prevailing wage requirements included in the
22 Prevailing Wage Act. The Agency shall require
23 verification that all construction performed on the
24 facility by the renewable energy credit delivery
25 contract holder, its contractors, or its
26 subcontractors relating to construction of the

1 facility is performed by construction employees
2 receiving an amount for that work equal to or greater
3 than the general prevailing rate, as that term is
4 defined in Section 3 of the Prevailing Wage Act. For
5 purposes of this item (1), "house of worship" means
6 property that is both (1) used exclusively by a
7 religious society or body of persons as a place for
8 religious exercise or religious worship and (2)
9 recognized as exempt from taxation pursuant to Section
10 15-40 of the Property Tax Code. This item (1) shall
11 apply to any the following:

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

13 (ii) all new utility-scale photovoltaic
14 projects and repowered wind projects;

15 (iii) all new brownfield photovoltaic
16 projects;

17 (iv) all new photovoltaic community renewable
18 energy facilities that qualify for item (iii) of
19 subparagraph (K) of this paragraph (1);

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

23 (vi) all new photovoltaic projects on public
24 school land that qualify for item (iv) of
25 subparagraph (K) of this paragraph (1);

26 (vii) all new photovoltaic distributed

1 renewable energy generation devices that (1)
2 qualify for item (i) of subparagraph (K) of this
3 paragraph (1); (2) are not projects that serve
4 single-family or multi-family residential
5 buildings; and (3) are not houses of worship where
6 the aggregate capacity including collocated
7 projects would not exceed 100 kilowatts;

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

16 (ix) all new, modernized, or retooled
17 hydropower facilities.

18 (2) Renewable energy credits procured from new
19 utility-scale wind projects, new utility-scale solar
20 projects, new brownfield solar projects, repowered
21 wind projects, and retooled hydropower facilities
22 pursuant to Agency procurement events occurring after
23 the effective date of this amendatory Act of the 102nd
24 General Assembly must be from facilities built by
25 general contractors that must enter into a project
26 labor agreement, as defined by this Act, prior to

1 construction. The project labor agreement shall be
2 filed with the Director in accordance with procedures
3 established by the Agency through its long-term
4 renewable resources procurement plan. Any information
5 submitted to the Agency in this item (2) shall be
6 considered commercially sensitive information. At a
7 minimum, the project labor agreement must provide the
8 names, addresses, and occupations of the owner of the
9 plant and the individuals representing the labor
10 organization employees participating in the project
11 labor agreement consistent with the Project Labor
12 Agreements Act. The agreement must also specify the
13 terms and conditions as defined by this Act.

14 (3) It is the intent of this Section to ensure that
15 economic development occurs across Illinois
16 communities, that emerging businesses may grow, and
17 that there is improved access to the clean energy
18 economy by persons who have greater economic burdens
19 to success. The Agency shall take into consideration
20 the unique cost of compliance of this subparagraph (Q)
21 that might be borne by equity eligible contractors,
22 shall include such costs when determining the price of
23 renewable energy credits in the Adjustable Block
24 program, and shall take such costs into consideration
25 in a nondiscriminatory manner when comparing bids for
26 competitive procurements. The Agency shall consider

1 costs associated with compliance whether in the
2 development, financing, or construction of projects.
3 The Agency shall periodically review the assumptions
4 in these costs and may adjust prices, in compliance
5 with subparagraph (M) of this paragraph (1).

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

19 (1) For the purposes of this subparagraph:

20 "Eligible self-direct customer" means any retail
21 customers of an electric utility that serves 3,000,000
22 or more retail customers in the State and whose total
23 highest 30-minute demand was more than 10,000
24 kilowatts, or any retail customers of an electric
25 utility that serves less than 3,000,000 retail
26 customers but more than 500,000 retail customers in

1 the State and whose total highest 15-minute demand was
2 more than 10,000 kilowatts.

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

12 (2) For renewable energy credits to count toward
13 the self-direct renewable portfolio standard
14 compliance program, they must:

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

17 (ii) be sourced from one or more renewable
18 energy generating facilities that comply with the
19 geographic requirements as set forth in
20 subparagraph (I) of paragraph (1) of subsection
21 (c) as interpreted through the Agency's long-term
22 renewable resources procurement plan, or, where
23 applicable, the geographic requirements that
24 governed utility-scale renewable energy credits at
25 the time the eligible self-direct customer entered
26 into the applicable renewable energy credit

1 purchase agreement;

2 (iii) be procured through long-term contracts
3 with term lengths of at least 10 years either
4 directly with the renewable energy generating
5 facility or through a bundled power purchase
6 agreement, a virtual power purchase agreement, an
7 agreement between the renewable generating
8 facility, an alternative retail electric supplier,
9 and the customer, or such other structure as is
10 permissible under this subparagraph (R);

11 (iv) be equivalent in volume to at least 40%
12 of the eligible self-direct customer's usage,
13 determined annually by the eligible self-direct
14 customer's usage during the previous delivery
15 year, measured to the nearest megawatt-hour;

16 (v) be retired by or on behalf of the large
17 energy customer;

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

20 (vii) if the contracts for renewable energy
21 credits are entered into after the effective date
22 of this amendatory Act of the 102nd General
23 Assembly, the new utility-scale wind projects or
24 new utility-scale solar projects must comply with
25 the requirements established in subparagraphs (P)
26 and (Q) of paragraph (1) of this subsection (c)

1 and subsection (c-10).

2 (3) The self-direct renewable portfolio standard
3 compliance program shall be designed to allow eligible
4 self-direct customers to procure new renewable energy
5 credits from new utility-scale wind projects or new
6 utility-scale photovoltaic projects. The Agency shall
7 annually determine the amount of utility-scale
8 renewable energy credits it will include each year
9 from the self-direct renewable portfolio standard
10 compliance program, subject to receiving qualifying
11 applications. In making this determination, the Agency
12 shall evaluate publicly available analyses and studies
13 of the potential market size for utility-scale
14 renewable energy long-term purchase agreements by
15 commercial and industrial energy customers and make
16 that report publicly available. If demand for
17 participation in the self-direct renewable portfolio
18 standard compliance program exceeds availability, the
19 Agency shall ensure participation is evenly split
20 between commercial and industrial users to the extent
21 there is sufficient demand from both customer classes.
22 Each renewable energy credit procured pursuant to this
23 subparagraph (R) by a self-direct customer shall
24 reduce the total volume of renewable energy credits
25 the Agency is otherwise required to procure from new
26 utility-scale projects pursuant to subparagraph (C) of

1 paragraph (1) of this subsection (c) on behalf of
2 contracting utilities where the eligible self-direct
3 customer is located. The self-direct customer shall
4 file an annual compliance report with the Agency
5 pursuant to terms established by the Agency through
6 its long-term renewable resources procurement plan to
7 be eligible for participation in this program.
8 Customers must provide the Agency with their most
9 recent electricity billing statements or other
10 information deemed necessary by the Agency to
11 demonstrate they are an eligible self-direct customer.

12 (4) The Commission shall approve a reduction in
13 the volumetric charges collected pursuant to Section
14 16-108 of the Public Utilities Act for approved
15 eligible self-direct customers equivalent to the
16 anticipated cost of renewable energy credit deliveries
17 under contracts for new utility-scale wind and new
18 utility-scale solar entered for each delivery year
19 after the large energy customer begins retiring
20 eligible new utility scale renewable energy credits
21 for self-compliance. The self-direct credit amount
22 shall be determined annually and is equal to the
23 estimated portion of the cost authorized by
24 subparagraph (E) of paragraph (1) of this subsection
25 (c) that supported the annual procurement of
26 utility-scale renewable energy credits in the prior

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

20 (5) Customers described in this subparagraph (R)
21 shall apply, on a form developed by the Agency, to the
22 Agency to be designated as a self-direct eligible
23 customer. Once the Agency determines that a
24 self-direct customer is eligible for participation in
25 the program, the self-direct customer will remain
26 eligible until the end of the term of the contract.

1 Thereafter, application may be made not less than 12
2 months before the filing date of the long-term
3 renewable resources procurement plan described in this
4 Act. At a minimum, such application shall contain the
5 following:

6 (i) the customer's certification that, at the
7 time of the customer's application, the customer
8 qualifies to be a self-direct eligible customer,
9 including documents demonstrating that
10 qualification;

11 (ii) the customer's certification that the
12 customer has entered into or will enter into by
13 the beginning of the applicable procurement year,
14 one or more bilateral contracts for new wind
15 projects or new photovoltaic projects, including
16 supporting documentation;

17 (iii) certification that the contract or
18 contracts for new renewable energy resources are
19 long-term contracts with term lengths of at least
20 10 years, including supporting documentation;

21 (iv) certification of the quantities of
22 renewable energy credits that the customer will
23 purchase each year under such contract or
24 contracts, including supporting documentation;

25 (v) proof that the contract is sufficient to
26 produce renewable energy credits to be equivalent

1 in volume to at least 40% of the large energy
2 customer's usage from the previous delivery year,
3 measured to the nearest megawatt-hour; and

4 (vi) certification that the customer intends
5 to maintain the contract for the duration of the
6 length of the contract.

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

21 (2) (Blank).

22 (3) (Blank).

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

25 (5) Beginning with the 2010 delivery year and ending
26 June 1, 2017, an electric utility subject to this

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

24 (6) The electric utility shall be entitled to recover
25 all of its costs associated with the procurement of
26 renewable energy credits under plans approved under this

1 Section and Section 16-111.5 of the Public Utilities Act.
2 These costs shall include associated reasonable expenses
3 for implementing the procurement programs, including, but
4 not limited to, the costs of administering and evaluating
5 the Adjustable Block program, through an automatic
6 adjustment clause tariff in accordance with subsection (k)
7 of Section 16-108 of the Public Utilities Act.

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

16 In meeting the renewable energy requirements of this
17 subsection (c), to the extent feasible and consistent with
18 State and federal law, the renewable energy credit
19 procurements, Adjustable Block solar program, and
20 community renewable generation program shall provide
21 employment opportunities for all segments of the
22 population and workforce, including minority-owned and
23 female-owned business enterprises, and shall not,
24 consistent with State and federal law, discriminate based
25 on race or socioeconomic status.

26 (R-5) In recognition of the market and electricity

1 system impacts, including rising capacity and electricity
2 prices and potential reliability and resource adequacy
3 concerns inherent in interconnecting multitudes of new
4 data centers without developing corresponding new clean
5 energy supply, beginning on the effective date of this
6 amendatory Act of the 104th General Assembly, all
7 customers taking service under the data center tariff
8 described in paragraph (3) of subsection (c) of Section
9 16-105.5 of the Public Utilities Act shall be eligible for
10 the data center self-direct program described in this
11 subparagraph (R-5). The data center self-direct program
12 shall allow for customers taking service under the data
13 center tariff to receive a reduction in the charges
14 collected for the procurement of renewable energy
15 resources pursuant to Section 16-108 of the Public
16 Utilities Act in recognition of that customer's
17 contribution to the successful facilitation of the
18 development of new additive clean energy generation. The
19 reduction in charges available to the customer shall
20 increase based on the energy or capacity value of the new
21 additive clean energy generation's contribution pursuant
22 to the following requirements:

23 (1) Only customers taking service under the data
24 center tariff described in paragraph (3) to subsection
25 (c) of Section 16-105.5 of the Public Utilities Act
26 shall be eligible for the program described in this

1 subparagraph (R-5), and such customers shall not be
2 eligible for the large customer self-direct program
3 described in subparagraph (R) as of the effective date
4 of this amendatory Act of the 104th General Assembly.
5 Retail customers taking service under this tariff
6 shall individually apply for entry into the program.
7 Multiple qualifying affiliated retail customer
8 accounts for customers located across the same or
9 adjacent parcels may provide a single joint
10 application.

11 (2) For a generating facility to qualify to
12 contribute to the self-direct crediting rate, the
13 generating facility must meet the following criteria:

14 (i) The facility must meet the definition of
15 clean energy under Section 1-10, and the facility
16 must sequester or avoid at least 90% of the total
17 carbon dioxide emissions that a similar generating
18 facility would otherwise emit or qualify as an
19 energy storage system as defined in Section 1-10
20 of this Act.

21 (ii) For the purposes of this item (ii):

22 "New" means a generating facility energized
23 after the effective date of this amendatory Act of
24 the 104th General Assembly and no earlier than 6
25 months before the applicant data center's
26 interconnection.

1 "Facilitated by the applicant customer" means
2 that the customer must have a relationship with
3 the facility that satisfies the contract or
4 colocation requirements outlined in this item
5 (ii).

6 Generation from the facility must constitute
7 new clean energy generation facilitated by the
8 applicant customer with the following
9 requirements:

10 (I) New generation successfully
11 facilitated at an existing generating facility
12 may qualify under this item (ii), but only for
13 the incremental increase in generation that
14 directly resulted from the investment in
15 facility expansion or repowering facilitated
16 by the applicant customer.

17 (II) Generating facilities having received
18 a contract for the sale of renewable energy
19 credits under this Section or Section 1-56 or
20 having been used as part of an application for
21 the self-direct program described in
22 subparagraph (R) or having received support
23 through the energy storage resources
24 procurements conducted pursuant to subsection
25 (d-20) of this Section shall be ineligible.

26 (iii) The facility must be located within the

1 same regional transmission organization for which
2 the data center is interconnected and the facility
3 must meet the geographic requirements as set forth
4 in subparagraph (I) of paragraph (1) of subsection
5 (c) as interpreted through the Agency's long-term
6 renewable resources procurement plan or constitute
7 renewable energy generation featuring electricity
8 delivered through high voltage direct current
9 transmission facilities if the high voltage direct
10 current transmission line:

11 (I) was constructed with a project labor
12 agreement;

13 (II) is capable of transmitting
14 electricity at 525 kilovolts or above;

15 (III) has a converter station located in
16 Illinois or in a state adjacent to Illinois
17 that is located or interconnected within the
18 region of the PJM Interconnection, LLC, or
19 Midcontinent Independent System Operator,
20 Inc.; and

21 (IV) does not operate as a public utility,
22 as defined in Section 3-105 of the Public
23 Utilities Act, serving more than 100,000
24 customers as of January 1, 2021.

25 (iv) The facility must qualify as an
26 accredited capacity resource within the service

1 areas of PJM Interconnection, LLC, or Midcontinent
2 Independent System Operator, Inc.

3 (v) The facility's development and
4 construction must meet all labor and equity
5 requirements that would otherwise apply to a
6 similarly sized and similarly located project
7 under this Section, including prevailing wage,
8 project labor agreement, and minimum equity
9 standard requirements.

10 (3) Participating customers shall be eligible to
11 offset a portion or all of the assessed charges by
12 securing supply through collocating or entering into
13 power purchase agreements with eligible generating
14 facilities. Eligible contracts may involve an
15 alternative retail electric supplier as defined in
16 Section 16-102 of the Public Utilities Act. Eligible
17 contracts must be at least 10 years in length and shall
18 be deemed as sufficiently additive if the facility is
19 colocated with the customer such that the facility is
20 located on the customer's side of the electric meter
21 and primarily used to offset the customer's
22 electricity load. Bundled power purchase agreements
23 for some combination of energy, capacity, and
24 environmental attributes shall also be considered
25 sufficiently additive. Contracts only for the purchase
26 of environmental attributes shall only be considered

1 sufficiently additive upon a successful demonstration
2 to the Agency that the contract instrument facilitated
3 the facility's development. Environmental attributes,
4 including renewable energy credits, purchased under
5 any qualifying contract or generated from colocated
6 generation shall be retired on that customer's behalf.

7 (4) To determine the self-direct crediting rate,
8 the following 3 steps must be completed:

9 (i) A comparison between the amount of energy
10 produced from customer contracted eligible
11 resources to the customer's expected usage to
12 calculate a percentage of self-supplied energy, to
13 establish a self-supplied energy percentage.

14 (ii) A comparison of the calculated capacity
15 of the contracted eligible resources by
16 multiplying the resource's nameplate capacity by
17 the applicable regional transmission organization
18 effective load carrying capacity (ELCC) for the
19 applicable facility and comparing the resulting
20 value against the customer's noncoincident peak
21 demand to develop a self-supplied capacity
22 percentage.

23 (iii) The simple average of the self-supplied
24 energy percentage and the self-supplied capacity
25 percentage shall constitute the offset value that
26 serves to reduce the applicant customer's

1 renewable portfolio standard-related charges by
2 the resulting percentage. The process for
3 establishing a customer's usage shall be based
4 upon a predefined calculation, accounting for a
5 customer's demand based upon the best available
6 information for that customer. Eligible resource
7 ELCCs shall be established using the most recent
8 publicly available RTO-established values. Once
9 established, the applicable ELCC shall not change
10 unless an error in the RTO process is identified
11 and corrected or an adjustment in the eligible
12 resource's operation impacts its ability to
13 operate according to reasonable operational
14 parameters for its type. A significant change in
15 either the customer's operation or that of the
16 eligible resource may result in a reassessment and
17 change in self-supplied energy or capacity
18 percentage. The maximum crediting rate shall not
19 allow for crediting that customer's proportionate
20 share of support for the costs associated with
21 procuring renewable energy credits through the
22 Solar for All Program described in subsection (b)
23 of Section 1-56 of this Act. If the resulting
24 crediting rate reaches 90%, a customer shall be
25 charged the minimum possible renewable portfolio
26 standard-related charges due to the scale and

1 qualitative benefits of that customer's investment
2 in facilitating new clean energy generation. The
3 resulting crediting rate shall not exceed 100%.

4 (5) Customers described in this subparagraph (R-5)
5 shall apply, on a form developed by the Agency, to the
6 Agency to be designated as a data center. The Agency
7 shall open the data center self-direct customer
8 program for applications quarterly, with an
9 application window of no less than 2 weeks each
10 quarter. Once the Agency determines that a self-direct
11 customer is eligible for participation in the program,
12 the self-direct customer shall remain eligible until
13 the end of the term of the contract. At a minimum, such
14 application shall contain the following:

15 (i) the customer's certification that, at the
16 time of the customer's application, the customer
17 takes service or would qualify to take service
18 under the tariff described in paragraph (3) of
19 subsection (c) of Section 16-105.5 of the Public
20 Utilities Act, including documents demonstrating
21 that qualification and proof of qualification once
22 achieved;

23 (ii) the customer's certification that the
24 customer has entered into one or more bilateral
25 contracts with eligible generating facilities or
26 is colocated with eligible generating facilities,

1 including supporting documentation that provides
2 information about those facilities necessary for
3 facility qualification and that determines
4 applicable crediting rates;

5 (iii) certification that the contract or
6 contracts with new clean energy generating
7 facilities are long-term contracts with term
8 lengths of at least 10 years, including supporting
9 documentation;

10 (iv) certification of the quantities of
11 energy, capacity, or renewable energy credits that
12 the customer will purchase each year under such
13 contract or contracts, including supporting
14 documentation;

15 (v) historical information and projections
16 related to the customer's electricity consumption,
17 including a demonstration of the share of the
18 customer's electricity consumption and peak load
19 contribution, that the facility or facilities is
20 intended to meet as demonstrated through
21 supporting documentation; and

22 (vi) a certification that the customer intends
23 to maintain the contract for the duration of the
24 length of the contract.

25 The Agency may request, and applicant customers
26 shall provide, any additional information necessary

1 for determining customer program eligibility, facility
2 eligibility, and applicable crediting rate.

3 (6) The Agency shall provide biannual filings
4 outlining customer qualification and applicable
5 crediting rates as compliance filings in the most
6 recent Commission-docketed proceeding for approval of
7 the Agency's long-term renewable resources procurement
8 plan.

9 (7) The Agency may require that participating
10 customers provide annual reports related to facility
11 operation and performance, customer electricity
12 consumption and load profiles, and other information
13 as necessary. Upon a material change in any
14 information underpinning the customer's qualification
15 for the program or establishment of the customer's
16 crediting rate, the participating customer shall
17 provide notice to the Agency outlining the nature and
18 impact of such changes.

19 (8) Recognizing the need for the State to
20 facilitate the development of new renewable energy
21 generation at a sufficient scale regardless of new
22 data center interconnections, renewable energy credits
23 procured and retired by a self-direct customer
24 participating in the program described in this
25 subparagraph (R-5) shall only reduce the total volume
26 of renewable energy credits that the Agency is

1 otherwise required to procure up to the percentage of
2 renewable energy resources applicable to each
3 utility's load for that year, as outlined in
4 subparagraph (B) of paragraph (1) of subsection (c) of
5 this Section, associated with a participating
6 customer's electricity usage.

7 (9) The Agency shall include additional terms,
8 conditions, details, and requirements applicable to
9 the data center self-direct renewable portfolio
10 standard program within its long-term renewable
11 resources procurement plan. Notwithstanding whether an
12 updated long-term renewable resources procurement
13 plan, including this program, has been approved by the
14 Commission, the data center self-direct program shall
15 begin taking applications no later than 90 days after
16 Commission approval of the tariff outlined in
17 paragraph (3) of subsection (c) of Section 16-105.5 of
18 the Public Utilities Act.

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 that demonstrates how they will
6 achieve compliance with the minimum equity standard
7 percentage for work completed in that delivery year.
8 If an entity applies for its approved vendor or
9 designee status between delivery years, the Agency
10 shall require a compliance plan at the time of
11 application.

12 (B) Halfway through each delivery year, the Agency
13 shall require each entity participating in a
14 procurement program to confirm that it will achieve
15 compliance in that delivery year, when applicable. The
16 Agency may offer corrective action plans to entities
17 that are not on track to achieve compliance.

18 (C) At the end of each delivery year, each entity
19 participating and completing work in that delivery
20 year in a procurement program of subsection (c) shall
21 submit a report to the Agency that demonstrates how it
22 achieved compliance with the minimum equity standards
23 percentage for that delivery year.

24 (D) The Agency shall prohibit participation in
25 procurement programs by an approved vendor or
26 designee, as applicable, or entities with which an

1 approved vendor or designee, as applicable, shares a
2 common parent company if an approved vendor or
3 designee, as applicable, failed to meet the minimum
4 equity standards for the prior delivery year. Waivers
5 approved for lack of equity eligible persons or equity
6 eligible contractors in a geographic area of a project
7 shall not count against the approved vendor or
8 designee. The Agency shall offer a corrective action
9 plan for any such entities to assist them in obtaining
10 compliance and shall allow continued access to
11 procurement programs upon an approved vendor or
12 designee demonstrating compliance.

13 (E) The Agency shall pursue efficiencies achieved
14 by combining with other approved vendor or designee
15 reporting.

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

20 (3) Equity accountability system within competitive
21 procurements. Through its long-term renewable resources
22 procurement plan, the Agency shall develop requirements
23 for ensuring that competitive procurement processes,
24 including utility-scale solar, utility-scale wind, and
25 brownfield site photovoltaic projects, advance the equity
26 goals of this subsection (c-10). Subject to Commission

1 approval, the Agency shall develop bid application
2 requirements and a bid evaluation methodology for ensuring
3 that utilization of equity eligible contractors, whether
4 as bidders or as participants on project development, is
5 optimized, including requiring that winning or successful
6 applicants for utility-scale projects are or will partner
7 with equity eligible contractors and giving preference to
8 bids through which a higher portion of contract value
9 flows to equity eligible contractors. To the extent
10 practicable, entities participating in competitive
11 procurements shall also be required to meet all the equity
12 accountability requirements for approved vendors and their
13 designees under this subsection (c-10). In developing
14 these requirements, the Agency shall also consider whether
15 equity goals can be further advanced through additional
16 measures.

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

20 (A) The current status and number of equity
21 eligible contractors listed in the Energy Workforce
22 Equity Database designed in subsection (c-25),
23 including the number of equity eligible contractors
24 with current certifications as issued by the Agency.

25 (B) A mechanism for measuring, tracking, and
26 reporting project workforce at the approved vendor or

1 designee level, as applicable, which shall include a
2 measurement methodology and records to be made
3 available for audit by the Agency or the Program
4 Administrator.

5 (C) A program for approved vendors, designees,
6 eligible persons, and equity eligible contractors to
7 receive trainings, guidance, and other support from
8 the Agency or its designee regarding the equity
9 category outlined in item (vi) of subparagraph (K) of
10 paragraph (1) of subsection (c) and in meeting the
11 minimum equity standards of this subsection (c-10).

12 (D) A process for certifying equity eligible
13 contractors and equity eligible persons. The
14 certification process shall coordinate with the Energy
15 Workforce Equity Database set forth in subsection
16 (c-25).

17 (E) An application for waiver of the minimum
18 equity standards of this subsection, which the Agency
19 shall have the discretion to grant in rare
20 circumstances. The Agency may grant such a waiver
21 where the applicant provides evidence of significant
22 efforts toward meeting the minimum equity commitment,
23 including: use of the Energy Workforce Equity
24 Database; efforts to hire or contract with entities
25 that hire eligible persons; and efforts to establish
26 contracting relationships with eligible contractors.

1 The Agency shall support applicants in understanding
2 the Energy Workforce Equity Database and other
3 resources for pursuing compliance of the minimum
4 equity standards. Waivers shall be project-specific,
5 unless the Agency deems it necessary to grant a waiver
6 across a portfolio of projects, and in effect for no
7 longer than one year. Any waiver extension or
8 subsequent waiver request from an applicant shall be
9 subject to the requirements of this Section and shall
10 specify efforts made to reach compliance. When
11 considering whether to grant a waiver, and to what
12 extent, the Agency shall consider the degree to which
13 similarly situated applicants have been able to meet
14 these minimum equity commitments. For repeated waiver
15 requests for specific lack of eligible persons or
16 eligible contractors available, the Agency shall make
17 recommendations to target recruitment to add such
18 eligible persons or eligible contractors to the
19 database.

20 (5) The Agency shall collect information about work on
21 projects or portfolios of projects subject to these
22 minimum equity standards to ensure compliance with this
23 subsection (c-10). Reporting in furtherance of this
24 requirement may be combined with other annual reporting
25 requirements. Such reporting shall include proof of
26 certification of each equity eligible contractor or equity

1 eligible person during the applicable time period.

2 (6) The Agency shall keep confidential all information
3 and communication that provides private or personal
4 information.

5 (7) Modifications to the equity accountability system.
6 As part of the update of the long-term renewable resources
7 procurement plan to be initiated in 2023, or sooner if the
8 Agency deems necessary, the Agency shall determine the
9 extent to which the equity accountability system described
10 in this subsection (c-10) has advanced the goals of this
11 amendatory Act of the 102nd General Assembly, including
12 through the inclusion of equity eligible persons and
13 equity eligible contractors in renewable energy credit
14 projects. If the Agency finds that the equity
15 accountability system has failed to meet those goals to
16 its fullest potential, the Agency may revise the following
17 criteria for future Agency procurements: (A) the
18 percentage of project workforce, or other appropriate
19 workforce measure, certified as equity eligible persons or
20 equity eligible contractors; (B) definitions for equity
21 investment eligible persons and equity investment eligible
22 community; and (C) such other modifications necessary to
23 advance the goals of this amendatory Act of the 102nd
24 General Assembly effectively. Such revised criteria may
25 also establish distinct equity accountability systems for
26 different types of procurements or different regions of

1 the State if the Agency finds that doing so will further
2 the purposes of such programs. Revisions shall be
3 developed with stakeholder input, including from equity
4 eligible persons, equity eligible contractors, and
5 community-based organizations that work with such persons
6 and contractors.

7 (c-15) Racial discrimination elimination powers and
8 process.

9 (1) Purpose. It is the purpose of this subsection to
10 empower the Agency and other State actors to remedy racial
11 discrimination in Illinois' clean energy economy as
12 effectively and expediently as possible, including through
13 the use of race-conscious remedies, such as race-conscious
14 contracting and hiring goals, as consistent with State and
15 federal law.

16 (2) Racial disparity and discrimination review
17 process.

18 (A) Within one year after awarding contracts using
19 the equity actions processes established in this
20 Section, the Agency shall publish a report evaluating
21 the effectiveness of the equity actions point criteria
22 of this Section in increasing participation of equity
23 eligible persons and equity eligible contractors. The
24 report shall disaggregate participating workers and
25 contractors by race and ethnicity. The report shall be
26 forwarded to the Governor, the General Assembly, and

1 the Illinois Commerce Commission and be made available
2 to the public.

3 (B) As soon as is practicable thereafter, the
4 Agency, in consultation with the Department of
5 Commerce and Economic Opportunity, Department of
6 Labor, and other agencies that may be relevant, shall
7 commission and publish a disparity and availability
8 study that measures the presence and impact of
9 discrimination on minority businesses and workers in
10 Illinois' clean energy economy. The Agency may hire
11 consultants and experts to conduct the disparity and
12 availability study, with the retention of those
13 consultants and experts exempt from the requirements
14 of Section 20-10 of the Illinois Procurement Code. The
15 Illinois Power Agency shall forward a copy of its
16 findings and recommendations to the Governor, the
17 General Assembly, and the Illinois Commerce
18 Commission. If the disparity and availability study
19 establishes a strong basis in evidence that there is
20 discrimination in Illinois' clean energy economy, the
21 Agency, Department of Commerce and Economic
22 Opportunity, Department of Labor, Department of
23 Corrections, and other appropriate agencies shall take
24 appropriate remedial actions, including race-conscious
25 remedial actions as consistent with State and federal
26 law, to effectively remedy this discrimination. Such

1 remedies may include modification of the equity
2 accountability system as described in subsection
3 (c-10).

4 (c-20) Program data collection.

5 (1) Purpose. Data collection, data analysis, and
6 reporting are critical to ensure that the benefits of the
7 clean energy economy provided to Illinois residents and
8 businesses are equitably distributed across the State. The
9 Agency shall collect data from program applicants in order
10 to track and improve equitable distribution of benefits
11 across Illinois communities for all procurements the
12 Agency conducts. The Agency shall use this data to, among
13 other things, measure any potential impact of racial
14 discrimination on the distribution of benefits and provide
15 information necessary to correct any discrimination
16 through methods consistent with State and federal law.

17 (2) Agency collection of program data. The Agency
18 shall collect demographic and geographic data for each
19 entity awarded contracts under any Agency-administered
20 program.

21 (3) Required information to be collected. The Agency
22 shall collect the following information from applicants
23 and program participants where applicable:

24 (A) demographic information, including racial or
25 ethnic identity for real persons employed, contracted,
26 or subcontracted through the program and owners of

1 businesses or entities that apply to receive renewable
2 energy credits from the Agency;

3 (B) geographic location of the residency of real
4 persons employed, contracted, or subcontracted through
5 the program and geographic location of the
6 headquarters of the business or entity that applies to
7 receive renewable energy credits from the Agency; and

8 (C) any other information the Agency determines is
9 necessary for the purpose of achieving the purpose of
10 this subsection.

11 (4) Publication of collected information. The Agency
12 shall publish, at least annually, information on the
13 demographics of program participants on an aggregate
14 basis.

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

19 (c-25) Energy Workforce Equity Database.

20 (1) The Agency, in consultation with the Department of
21 Commerce and Economic Opportunity, shall create an Energy
22 Workforce Equity Database, and may contract with a third
23 party to do so ("database program administrator"). If the
24 Department decides to contract with a third party, that
25 third party shall be exempt from the requirements of
26 Section 20-10 of the Illinois Procurement Code. The Energy

1 Workforce Equity Database shall be a searchable database
2 of suppliers, vendors, and subcontractors for clean energy
3 industries that is:

4 (A) publicly accessible;

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

6 (C) organized by company specialty or field;

7 (D) region-specific; and

8 (E) populated with information including, but not
9 limited to, contacts for suppliers, vendors, or
10 subcontractors who are minority and women-owned
11 business enterprise certified or who participate or
12 have participated in any of the programs described in
13 this Act.

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

17 (A) a map of environmental justice and equity
18 investment eligible communities;

19 (B) job postings and recruiting opportunities;

20 (C) a means by which recruiting clean energy
21 companies can find and interact with current or former
22 participants of clean energy workforce training
23 programs;

24 (D) information on workforce training service
25 providers and training opportunities available to
26 prospective workers;

1 (E) renewable energy company diversity reporting;

2 (F) a list of equity eligible contractors with
3 their contact information, types of work performed,
4 and locations worked in;

5 (G) reporting on outcomes of the programs
6 described in the workforce programs of the Energy
7 Transition Act, including information such as, but not
8 limited to, retention rate, graduation rate, and
9 placement rates of trainees; and

10 (H) information about the Jobs and Environmental
11 Justice Grant Program, the Clean Energy Jobs and
12 Justice Fund, and other sources of capital.

13 (3) The Agency shall ensure the database is regularly
14 updated to ensure information is current and shall
15 coordinate with the Department of Commerce and Economic
16 Opportunity to ensure that it includes information on
17 individuals and entities that are or have participated in
18 the Clean Jobs Workforce Network Program, Clean Energy
19 Contractor Incubator Program, Returning Residents Clean
20 Jobs Training Program, or Clean Energy Primes Contractor
21 Accelerator Program.

22 (c-30) Enforcement of minimum equity standards. All
23 entities seeking renewable energy credits must submit an
24 annual report to demonstrate compliance with each of the
25 equity commitments required under subsection (c-10). If the
26 Agency concludes the entity has not met or maintained its

1 minimum equity standards required under the applicable
2 subparagraphs under subsection (c-10), the Agency shall deny
3 the entity's ability to participate in procurement programs in
4 subsection (c), including by withholding approved vendor or
5 designee status. The Agency may require the entity to enter
6 into a corrective action plan. An entity that is not
7 recertified for failing to meet required equity actions in
8 subparagraph (c-10) may reapply once they have a corrective
9 action plan and achieve compliance with the minimum equity
10 standards.

11 (d) Clean coal portfolio standard.

12 (1) The procurement plans shall include electricity
13 generated using clean coal. Each utility shall enter into
14 one or more sourcing agreements with the initial clean
15 coal facility, as provided in paragraph (3) of this
16 subsection (d), covering electricity generated by the
17 initial clean coal facility representing at least 5% of
18 each utility's total supply to serve the load of eligible
19 retail customers in 2015 and each year thereafter, as
20 described in paragraph (3) of this subsection (d), subject
21 to the limits specified in paragraph (2) of this
22 subsection (d). It is the goal of the State that by January
23 1, 2025, 25% of the electricity used in the State shall be
24 generated by cost-effective clean coal facilities. For
25 purposes of this subsection (d), "cost-effective" means
26 that the expenditures pursuant to such sourcing agreements

1 do not cause the limit stated in paragraph (2) of this
2 subsection (d) to be exceeded and do not exceed cost-based
3 benchmarks, which shall be developed to assess all
4 expenditures pursuant to such sourcing agreements covering
5 electricity generated by clean coal facilities, other than
6 the initial clean coal facility, by the procurement
7 administrator, in consultation with the Commission staff,
8 Agency staff, and the procurement monitor and shall be
9 subject to Commission review and approval.

10 A utility party to a sourcing agreement shall
11 immediately retire any emission credits that it receives
12 in connection with the electricity covered by such
13 agreement.

14 Utilities shall maintain adequate records documenting
15 the purchases under the sourcing agreement to comply with
16 this subsection (d) and shall file an accounting with the
17 load forecast that must be filed with the Agency by July 15
18 of each year, in accordance with subsection (d) of Section
19 16-111.5 of the Public Utilities Act.

20 A utility shall be deemed to have complied with the
21 clean coal portfolio standard specified in this subsection
22 (d) if the utility enters into a sourcing agreement as
23 required by this subsection (d).

24 (2) For purposes of this subsection (d), the required
25 execution of sourcing agreements with the initial clean
26 coal facility for a particular year shall be measured as a

1 percentage of the actual amount of electricity
2 (megawatt-hours) supplied by the electric utility to
3 eligible retail customers in the planning year ending
4 immediately prior to the agreement's execution. For
5 purposes of this subsection (d), the amount paid per
6 kilowatthour means the total amount paid for electric
7 service expressed on a per kilowatthour basis. For
8 purposes of this subsection (d), the total amount paid for
9 electric service includes without limitation amounts paid
10 for supply, transmission, distribution, surcharges and
11 add-on taxes.

12 Notwithstanding the requirements of this subsection
13 (d), the total amount paid under sourcing agreements with
14 clean coal facilities pursuant to the procurement plan for
15 any given year shall be reduced by an amount necessary to
16 limit the annual estimated average net increase due to the
17 costs of these resources included in the amounts paid by
18 eligible retail customers in connection with electric
19 service to:

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

23 (B) in 2011, the greater of an additional 0.5% of
24 the amount paid per kilowatthour by those customers
25 during the year ending May 31, 2010 or 1% of the amount
26 paid per kilowatthour by those customers during the

1 year ending May 31, 2009;

2 (C) in 2012, the greater of an additional 0.5% of
3 the amount paid per kilowatthour by those customers
4 during the year ending May 31, 2011 or 1.5% of the
5 amount paid per kilowatthour by those customers during
6 the year ending May 31, 2009;

7 (D) in 2013, the greater of an additional 0.5% of
8 the amount paid per kilowatthour by those customers
9 during the year ending May 31, 2012 or 2% of the amount
10 paid per kilowatthour by those customers during the
11 year ending May 31, 2009; and

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

25 No later than June 30, 2015, the Commission shall
26 review the limitation on the total amount paid under

1 sourcing agreements, if any, with clean coal facilities
2 pursuant to this subsection (d) and report to the General
3 Assembly its findings as to whether that limitation unduly
4 constrains the amount of electricity generated by
5 cost-effective clean coal facilities that is covered by
6 sourcing agreements.

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

1 agreement for electricity produced by the initial clean
2 coal facility shall include:

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

6 (i) be determined using a cost of service
7 methodology employing either a level or deferred
8 capital recovery component, based on a capital
9 structure consisting of 45% equity and 55% debt,
10 and a return on equity as may be approved by the
11 Federal Energy Regulatory Commission, which in any
12 case may not exceed the lower of 11.5% or the rate
13 of return approved by the General Assembly
14 pursuant to paragraph (4) of this subsection (d);
15 and

16 (ii) provide that all miscellaneous net
17 revenue, including but not limited to net revenue
18 from the sale of emission allowances, if any,
19 substitute natural gas, if any, grants or other
20 support provided by the State of Illinois or the
21 United States Government, firm transmission
22 rights, if any, by-products produced by the
23 facility, energy or capacity derived from the
24 facility and not covered by a sourcing agreement
25 pursuant to paragraph (3) of this subsection (d)
26 or item (5) of subsection (d) of Section 16-115 of

1 the Public Utilities Act, whether generated from
2 the synthesis gas derived from coal, from SNG, or
3 from natural gas, shall be credited against the
4 revenue requirement for this initial clean coal
5 facility;

6 (B) power purchase provisions, which shall:

7 (i) provide that the utility party to such
8 sourcing agreement shall pay the contract price
9 for electricity delivered under such sourcing
10 agreement;

11 (ii) require delivery of electricity to the
12 regional transmission organization market of the
13 utility that is party to such sourcing agreement;

14 (iii) require the utility party to such
15 sourcing agreement to buy from the initial clean
16 coal facility in each hour an amount of energy
17 equal to all clean coal energy made available from
18 the initial clean coal facility during such hour
19 times a fraction, the numerator of which is such
20 utility's retail market sales of electricity
21 (expressed in kilowatthours sold) in the State
22 during the prior calendar month and the
23 denominator of which is the total retail market
24 sales of electricity (expressed in kilowatthours
25 sold) in the State by utilities during such prior
26 month and the sales of electricity (expressed in

1 kilowatthours sold) in the State by alternative
2 retail electric suppliers during such prior month
3 that are subject to the requirements of this
4 subsection (d) and paragraph (5) of subsection (d)
5 of Section 16-115 of the Public Utilities Act,
6 provided that the amount purchased by the utility
7 in any year will be limited by paragraph (2) of
8 this subsection (d); and

9 (iv) be considered pre-existing contracts in
10 such utility's procurement plans for eligible
11 retail customers;

12 (C) contract for differences provisions, which
13 shall:

14 (i) require the utility party to such sourcing
15 agreement to contract with the initial clean coal
16 facility in each hour with respect to an amount of
17 energy equal to all clean coal energy made
18 available from the initial clean coal facility
19 during such hour times a fraction, the numerator
20 of which is such utility's retail market sales of
21 electricity (expressed in kilowatthours sold) in
22 the utility's service territory in the State
23 during the prior calendar month and the
24 denominator of which is the total retail market
25 sales of electricity (expressed in kilowatthours
26 sold) in the State by utilities during such prior

1 month and the sales of electricity (expressed in
2 kilowatthours sold) in the State by alternative
3 retail electric suppliers during such prior month
4 that are subject to the requirements of this
5 subsection (d) and paragraph (5) of subsection (d)
6 of Section 16-115 of the Public Utilities Act,
7 provided that the amount paid by the utility in
8 any year will be limited by paragraph (2) of this
9 subsection (d);

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

1 clause (i); and

2 (iii) not require the utility to take physical
3 delivery of the electricity produced by the
4 facility;

5 (D) general provisions, which shall:

6 (i) specify a term of no more than 30 years,
7 commencing on the commercial operation date of the
8 facility;

9 (ii) provide that utilities shall maintain
10 adequate records documenting purchases under the
11 sourcing agreements entered into to comply with
12 this subsection (d) and shall file an accounting
13 with the load forecast that must be filed with the
14 Agency by July 15 of each year, in accordance with
15 subsection (d) of Section 16-111.5 of the Public
16 Utilities Act;

17 (iii) provide that all costs associated with
18 the initial clean coal facility will be
19 periodically reported to the Federal Energy
20 Regulatory Commission and to purchasers in
21 accordance with applicable laws governing
22 cost-based wholesale power contracts;

23 (iv) permit the Illinois Power Agency to
24 assume ownership of the initial clean coal
25 facility, without monetary consideration and
26 otherwise on reasonable terms acceptable to the

1 Agency, if the Agency so requests no less than 3
2 years prior to the end of the stated contract
3 term;

4 (v) require the owner of the initial clean
5 coal facility to provide documentation to the
6 Commission each year, starting in the facility's
7 first year of commercial operation, accurately
8 reporting the quantity of carbon emissions from
9 the facility that have been captured and
10 sequestered and report any quantities of carbon
11 released from the site or sites at which carbon
12 emissions were sequestered in prior years, based
13 on continuous monitoring of such sites. If, in any
14 year after the first year of commercial operation,
15 the owner of the facility fails to demonstrate
16 that the initial clean coal facility captured and
17 sequestered at least 50% of the total carbon
18 emissions that the facility would otherwise emit
19 or that sequestration of emissions from prior
20 years has failed, resulting in the release of
21 carbon dioxide into the atmosphere, the owner of
22 the facility must offset excess emissions. Any
23 such carbon offsets must be permanent, additional,
24 verifiable, real, located within the State of
25 Illinois, and legally and practicably enforceable.
26 The cost of such offsets for the facility that are

1 not recoverable shall not exceed \$15 million in
2 any given year. No costs of any such purchases of
3 carbon offsets may be recovered from a utility or
4 its customers. All carbon offsets purchased for
5 this purpose and any carbon emission credits
6 associated with sequestration of carbon from the
7 facility must be permanently retired. The initial
8 clean coal facility shall not forfeit its
9 designation as a clean coal facility if the
10 facility fails to fully comply with the applicable
11 carbon sequestration requirements in any given
12 year, provided the requisite offsets are
13 purchased. However, the Attorney General, on
14 behalf of the People of the State of Illinois, may
15 specifically enforce the facility's sequestration
16 requirement and the other terms of this contract
17 provision. Compliance with the sequestration
18 requirements and offset purchase requirements
19 specified in paragraph (3) of this subsection (d)
20 shall be reviewed annually by an independent
21 expert retained by the owner of the initial clean
22 coal facility, with the advance written approval
23 of the Attorney General. The Commission may, in
24 the course of the review specified in item (vii),
25 reduce the allowable return on equity for the
26 facility if the facility willfully fails to comply

1 with the carbon capture and sequestration
2 requirements set forth in this item (v);

3 (vi) include limits on, and accordingly
4 provide for modification of, the amount the
5 utility is required to source under the sourcing
6 agreement consistent with paragraph (2) of this
7 subsection (d);

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

23 (viii) limit the utility's obligation to such
24 amount as the utility is allowed to recover
25 through tariffs filed with the Commission,
26 provided that neither the clean coal facility nor

1 the utility waives any right to assert federal
2 pre-emption or any other argument in response to a
3 purported disallowance of recovery costs;

4 (ix) limit the utility's or alternative retail
5 electric supplier's obligation to incur any
6 liability until such time as the facility is in
7 commercial operation and generating power and
8 energy and such power and energy is being
9 delivered to the facility busbar;

10 (x) provide that the owner or owners of the
11 initial clean coal facility, which is the
12 counterparty to such sourcing agreement, shall
13 have the right from time to time to elect whether
14 the obligations of the utility party thereto shall
15 be governed by the power purchase provisions or
16 the contract for differences provisions;

17 (xi) append documentation showing that the
18 formula rate and contract, insofar as they relate
19 to the power purchase provisions, have been
20 approved by the Federal Energy Regulatory
21 Commission pursuant to Section 205 of the Federal
22 Power Act;

23 (xii) provide that any changes to the terms of
24 the contract, insofar as such changes relate to
25 the power purchase provisions, are subject to
26 review under the public interest standard applied

1 by the Federal Energy Regulatory Commission
2 pursuant to Sections 205 and 206 of the Federal
3 Power Act; and

4 (xiii) conform with customary lender
5 requirements in power purchase agreements used as
6 the basis for financing non-utility generators.

7 (4) Effective date of sourcing agreements with the
8 initial clean coal facility. Any proposed sourcing
9 agreement with the initial clean coal facility shall not
10 become effective unless the following reports are prepared
11 and submitted and authorizations and approvals obtained:

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

25 (ii) Commission report. Within 6 months following
26 receipt of the facility cost report, the Commission,

1 in consultation with the Agency, shall submit a report
2 to the General Assembly setting forth its analysis of
3 the facility cost report. Such report shall include,
4 but not be limited to, a comparison of the costs
5 associated with electricity generated by the initial
6 clean coal facility to the costs associated with
7 electricity generated by other types of generation
8 facilities, an analysis of the rate impacts on
9 residential and small business customers over the life
10 of the sourcing agreements, and an analysis of the
11 likelihood that the initial clean coal facility will
12 commence commercial operation by and be delivering
13 power to the facility's busbar by 2016. To assist in
14 the preparation of its report, the Commission, in
15 consultation with the Agency, may hire one or more
16 experts or consultants, the costs of which shall be
17 paid for by the owner of the initial clean coal
18 facility. The Commission and Agency may begin the
19 process of selecting such experts or consultants prior
20 to receipt of the facility cost report.

21 (iii) General Assembly approval. The proposed
22 sourcing agreements shall not take effect unless,
23 based on the facility cost report and the Commission's
24 report, the General Assembly enacts authorizing
25 legislation approving (A) the projected price, stated
26 in cents per kilowatthour, to be charged for

1 electricity generated by the initial clean coal
2 facility, (B) the projected impact on residential and
3 small business customers' bills over the life of the
4 sourcing agreements, and (C) the maximum allowable
5 return on equity for the project; and

6 (iv) Commission review. If the General Assembly
7 enacts authorizing legislation pursuant to
8 subparagraph (iii) approving a sourcing agreement, the
9 Commission shall, within 90 days of such enactment,
10 complete a review of such sourcing agreement. During
11 such time period, the Commission shall implement any
12 directive of the General Assembly, resolve any
13 disputes between the parties to the sourcing agreement
14 concerning the terms of such agreement, approve the
15 form of such agreement, and issue an order finding
16 that the sourcing agreement is prudent and reasonable.
17 The facility cost report shall be prepared as follows:

18 (A) The facility cost report shall be prepared by
19 duly licensed engineering and construction firms
20 detailing the estimated capital costs payable to one
21 or more contractors or suppliers for the engineering,
22 procurement and construction of the components
23 comprising the initial clean coal facility and the
24 estimated costs of operation and maintenance of the
25 facility. The facility cost report shall include:

26 (i) an estimate of the capital cost of the

1 core plant based on one or more front end
2 engineering and design studies for the
3 gasification island and related facilities. The
4 core plant shall include all civil, structural,
5 mechanical, electrical, control, and safety
6 systems.

7 (ii) an estimate of the capital cost of the
8 balance of the plant, including any capital costs
9 associated with sequestration of carbon dioxide
10 emissions and all interconnects and interfaces
11 required to operate the facility, such as
12 transmission of electricity, construction or
13 backfeed power supply, pipelines to transport
14 substitute natural gas or carbon dioxide, potable
15 water supply, natural gas supply, water supply,
16 water discharge, landfill, access roads, and coal
17 delivery.

18 The quoted construction costs shall be expressed
19 in nominal dollars as of the date that the quote is
20 prepared and shall include capitalized financing costs
21 during construction, taxes, insurance, and other
22 owner's costs, and an assumed escalation in materials
23 and labor beyond the date as of which the construction
24 cost quote is expressed.

25 (B) The front end engineering and design study for
26 the gasification island and the cost study for the

1 balance of plant shall include sufficient design work
2 to permit quantification of major categories of
3 materials, commodities and labor hours, and receipt of
4 quotes from vendors of major equipment required to
5 construct and operate the clean coal facility.

6 (C) The facility cost report shall also include an
7 operating and maintenance cost quote that will provide
8 the estimated cost of delivered fuel, personnel,
9 maintenance contracts, chemicals, catalysts,
10 consumables, spares, and other fixed and variable
11 operations and maintenance costs. The delivered fuel
12 cost estimate will be provided by a recognized third
13 party expert or experts in the fuel and transportation
14 industries. The balance of the operating and
15 maintenance cost quote, excluding delivered fuel
16 costs, will be developed based on the inputs provided
17 by duly licensed engineering and construction firms
18 performing the construction cost quote, potential
19 vendors under long-term service agreements and plant
20 operating agreements, or recognized third party plant
21 operator or operators.

22 The operating and maintenance cost quote
23 (including the cost of the front end engineering and
24 design study) shall be expressed in nominal dollars as
25 of the date that the quote is prepared and shall
26 include taxes, insurance, and other owner's costs, and

1 an assumed escalation in materials and labor beyond
2 the date as of which the operating and maintenance
3 cost quote is expressed.

4 (D) The facility cost report shall also include an
5 analysis of the initial clean coal facility's ability
6 to deliver power and energy into the applicable
7 regional transmission organization markets and an
8 analysis of the expected capacity factor for the
9 initial clean coal facility.

10 (E) Amounts paid to third parties unrelated to the
11 owner or owners of the initial clean coal facility to
12 prepare the core plant construction cost quote,
13 including the front end engineering and design study,
14 and the operating and maintenance cost quote will be
15 reimbursed through Coal Development Bonds.

16 (5) Re-powering and retrofitting coal-fired power
17 plants previously owned by Illinois utilities to qualify
18 as clean coal facilities. During the 2009 procurement
19 planning process and thereafter, the Agency and the
20 Commission shall consider sourcing agreements covering
21 electricity generated by power plants that were previously
22 owned by Illinois utilities and that have been or will be
23 converted into clean coal facilities, as defined by
24 Section 1-10 of this Act. Pursuant to such procurement
25 planning process, the owners of such facilities may
26 propose to the Agency sourcing agreements with utilities

1 and alternative retail electric suppliers required to
2 comply with subsection (d) of this Section and item (5) of
3 subsection (d) of Section 16-115 of the Public Utilities
4 Act, covering electricity generated by such facilities. In
5 the case of sourcing agreements that are power purchase
6 agreements, the contract price for electricity sales shall
7 be established on a cost of service basis. In the case of
8 sourcing agreements that are contracts for differences,
9 the contract price from which the reference price is
10 subtracted shall be established on a cost of service
11 basis. The Agency and the Commission may approve any such
12 utility sourcing agreements that do not exceed cost-based
13 benchmarks developed by the procurement administrator, in
14 consultation with the Commission staff, Agency staff and
15 the procurement monitor, subject to Commission review and
16 approval. The Commission shall have authority to inspect
17 all books and records associated with these clean coal
18 facilities during the term of any such contract.

19 (6) Costs incurred under this subsection (d) or
20 pursuant to a contract entered into under this subsection
21 (d) shall be deemed prudently incurred and reasonable in
22 amount and the electric utility shall be entitled to full
23 cost recovery pursuant to the tariffs filed with the
24 Commission.

25 (d-5) Zero emission standard.

26 (1) Beginning with the delivery year commencing on

1 June 1, 2017, the Agency shall, for electric utilities
2 that serve at least 100,000 retail customers in this
3 State, procure contracts with zero emission facilities
4 that are reasonably capable of generating cost-effective
5 zero emission credits in an amount approximately equal to
6 16% of the actual amount of electricity delivered by each
7 electric utility to retail customers in the State during
8 calendar year 2014. For an electric utility serving fewer
9 than 100,000 retail customers in this State that
10 requested, under Section 16-111.5 of the Public Utilities
11 Act, that the Agency procure power and energy for all or a
12 portion of the utility's Illinois load for the delivery
13 year commencing June 1, 2016, the Agency shall procure
14 contracts with zero emission facilities that are
15 reasonably capable of generating cost-effective zero
16 emission credits in an amount approximately equal to 16%
17 of the portion of power and energy to be procured by the
18 Agency for the utility. The duration of the contracts
19 procured under this subsection (d-5) shall be for a term
20 of 10 years ending May 31, 2027. The quantity of zero
21 emission credits to be procured under the contracts shall
22 be all of the zero emission credits generated by the zero
23 emission facility in each delivery year; however, if the
24 zero emission facility is owned by more than one entity,
25 then the quantity of zero emission credits to be procured
26 under the contracts shall be the amount of zero emission

1 credits that are generated from the portion of the zero
2 emission facility that is owned by the winning supplier.

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

7 The procurement process shall be subject to the
8 following provisions:

9 (A) Those zero emission facilities that intend to
10 participate in the procurement shall submit to the
11 Agency the following eligibility information for each
12 zero emission facility on or before the date
13 established by the Agency:

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

16 (ii) the amount of power generated annually
17 for each of the years 2005 through 2015, and the
18 projected zero emission credits to be generated
19 over the remaining useful life of the zero
20 emission facility, which shall be used to
21 determine the capability of each facility;

22 (iii) the annual zero emission facility cost
23 projections, expressed on a per megawatthour
24 basis, over the next 6 delivery years, which shall
25 include the following: operation and maintenance
26 expenses; fully allocated overhead costs, which

1 shall be allocated using the methodology developed
2 by the Institute for Nuclear Power Operations;
3 fuel expenditures; non-fuel capital expenditures;
4 spent fuel expenditures; a return on working
5 capital; the cost of operational and market risks
6 that could be avoided by ceasing operation; and
7 any other costs necessary for continued
8 operations, provided that "necessary" means, for
9 purposes of this item (iii), that the costs could
10 reasonably be avoided only by ceasing operations
11 of the zero emission facility; and

12 (iv) a commitment to continue operating, for
13 the duration of the contract or contracts executed
14 under the procurement held under this subsection
15 (d-5), the zero emission facility that produces
16 the zero emission credits to be procured in the
17 procurement.

18 The information described in item (iii) of this
19 subparagraph (A) may be submitted on a confidential
20 basis and shall be treated and maintained by the
21 Agency, the procurement administrator, and the
22 Commission as confidential and proprietary and exempt
23 from disclosure under subparagraphs (a) and (g) of
24 paragraph (1) of Section 7 of the Freedom of
25 Information Act. The Office of Attorney General shall
26 have access to, and maintain the confidentiality of,

1 such information pursuant to Section 6.5 of the
2 Attorney General Act.

3 (B) The price for each zero emission credit
4 procured under this subsection (d-5) for each delivery
5 year shall be in an amount that equals the Social Cost
6 of Carbon, expressed on a price per megawatthour
7 basis. However, to ensure that the procurement remains
8 affordable to retail customers in this State if
9 electricity prices increase, the price in an
10 applicable delivery year shall be reduced below the
11 Social Cost of Carbon by the amount ("Price
12 Adjustment") by which the market price index for the
13 applicable delivery year exceeds the baseline market
14 price index for the consecutive 12-month period ending
15 May 31, 2016. If the Price Adjustment is greater than
16 or equal to the Social Cost of Carbon in an applicable
17 delivery year, then no payments shall be due in that
18 delivery year. The components of this calculation are
19 defined as follows:

20 (i) Social Cost of Carbon: The Social Cost of
21 Carbon is \$16.50 per megawatthour, which is based
22 on the U.S. Interagency Working Group on Social
23 Cost of Carbon's price in the August 2016
24 Technical Update using a 3% discount rate,
25 adjusted for inflation for each year of the
26 program. Beginning with the delivery year

1 commencing June 1, 2023, the price per
2 megawatthour shall increase by \$1 per
3 megawatthour, and continue to increase by an
4 additional \$1 per megawatthour each delivery year
5 thereafter.

6 (ii) Baseline market price index: The baseline
7 market price index for the consecutive 12-month
8 period ending May 31, 2016 is \$31.40 per
9 megawatthour, which is based on the sum of (aa)
10 the average day-ahead energy price across all
11 hours of such 12-month period at the PJM
12 Interconnection LLC Northern Illinois Hub, (bb)
13 50% multiplied by the Base Residual Auction, or
14 its successor, capacity price for the rest of the
15 RTO zone group determined by PJM Interconnection
16 LLC, divided by 24 hours per day, and (cc) 50%
17 multiplied by the Planning Resource Auction, or
18 its successor, capacity price for Zone 4
19 determined by the Midcontinent Independent System
20 Operator, Inc., divided by 24 hours per day.

21 (iii) Market price index: The market price
22 index for a delivery year shall be the sum of
23 projected energy prices and projected capacity
24 prices determined as follows:

25 (aa) Projected energy prices: the
26 projected energy prices for the applicable

1 delivery year shall be calculated once for the
2 year using the forward market price for the
3 PJM Interconnection, LLC Northern Illinois
4 Hub. The forward market price shall be
5 calculated as follows: the energy forward
6 prices for each month of the applicable
7 delivery year averaged for each trade date
8 during the calendar year immediately preceding
9 that delivery year to produce a single energy
10 forward price for the delivery year. The
11 forward market price calculation shall use
12 data published by the Intercontinental
13 Exchange, or its successor.

14 (bb) Projected capacity prices:

15 (I) For the delivery years commencing
16 June 1, 2017, June 1, 2018, and June 1,
17 2019, the projected capacity price shall
18 be equal to the sum of (1) 50% multiplied
19 by the Base Residual Auction, or its
20 successor, price for the rest of the RTO
21 zone group as determined by PJM
22 Interconnection LLC, divided by 24 hours
23 per day and, (2) 50% multiplied by the
24 resource auction price determined in the
25 resource auction administered by the
26 Midcontinent Independent System Operator,

1 Inc., in which the largest percentage of
2 load cleared for Local Resource Zone 4,
3 divided by 24 hours per day, and where
4 such price is determined by the
5 Midcontinent Independent System Operator,
6 Inc.

7 (II) For the delivery year commencing
8 June 1, 2020, and each year thereafter,
9 the projected capacity price shall be
10 equal to the sum of (1) 50% multiplied by
11 the Base Residual Auction, or its
12 successor, price for the ComEd zone as
13 determined by PJM Interconnection LLC,
14 divided by 24 hours per day, and (2) 50%
15 multiplied by the resource auction price
16 determined in the resource auction
17 administered by the Midcontinent
18 Independent System Operator, Inc., in
19 which the largest percentage of load
20 cleared for Local Resource Zone 4, divided
21 by 24 hours per day, and where such price
22 is determined by the Midcontinent
23 Independent System Operator, Inc.

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

25 "Rest of the RTO" and "ComEd Zone" shall have
26 the meaning ascribed to them by PJM

1 Interconnection, LLC.

2 "RTO" means regional transmission
3 organization.

4 (C) No later than 45 days after June 1, 2017 (the
5 effective date of Public Act 99-906), the Agency shall
6 publish its proposed zero emission standard
7 procurement plan. The plan shall be consistent with
8 the provisions of this paragraph (1) and shall provide
9 that winning bids shall be selected based on public
10 interest criteria that include, but are not limited
11 to, minimizing carbon dioxide emissions that result
12 from electricity consumed in Illinois and minimizing
13 sulfur dioxide, nitrogen oxide, and particulate matter
14 emissions that adversely affect the citizens of this
15 State. In particular, the selection of winning bids
16 shall take into account the incremental environmental
17 benefits resulting from the procurement, such as any
18 existing environmental benefits that are preserved by
19 the procurements held under Public Act 99-906 and
20 would cease to exist if the procurements were not
21 held, including the preservation of zero emission
22 facilities. The plan shall also describe in detail how
23 each public interest factor shall be considered and
24 weighted in the bid selection process to ensure that
25 the public interest criteria are applied to the
26 procurement and given full effect.

1 For purposes of developing the plan, the Agency
2 shall consider any reports issued by a State agency,
3 board, or commission under House Resolution 1146 of
4 the 98th General Assembly and paragraph (4) of
5 subsection (d) of this Section, as well as publicly
6 available analyses and studies performed by or for
7 regional transmission organizations that serve the
8 State and their independent market monitors.

9 Upon publishing of the zero emission standard
10 procurement plan, copies of the plan shall be posted
11 and made publicly available on the Agency's website.
12 All interested parties shall have 10 days following
13 the date of posting to provide comment to the Agency on
14 the plan. All comments shall be posted to the Agency's
15 website. Following the end of the comment period, but
16 no more than 60 days later than June 1, 2017 (the
17 effective date of Public Act 99-906), the Agency shall
18 revise the plan as necessary based on the comments
19 received and file its zero emission standard
20 procurement plan with the Commission.

21 If the Commission determines that the plan will
22 result in the procurement of cost-effective zero
23 emission credits, then the Commission shall, after
24 notice and hearing, but no later than 45 days after the
25 Agency filed the plan, approve the plan or approve
26 with modification. For purposes of this subsection

1 (d-5), "cost effective" means the projected costs of
2 procuring zero emission credits from zero emission
3 facilities do not cause the limit stated in paragraph
4 (2) of this subsection to be exceeded.

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

9 (i) identify how the winning bids satisfy the
10 public interest criteria described in subparagraph
11 (C) of this paragraph (1) of minimizing carbon
12 dioxide emissions that result from electricity
13 consumed in Illinois and minimizing sulfur
14 dioxide, nitrogen oxide, and particulate matter
15 emissions that adversely affect the citizens of
16 this State;

17 (ii) specifically address how the selection of
18 winning bids takes into account the incremental
19 environmental benefits resulting from the
20 procurement, including any existing environmental
21 benefits that are preserved by the procurements
22 held under Public Act 99-906 and would have ceased
23 to exist if the procurements had not been held,
24 such as the preservation of zero emission
25 facilities;

26 (iii) quantify the environmental benefit of

1 preserving the resources identified in item (ii)
2 of this subparagraph (C-5), including the
3 following:

4 (aa) the value of avoided greenhouse gas
5 emissions measured as the product of the zero
6 emission facilities' output over the contract
7 term multiplied by the U.S. Environmental
8 Protection Agency eGrid subregion carbon
9 dioxide emission rate and the U.S. Interagency
10 Working Group on Social Cost of Carbon's price
11 in the August 2016 Technical Update using a 3%
12 discount rate, adjusted for inflation for each
13 delivery year; and

14 (bb) the costs of replacement with other
15 zero carbon dioxide resources, including wind
16 and photovoltaic, based upon the simple
17 average of the following:

18 (I) the price, or if there is more
19 than one price, the average of the prices,
20 paid for renewable energy credits from new
21 utility-scale wind projects in the
22 procurement events specified in item (i)
23 of subparagraph (G) of paragraph (1) of
24 subsection (c) of this Section; and

25 (II) the price, or if there is more
26 than one price, the average of the prices,

1 paid for renewable energy credits from new
2 utility-scale solar projects and
3 brownfield site photovoltaic projects in
4 the procurement events specified in item
5 (ii) of subparagraph (G) of paragraph (1)
6 of subsection (c) of this Section and,
7 after January 1, 2015, renewable energy
8 credits from photovoltaic distributed
9 generation projects in procurement events
10 held under subsection (c) of this Section.

11 Each utility shall enter into binding contractual
12 arrangements with the winning suppliers.

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

1 conducted under Section 16-111.5 of the Public
2 Utilities Act, the Agency shall immediately initiate a
3 procurement process on June 1, 2017 (the effective
4 date of Public Act 99-906).

5 (D) Following the procurement event described in
6 this paragraph (1) and consistent with subparagraph
7 (B) of this paragraph (1), the Agency shall calculate
8 the payments to be made under each contract for the
9 next delivery year based on the market price index for
10 that delivery year. The Agency shall publish the
11 payment calculations no later than May 25, 2017 and
12 every May 25 thereafter.

13 (E) Notwithstanding the requirements of this
14 subsection (d-5), the contracts executed under this
15 subsection (d-5) shall provide that the zero emission
16 facility may, as applicable, suspend or terminate
17 performance under the contracts in the following
18 instances:

19 (i) A zero emission facility shall be excused
20 from its performance under the contract for any
21 cause beyond the control of the resource,
22 including, but not restricted to, acts of God,
23 flood, drought, earthquake, storm, fire,
24 lightning, epidemic, war, riot, civil disturbance
25 or disobedience, labor dispute, labor or material
26 shortage, sabotage, acts of public enemy,

1 explosions, orders, regulations or restrictions
2 imposed by governmental, military, or lawfully
3 established civilian authorities, which, in any of
4 the foregoing cases, by exercise of commercially
5 reasonable efforts the zero emission facility
6 could not reasonably have been expected to avoid,
7 and which, by the exercise of commercially
8 reasonable efforts, it has been unable to
9 overcome. In such event, the zero emission
10 facility shall be excused from performance for the
11 duration of the event, including, but not limited
12 to, delivery of zero emission credits, and no
13 payment shall be due to the zero emission facility
14 during the duration of the event.

15 (ii) A zero emission facility shall be
16 permitted to terminate the contract if legislation
17 is enacted into law by the General Assembly that
18 imposes or authorizes a new tax, special
19 assessment, or fee on the generation of
20 electricity, the ownership or leasehold of a
21 generating unit, or the privilege or occupation of
22 such generation, ownership, or leasehold of
23 generation units by a zero emission facility.
24 However, the provisions of this item (ii) do not
25 apply to any generally applicable tax, special
26 assessment or fee, or requirements imposed by

1 federal law.

2 (iii) A zero emission facility shall be
3 permitted to terminate the contract in the event
4 that the resource requires capital expenditures in
5 excess of \$40,000,000 that were neither known nor
6 reasonably foreseeable at the time it executed the
7 contract and that a prudent owner or operator of
8 such resource would not undertake.

9 (iv) A zero emission facility shall be
10 permitted to terminate the contract in the event
11 the Nuclear Regulatory Commission terminates the
12 resource's license.

13 (F) If the zero emission facility elects to
14 terminate a contract under subparagraph (E) of this
15 paragraph (1), then the Commission shall reopen the
16 docket in which the Commission approved the zero
17 emission standard procurement plan under subparagraph
18 (C) of this paragraph (1) and, after notice and
19 hearing, enter an order acknowledging the contract
20 termination election if such termination is consistent
21 with the provisions of this subsection (d-5).

22 (2) For purposes of this subsection (d-5), the amount
23 paid per kilowatthour means the total amount paid for
24 electric service expressed on a per kilowatthour basis.
25 For purposes of this subsection (d-5), the total amount
26 paid for electric service includes, without limitation,

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

3 Notwithstanding the requirements of this subsection
4 (d-5), the contracts executed under this subsection (d-5)
5 shall provide that the total of zero emission credits
6 procured under a procurement plan shall be subject to the
7 limitations of this paragraph (2). For each delivery year,
8 the contractual volume receiving payments in such year
9 shall be reduced for all retail customers based on the
10 amount necessary to limit the net increase that delivery
11 year to the costs of those credits included in the amounts
12 paid by eligible retail customers in connection with
13 electric service to no more than 1.65% of the amount paid
14 per kilowatthour by eligible retail customers during the
15 year ending May 31, 2009. The result of this computation
16 shall apply to and reduce the procurement for all retail
17 customers, and all those customers shall pay the same
18 single, uniform cents per kilowatthour charge under
19 subsection (k) of Section 16-108 of the Public Utilities
20 Act. To arrive at a maximum dollar amount of zero emission
21 credits to be paid for the particular delivery year, the
22 resulting per kilowatthour amount shall be applied to the
23 actual amount of kilowatthours of electricity delivered by
24 the electric utility in the delivery year immediately
25 prior to the procurement, to all retail customers in its
26 service territory. Unpaid contractual volume for any

1 delivery year shall be paid in any subsequent delivery
2 year in which such payments can be made without exceeding
3 the amount specified in this paragraph (2). The
4 calculations required by this paragraph (2) shall be made
5 only once for each procurement plan year. Once the
6 determination as to the amount of zero emission credits to
7 be paid is made based on the calculations set forth in this
8 paragraph (2), no subsequent rate impact determinations
9 shall be made and no adjustments to those contract amounts
10 shall be allowed. All costs incurred under those contracts
11 and in implementing this subsection (d-5) shall be
12 recovered by the electric utility as provided in this
13 Section.

14 No later than June 30, 2019, the Commission shall
15 review the limitation on the amount of zero emission
16 credits procured under this subsection (d-5) and report to
17 the General Assembly its findings as to whether that
18 limitation unduly constrains the procurement of
19 cost-effective zero emission credits.

20 (3) Six years after the execution of a contract under
21 this subsection (d-5), the Agency shall determine whether
22 the actual zero emission credit payments received by the
23 supplier over the 6-year period exceed the Average ZEC
24 Payment. In addition, at the end of the term of a contract
25 executed under this subsection (d-5), or at the time, if
26 any, a zero emission facility's contract is terminated

1 under subparagraph (E) of paragraph (1) of this subsection
2 (d-5), then the Agency shall determine whether the actual
3 zero emission credit payments received by the supplier
4 over the term of the contract exceed the Average ZEC
5 Payment, after taking into account any amounts previously
6 credited back to the utility under this paragraph (3). If
7 the Agency determines that the actual zero emission credit
8 payments received by the supplier over the relevant period
9 exceed the Average ZEC Payment, then the supplier shall
10 credit the difference back to the utility. The amount of
11 the credit shall be remitted to the applicable electric
12 utility no later than 120 days after the Agency's
13 determination, which the utility shall reflect as a credit
14 on its retail customer bills as soon as practicable;
15 however, the credit remitted to the utility shall not
16 exceed the total amount of payments received by the
17 facility under its contract.

18 For purposes of this Section, the Average ZEC Payment
19 shall be calculated by multiplying the quantity of zero
20 emission credits delivered under the contract times the
21 average contract price. The average contract price shall
22 be determined by subtracting the amount calculated under
23 subparagraph (B) of this paragraph (3) from the amount
24 calculated under subparagraph (A) of this paragraph (3),
25 as follows:

26 (A) The average of the Social Cost of Carbon, as

1 defined in subparagraph (B) of paragraph (1) of this
2 subsection (d-5), during the term of the contract.

3 (B) The average of the market price indices, as
4 defined in subparagraph (B) of paragraph (1) of this
5 subsection (d-5), during the term of the contract,
6 minus the baseline market price index, as defined in
7 subparagraph (B) of paragraph (1) of this subsection
8 (d-5).

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

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

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

17 (6) Electric utilities shall be entitled to recover
18 all of the costs associated with the procurement of zero
19 emission credits through an automatic adjustment clause
20 tariff in accordance with subsection (k) and (m) of
21 Section 16-108 of the Public Utilities Act, and the
22 contracts executed under this subsection (d-5) shall
23 provide that the utilities' payment obligations under such
24 contracts shall be reduced if an adjustment is required
25 under subsection (m) of Section 16-108 of the Public
26 Utilities Act.

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

3 (d-10) Nuclear Plant Assistance; carbon mitigation
4 credits.

5 (1) The General Assembly finds:

6 (A) The health, welfare, and prosperity of all
7 Illinois citizens require that the State of Illinois act
8 to avoid and not increase carbon emissions from electric
9 generation sources while continuing to ensure affordable,
10 stable, and reliable electricity to all citizens.

11 (B) Absent immediate action by the State to preserve
12 existing carbon-free energy resources, those resources may
13 retire, and the electric generation needs of Illinois'
14 retail customers may be met instead by facilities that
15 emit significant amounts of carbon pollution and other
16 harmful air pollutants at a high social and economic cost
17 until Illinois is able to develop other forms of clean
18 energy.

19 (C) The General Assembly finds that nuclear power
20 generation is necessary for the State's transition to 100%
21 clean energy, and ensuring continued operation of nuclear
22 plants advances environmental and public health interests
23 through providing carbon-free electricity while reducing
24 the air pollution profile of the Illinois energy
25 generation fleet.

26 (D) The clean energy attributes of nuclear generation

1 facilities support the State in its efforts to achieve
2 100% clean energy.

3 (E) The State currently invests in various forms of
4 clean energy, including, but not limited to, renewable
5 energy, energy efficiency, and low-emission vehicles,
6 among others.

7 (F) The Environmental Protection Agency commissioned
8 an independent audit which provided a detailed assessment
9 of the financial condition of the Illinois nuclear fleet
10 to evaluate its financial viability and whether the
11 environmental benefits of such resources were at risk. The
12 report identified the risk of losing the environmental
13 benefits of several specific nuclear units. The report
14 also identified that the LaSalle County Generating Station
15 will continue to operate through 2026 and therefore is not
16 eligible to participate in the carbon mitigation credit
17 program.

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

21 (H) The procurement of carbon mitigation credits
22 representing the environmental benefits of carbon-free
23 generation will further the State's efforts at achieving
24 100% clean energy and decarbonizing the electricity sector
25 in a safe, reliable, and affordable manner. Further, the
26 procurement of carbon emission credits will enhance the

1 health and welfare of Illinois residents through decreased
2 reliance on more highly polluting generation.

3 (I) The General Assembly therefore finds it necessary
4 to establish carbon mitigation credits to ensure decreased
5 reliance on more carbon-intensive energy resources, for
6 transitioning to a fully decarbonized electricity sector,
7 and to help ensure health and welfare of the State's
8 residents.

9 (2) As used in this subsection:

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

24 "Carbon mitigation credit" means a tradable credit that
25 represents the carbon emission reduction attributes of one
26 megawatt-hour of energy produced from a carbon-free energy

1 resource.

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

5 (3) Procurement.

6 (A) Beginning with the delivery year commencing on
7 June 1, 2022, the Agency shall, for electric utilities
8 serving at least 3,000,000 retail customers in the State,
9 seek to procure contracts for no more than approximately
10 54,500,000 cost-effective carbon mitigation credits from
11 carbon-free energy resources because such credits are
12 necessary to support current levels of carbon-free energy
13 generation and ensure the State meets its carbon dioxide
14 emissions reduction goals. The Agency shall not make a
15 partial award of a contract for carbon mitigation credits
16 covering a fractional amount of a carbon-free energy
17 resource's projected output.

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

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

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

1 (iii) a commitment to be reflected in any contract
2 entered into pursuant to this subsection (d-10) to
3 continue operating the carbon-free energy resource at
4 a capacity factor of at least 88% annually on average
5 for the duration of the contract or contracts executed
6 under the procurement held under this subsection
7 (d-10), except in an instance described in
8 subparagraph (E) of paragraph (1) of subsection (d-5)
9 of this Section or made impracticable as a result of
10 compliance with law or regulation;

11 (iv) financial need and the risk of loss of the
12 environmental benefits of such resource, which shall
13 include the following information:

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

1 purposes of this subitem (I), that the costs could
2 reasonably be avoided only by ceasing operations
3 of the carbon-free energy resource; and

4 (II) the carbon-free energy resource's revenue
5 projections, including energy, capacity, ancillary
6 services, any other direct State support, known or
7 anticipated federal attribute credits, known or
8 anticipated tax credits, and any other direct
9 federal support.

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

20 (C) The Agency shall solicit bids for the contracts
21 described in this subsection (d-10) from carbon-free
22 energy resources that have satisfied the requirements of
23 subparagraph (B) of this paragraph (3). The contracts
24 procured pursuant to a procurement event shall reflect,
25 and be subject to, the following terms, requirements, and
26 limitations:

1 (i) Contracts are for delivery of carbon
2 mitigation credits, and are not energy or capacity
3 sales contracts requiring physical delivery. Pursuant
4 to item (iii), contract payments shall fully deduct
5 the value of any monetized federal production tax
6 credits, credits issued pursuant to a federal clean
7 energy standard, and other federal credits if
8 applicable.

9 (ii) Contracts for carbon mitigation credits shall
10 commence with the delivery year beginning on June 1,
11 2022 and shall be for a term of 5 delivery years
12 concluding on May 31, 2027.

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

16 (I) one of the following energy price indices,
17 selected by the bidder at the time of the bid for
18 the term of the contract:

19 (aa) the weighted-average hourly day-ahead
20 price for the applicable delivery year at the
21 busbar of all resources procured pursuant to
22 this subsection (d-10), weighted by actual
23 production from the resources; or

24 (bb) the projected energy price for the
25 PJM Interconnection, LLC Northern Illinois Hub
26 for the applicable delivery year determined

1 according to subitem (aa) of item (iii) of
2 subparagraph (B) of paragraph (1) of
3 subsection (d-5).

4 (II) the Base Residual Auction Capacity Price
5 for the ComEd zone as determined by PJM
6 Interconnection, LLC, divided by 24 hours per day,
7 for the applicable delivery year for the first 3
8 delivery years, and then any subsequent delivery
9 years unless the PJM Interconnection, LLC applies
10 the Minimum Offer Price Rule to participating
11 carbon-free energy resources because they supply
12 carbon mitigation credits pursuant to this Section
13 at which time, upon notice by the carbon-free
14 energy resource to the Commission and subject to
15 the Commission's confirmation, the value under
16 this subitem shall be zero, as further described
17 in the carbon mitigation credit procurement plan;
18 and

19 (III) any value of monetized federal tax
20 credits, direct payments, or similar subsidy
21 provided to the carbon-free energy resource from
22 any unit of government that is not already
23 reflected in energy prices.

24 If the price-per-megawatt-hour calculation
25 performed under item (iii) of this subparagraph (C)
26 for a given delivery year results in a net positive

1 value, then the electric utility counterparty to the
2 contract shall multiply such net value by the
3 applicable contract quantity and remit the amount to
4 the supplier.

5 To protect retail customers from retail rate
6 impacts that may arise upon the initiation of carbon
7 policy changes, if the price-per-megawatt-hour
8 calculation performed under item (iii) of this
9 subparagraph (C) for a given delivery year results in
10 a net negative value, then the supplier counterparty
11 to the contract shall multiply such net value by the
12 applicable contract quantity and remit such amount to
13 the electric utility counterparty. The electric
14 utility shall reflect such amounts remitted by
15 suppliers as a credit on its retail customer bills as
16 soon as practicable.

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

24 The baseline costs for the applicable year shall
25 be the following:

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

1 2022, the baseline costs shall be an amount equal
2 to \$30.30 per megawatt-hour.

3 (II) For the delivery year beginning June 1,
4 2023, the baseline costs shall be an amount equal
5 to \$32.50 per megawatt-hour.

6 (III) For the delivery year beginning June 1,
7 2024, the baseline costs shall be an amount equal
8 to \$33.43 per megawatt-hour.

9 (IV) For the delivery year beginning June 1,
10 2025, the baseline costs shall be an amount equal
11 to \$33.50 per megawatt-hour.

12 (V) For the delivery year beginning June 1,
13 2026, the baseline costs shall be an amount equal
14 to \$34.50 per megawatt-hour.

15 An Environmental Protection Agency consultant
16 forecast, included in a report issued April 14, 2021,
17 projects that a carbon-free energy resource has the
18 opportunity to earn on average approximately \$30.28
19 per megawatt-hour, for the sale of energy and capacity
20 during the time period between 2022 and 2027.
21 Therefore, the sale of carbon mitigation credits
22 provides the opportunity to receive an additional
23 amount per megawatt-hour in addition to the projected
24 prices for energy and capacity.

25 Although actual energy and capacity prices may
26 vary from year-to-year, the General Assembly finds

1 that this customer protection cap will help ensure
2 that the cost of carbon mitigation credits will be
3 less than its value, based upon the social cost of
4 carbon identified in the Technical Support Document
5 issued in February 2021 by the U.S. Interagency
6 Working Group on Social Cost of Greenhouse Gases and
7 the PJM Interconnection, LLC carbon dioxide marginal
8 emission rate for 2020, and that a carbon-free energy
9 resource receiving payment for carbon mitigation
10 credits receives no more than necessary to keep those
11 units in operation.

12 (D) No later than 7 days after the effective date of
13 this amendatory Act of the 102nd General Assembly, the
14 Agency shall publish its proposed carbon mitigation credit
15 procurement plan. The Plan shall provide that winning bids
16 shall be selected by taking into consideration which
17 resources best match public interest criteria that
18 include, but are not limited to, minimizing carbon dioxide
19 emissions that result from electricity consumed in
20 Illinois and minimizing sulfur dioxide, nitrogen oxide,
21 and particulate matter emissions that adversely affect the
22 citizens of this State. The selection of winning bids
23 shall also take into account the incremental environmental
24 benefits resulting from the procurement or procurements,
25 such as any existing environmental benefits that are
26 preserved by a procurement held under this subsection

1 (d-10) and would cease to exist if the procurement were
2 not held, including the preservation of carbon-free energy
3 resources. For those bidders having the same public
4 interest criteria score, the relative ranking of such
5 bidders shall be determined by price. The Plan shall
6 describe in detail how each public interest factor shall
7 be considered and weighted in the bid selection process to
8 ensure that the public interest criteria are applied to
9 the procurement. The Plan shall, to the extent practical
10 and permissible by federal law, ensure that successful
11 bidders make commercially reasonable efforts to apply for
12 federal tax credits, direct payments, or similar subsidy
13 programs that support carbon-free generation and for which
14 the successful bidder is eligible. Upon publishing of the
15 carbon mitigation credit procurement plan, copies of the
16 plan shall be posted and made publicly available on the
17 Agency's website. All interested parties shall have 7 days
18 following the date of posting to provide comment to the
19 Agency on the plan. All comments shall be posted to the
20 Agency's website. Following the end of the comment period,
21 but no more than 19 days later than the effective date of
22 this amendatory Act of the 102nd General Assembly, the
23 Agency shall revise the plan as necessary based on the
24 comments received and file its carbon mitigation credit
25 procurement plan with the Commission.

26 (E) If the Commission determines that the plan is

1 likely to result in the procurement of cost-effective
2 carbon mitigation credits, then the Commission shall,
3 after notice and hearing and opportunity for comment, but
4 no later than 42 days after the Agency filed the plan,
5 approve the plan or approve it with modification. For
6 purposes of this subsection (d-10), "cost-effective" means
7 carbon mitigation credits that are procured from
8 carbon-free energy resources at prices that are within the
9 limits specified in this paragraph (3). As part of the
10 Commission's review and acceptance or rejection of the
11 procurement results, the Commission shall, in its public
12 notice of successful bidders:

13 (i) identify how the selected carbon-free energy
14 resources satisfy the public interest criteria
15 described in this paragraph (3) of minimizing carbon
16 dioxide emissions that result from electricity
17 consumed in Illinois and minimizing sulfur dioxide,
18 nitrogen oxide, and particulate matter emissions that
19 adversely affect the citizens of this State;

20 (ii) specifically address how the selection of
21 carbon-free energy resources takes into account the
22 incremental environmental benefits resulting from the
23 procurement, including any existing environmental
24 benefits that are preserved by the procurements held
25 under this amendatory Act of the 102nd General
26 Assembly and would have ceased to exist if the

1 procurements had not been held, such as the
2 preservation of carbon-free energy resources;

3 (iii) quantify the environmental benefit of
4 preserving the carbon-free energy resources procured
5 pursuant to this subsection (d-10), including the
6 following:

7 (I) an assessment value of avoided greenhouse
8 gas emissions measured as the product of the
9 carbon-free energy resources' output over the
10 contract term, using generally accepted
11 methodologies for the valuation of avoided
12 emissions; and

13 (II) an assessment of costs of replacement
14 with other carbon-free energy resources and
15 renewable energy resources, including wind and
16 photovoltaic generation, based upon an assessment
17 of the prices paid for renewable energy credits
18 through programs and procurements conducted
19 pursuant to subsection (c) of Section 1-75 of this
20 Act, and the additional storage necessary to
21 produce the same or similar capability of matching
22 customer usage patterns.

23 (F) The procurements described in this paragraph (3),
24 including, but not limited to, the execution of all
25 contracts procured, shall be completed no later than
26 December 3, 2021. The procurement and plan approval

1 processes required by this paragraph (3) shall be
2 conducted in conjunction with the procurement and plan
3 approval processes required by Section 16-111.5 of the
4 Public Utilities Act, to the extent practicable. However,
5 the Agency and Commission may, as appropriate, modify the
6 various dates and timelines under this subparagraph and
7 subparagraphs (D) and (E) of this paragraph (3) to meet
8 the December 3, 2021 contract execution deadline.
9 Following the completion of such procurements, and
10 consistent with this paragraph (3), the Agency shall
11 calculate the payments to be made under each contract in a
12 timely fashion.

13 (F-1) Costs incurred by the electric utility pursuant
14 to a contract authorized by this subsection (d-10) shall
15 be deemed prudently incurred and reasonable in amount, and
16 the electric utility shall be entitled to full cost
17 recovery pursuant to a tariff or tariffs filed with the
18 Commission.

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

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

26 (I) This subsection (d-10) shall become inoperative on

1 January 1, 2028.

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

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

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

12 (h) The Agency shall assess fees to each bidder to recover
13 the costs incurred in connection with a competitive
14 procurement process.

15 (i) A renewable energy credit, carbon emission credit,
16 zero emission credit, or carbon mitigation credit can only be
17 used once to comply with a single portfolio or other standard
18 as set forth in subsection (c), subsection (d), or subsection
19 (d-5) of this Section, respectively. A renewable energy
20 credit, carbon emission credit, zero emission credit, or
21 carbon mitigation credit cannot be used to satisfy the
22 requirements of more than one standard. If more than one type
23 of credit is issued for the same megawatt hour of energy, only
24 one credit can be used to satisfy the requirements of a single
25 standard. After such use, the credit must be retired together
26 with any other credits issued for the same megawatt hour of

1 energy.

2 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
3 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

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

5 Sec. 1-75. Planning and Procurement Bureau. The Planning
6 and Procurement Bureau has the following duties and
7 responsibilities:

8 (a) The Planning and Procurement Bureau shall each year,
9 beginning in 2008, develop procurement plans and conduct
10 competitive procurement processes in accordance with the
11 requirements of Section 16-111.5 of the Public Utilities Act
12 for the eligible retail customers of electric utilities that
13 on December 31, 2005 provided electric service to at least
14 100,000 customers in Illinois. Beginning with the delivery
15 year commencing on June 1, 2017, the Planning and Procurement
16 Bureau shall develop plans and processes for the procurement
17 of zero emission credits from zero emission facilities in
18 accordance with the requirements of subsection (d-5) of this
19 Section. Beginning on the effective date of this amendatory
20 Act of the 102nd General Assembly, the Planning and
21 Procurement Bureau shall develop plans and processes for the
22 procurement of carbon mitigation credits from carbon-free
23 energy resources in accordance with the requirements of
24 subsection (d-10) of this Section. The Planning and
25 Procurement Bureau shall also develop procurement plans and

1 conduct competitive procurement processes in accordance with
2 the requirements of Section 16-111.5 of the Public Utilities
3 Act for the eligible retail customers of small
4 multi-jurisdictional electric utilities that (i) on December
5 31, 2005 served less than 100,000 customers in Illinois and
6 (ii) request a procurement plan for their Illinois
7 jurisdictional load. This Section shall not apply to a small
8 multi-jurisdictional utility until such time as a small
9 multi-jurisdictional utility requests the Agency to prepare a
10 procurement plan for their Illinois jurisdictional load. For
11 the purposes of this Section, the term "eligible retail
12 customers" has the same definition as found in Section
13 16-111.5(a) of the Public Utilities Act.

14 Beginning with the plan or plans to be implemented in the
15 2017 delivery year, the Agency shall no longer include the
16 procurement of renewable energy resources in the annual
17 procurement plans required by this subsection (a), except as
18 provided in subsection (q) of Section 16-111.5 of the Public
19 Utilities Act, and shall instead develop a long-term renewable
20 resources procurement plan in accordance with subsection (c)
21 of this Section and Section 16-111.5 of the Public Utilities
22 Act.

23 In accordance with subsection (c-5) of this Section, the
24 Planning and Procurement Bureau shall oversee the procurement
25 by electric utilities that served more than 300,000 retail
26 customers in this State as of January 1, 2019 of renewable

1 energy credits from new utility-scale solar projects to be
2 installed, along with energy storage facilities, at or
3 adjacent to the sites of electric generating facilities that,
4 as of January 1, 2016, burned coal as their primary fuel
5 source.

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

12 (A) direct previous experience assembling
13 large-scale power supply plans or portfolios for
14 end-use customers;

15 (B) an advanced degree in economics, mathematics,
16 engineering, risk management, or a related area of
17 study;

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

20 (D) expertise in wholesale electricity market
21 rules, including those established by the Federal
22 Energy Regulatory Commission and regional transmission
23 organizations;

24 (E) expertise in credit protocols and familiarity
25 with contract protocols;

26 (F) adequate resources to perform and fulfill the

1 required functions and responsibilities; and

2 (G) the absence of a conflict of interest and
3 inappropriate bias for or against potential bidders or
4 the affected electric utilities.

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

11 (A) direct previous experience administering a
12 large-scale competitive procurement process;

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

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

17 (D) expertise in wholesale electricity market
18 rules, including those established by the Federal
19 Energy Regulatory Commission and regional transmission
20 organizations;

21 (E) expertise in credit and contract protocols;

22 (F) adequate resources to perform and fulfill the
23 required functions and responsibilities; and

24 (G) the absence of a conflict of interest and
25 inappropriate bias for or against potential bidders or
26 the affected electric utilities.

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

16 (A) failure to satisfy qualification criteria;

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

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

20 The Agency shall remove experts or expert consulting
21 firms from the lists within 10 days if there is a
22 reasonable basis for an objection and provide the updated
23 lists to the affected utilities and other interested
24 parties. If the Agency fails to remove an expert or expert
25 consulting firm from a list, an objecting party may seek
26 review by the Commission within 5 days thereafter by

1 filing a petition, and the Commission shall render a
2 ruling on the petition within 10 days. There is no right of
3 appeal of the Commission's ruling.

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

8 (5) The Agency shall select an expert or expert
9 consulting firm to develop procurement plans based on the
10 proposals submitted and shall award contracts of up to 5
11 years to those selected.

12 (6) The Agency shall select an expert or expert
13 consulting firm, with approval of the Commission, to serve
14 as procurement administrator based on the proposals
15 submitted. If the Commission rejects, within 5 days, the
16 Agency's selection, the Agency shall submit another
17 recommendation within 3 days based on the proposals
18 submitted. The Agency shall award a 5-year contract to the
19 expert or expert consulting firm so selected with
20 Commission approval.

21 (b) The experts or expert consulting firms retained by the
22 Agency shall, as appropriate, prepare procurement plans, and
23 conduct a competitive procurement process as prescribed in
24 Section 16-111.5 of the Public Utilities Act, to ensure
25 adequate, reliable, affordable, efficient, and environmentally
26 sustainable electric service at the lowest total cost over

1 time, taking into account any benefits of price stability, for
2 eligible retail customers of electric utilities that on
3 December 31, 2005 provided electric service to at least
4 100,000 customers in the State of Illinois, and for eligible
5 Illinois retail customers of small multi-jurisdictional
6 electric utilities that (i) on December 31, 2005 served less
7 than 100,000 customers in Illinois and (ii) request a
8 procurement plan for their Illinois jurisdictional load.

9 (c) Renewable portfolio standard.

10 (1) (A) The Agency shall develop a long-term renewable
11 resources procurement plan that shall include procurement
12 programs and competitive procurement events necessary to
13 meet the goals set forth in this subsection (c). The
14 initial long-term renewable resources procurement plan
15 shall be released for comment no later than 160 days after
16 June 1, 2017 (the effective date of Public Act 99-906).
17 The Agency shall review, and may revise on an expedited
18 basis, the long-term renewable resources procurement plan
19 at least every 2 years, which shall be conducted in
20 conjunction with the procurement plan under Section
21 16-111.5 of the Public Utilities Act to the extent
22 practicable to minimize administrative expense. No later
23 than 120 days after the effective date of this amendatory
24 Act of the 103rd General Assembly, the Agency shall
25 release for comment a revision to the long-term renewable
26 resources procurement plan, updating elements of the most

1 recently approved plan as needed to comply with this
2 amendatory Act of the 103rd General Assembly, and any
3 long-term renewable resources procurement plan update
4 published by the Agency but not yet approved by the
5 Illinois Commerce Commission shall be withdrawn. The
6 long-term renewable resources procurement plans shall be
7 subject to review and approval by the Commission under
8 Section 16-111.5 of the Public Utilities Act.

9 (B) Subject to subparagraph (F) of this paragraph (1),
10 the long-term renewable resources procurement plan shall
11 attempt to meet the goals for procurement of renewable
12 energy credits at levels of at least the following overall
13 percentages: 13% by the 2017 delivery year; increasing by
14 at least 1.5% each delivery year thereafter to at least
15 25% by the 2025 delivery year; increasing by at least 3%
16 each delivery year thereafter to at least 40% by the 2030
17 delivery year, and continuing at no less than 40% for each
18 delivery year thereafter. The Agency shall attempt to
19 procure 50% by delivery year 2040. The Agency shall
20 determine the annual increase between delivery year 2030
21 and delivery year 2040, if any, taking into account energy
22 demand, other energy resources, and other public policy
23 goals. In the event of a conflict between these goals and
24 the new wind, new photovoltaic, new geothermal heating and
25 cooling, and hydropower procurement requirements described
26 in items (i) through (iii) of subparagraph (C) of this

1 paragraph (1), the long-term plan shall prioritize
2 compliance with the new wind, new photovoltaic, new
3 geothermal heating and cooling, and hydropower procurement
4 requirements described in items (i) through (iii) of
5 subparagraph (C) of this paragraph (1) over the annual
6 percentage targets described in this subparagraph (B). The
7 Agency shall not comply with the annual percentage targets
8 described in this subparagraph (B) by procuring renewable
9 energy credits that are unlikely to lead to the
10 development of new renewable resources or new, modernized,
11 or retooled hydropower facilities.

12 For the delivery year beginning June 1, 2017, the
13 procurement plan shall attempt to include, subject to the
14 prioritization outlined in this subparagraph (B),
15 cost-effective renewable energy resources equal to at
16 least 13% of each utility's load for eligible retail
17 customers and 13% of the applicable portion of each
18 utility's load for retail customers who are not eligible
19 retail customers, which applicable portion shall equal 50%
20 of the utility's load for retail customers who are not
21 eligible retail customers on February 28, 2017.

22 For the delivery year beginning June 1, 2018, the
23 procurement plan shall attempt to include, subject to the
24 prioritization outlined in this subparagraph (B),
25 cost-effective renewable energy resources equal to at
26 least 14.5% of each utility's load for eligible retail

1 customers and 14.5% of the applicable portion of each
2 utility's load for retail customers who are not eligible
3 retail customers, which applicable portion shall equal 75%
4 of the utility's load for retail customers who are not
5 eligible retail customers on February 28, 2017.

6 For the delivery year beginning June 1, 2019, and for
7 each year thereafter, the procurement plans shall attempt
8 to include, subject to the prioritization outlined in this
9 subparagraph (B), cost-effective renewable energy
10 resources equal to a minimum percentage of each utility's
11 load for all retail customers as follows: 16% by June 1,
12 2019; increasing by 1.5% each year thereafter to 25% by
13 June 1, 2025; and 25% by June 1, 2026; increasing by at
14 least 3% each delivery year thereafter to at least 40% by
15 the 2030 delivery year, and continuing at no less than 40%
16 for each delivery year thereafter. The Agency shall
17 attempt to procure 50% by delivery year 2040. The Agency
18 shall determine the annual increase between delivery year
19 2030 and delivery year 2040, if any, taking into account
20 energy demand, other energy resources, and other public
21 policy goals.

22 For each delivery year, the Agency shall first
23 recognize each utility's obligations for that delivery
24 year under existing contracts. Any renewable energy
25 credits under existing contracts, including renewable
26 energy credits as part of renewable energy resources,

1 shall be used to meet the goals set forth in this
2 subsection (c) for the delivery year.

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

7 (i) At least 10,000,000 renewable energy credits
8 delivered annually by the end of the 2021 delivery
9 year, and increasing ratably to reach 45,000,000
10 renewable energy credits delivered annually from new
11 wind and solar projects, from repowered wind projects,
12 or from retooled hydropower facilities by the end of
13 delivery year 2030 such that the goals in subparagraph
14 (B) of this paragraph (1) are met entirely by
15 procurements of renewable energy credits from new wind
16 and photovoltaic projects. Of that amount, to the
17 extent possible, the Agency shall endeavor to procure
18 45% from new and repowered wind and hydropower
19 projects and shall procure at least 55% from
20 photovoltaic projects. Of the amount to be procured
21 from photovoltaic projects, the Agency shall procure:
22 at least 50% from solar photovoltaic projects using
23 the program outlined in subparagraph (K) of this
24 paragraph (1) from distributed renewable energy
25 generation devices or community renewable generation
26 projects; at least 47% from utility-scale solar

1 projects; at least 3% from brownfield site
2 photovoltaic projects that are not community renewable
3 generation projects. The Agency may propose
4 adjustments to these percentages, including
5 establishing percentage-based goals for the
6 procurement of renewable energy credits from
7 modernized or retooled hydropower facilities and
8 repowered wind projects, through its long-term
9 renewable resources plan described in subparagraph (A)
10 of this paragraph (1) as necessary based on developer
11 interest, market conditions, budget considerations,
12 resource adequacy needs, or other factors.
13 Notwithstanding the percentage-based goals as
14 described in this Section, the Agency shall develop a
15 Geothermal Homes and Businesses Program for the
16 procurement of renewable energy credits from
17 geothermal heating and cooling systems.

18 In developing the long-term renewable resources
19 procurement plan, the Agency shall consider other
20 approaches, in addition to competitive procurements,
21 that can be used to procure renewable energy credits
22 from brownfield site photovoltaic projects and thereby
23 help return blighted or contaminated land to
24 productive use while enhancing public health and the
25 well-being of Illinois residents, including those in
26 environmental justice communities, as defined using

1 existing methodologies and findings used by the Agency
2 and its Administrator in its Illinois Solar for All
3 Program. The Agency shall also consider other
4 approaches, in addition to competitive procurements,
5 to procure renewable energy credits from new and
6 existing hydropower facilities to support the
7 development and maintenance of these facilities. The
8 Agency shall explore options to convert existing dams
9 but shall not consider approaches to develop new dams
10 where they do not already exist. To encourage the
11 continued operation of utility-scale wind projects,
12 the Agency shall consider and may propose other
13 approaches in addition to competitive procurements to
14 procure renewable energy credits from repowered wind
15 projects.

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

22 (iii) For purposes of this Section:

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

26 "New photovoltaic projects" means photovoltaic

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

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

16 "Geothermal heating and cooling system" means a
17 system located in this State that meets all of the
18 following requirements:

19 (I) the system exchanges thermal energy from
20 groundwater or a shallow ground source to generate
21 thermal energy through an electric geothermal heat
22 pump or a system of electric geothermal heat pumps
23 interconnected with any geothermal extraction
24 facility that is (1) a closed loop or a series of
25 closed loop systems in which fluid is permanently
26 confined within a pipe or tubing and does not come

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

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

15 (III) the system replaces or displaces less
16 efficient space or water heating systems,
17 regardless of fuel type;

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

20 (V) the system does not feed electricity back
21 to the grid, as defined at the level of the
22 geothermal heat pump; and

23 (VI) the system became operational on or after
24 the effective date of this amendatory Act of the
25 104th General Assembly.

26 For purposes of calculating whether the Agency has

1 procured enough new wind and solar renewable energy
2 credits required by this subparagraph (C), renewable
3 energy facilities that have a multi-year renewable
4 energy credit delivery contract with the utility
5 through at least delivery year 2030 shall be
6 considered new, however no renewable energy credits
7 from contracts entered into before June 1, 2021 shall
8 be used to calculate whether the Agency has procured
9 the correct proportion of new wind and new solar
10 contracts described in this subparagraph (C) for
11 delivery year 2021 and thereafter.

12 (iv) The Agency may implement additional measures,
13 including eligibility requirements, to ensure that new
14 wind projects and new photovoltaic projects supported
15 through renewable energy credit contract awards are a
16 result of a contract award and are otherwise developed
17 pursuant to the financial certainty provided through a
18 contract award.

19 (D) Renewable energy credits shall be cost effective.
20 For purposes of this subsection (c), "cost effective"
21 means that the costs of procuring renewable energy
22 resources do not cause the limit stated in subparagraph
23 (E) of this paragraph (1) to be exceeded and, for
24 renewable energy credits procured through a competitive
25 procurement event, do not exceed benchmarks based on
26 market prices for like products in the region. For

1 purposes of this subsection (c), "like products" means
2 contracts for renewable energy credits from the same or
3 substantially similar technology, same or substantially
4 similar vintage (new or existing), the same or
5 substantially similar quantity, and the same or
6 substantially similar contract length and structure.
7 Benchmarks shall reflect development, financing, or
8 related costs resulting from requirements imposed through
9 other provisions of State law, including, but not limited
10 to, requirements in subparagraphs (P) and (Q) of this
11 paragraph (1) and the Renewable Energy Facilities
12 Agricultural Impact Mitigation Act. Confidential
13 benchmarks shall be developed by the procurement
14 administrator, in consultation with the Commission staff,
15 Agency staff, and the procurement monitor and shall be
16 subject to Commission review and approval. If price
17 benchmarks for like products in the region are not
18 available, the procurement administrator shall establish
19 price benchmarks based on publicly available data on
20 regional technology costs and expected current and future
21 regional energy prices. The benchmarks in this Section
22 shall not be used to curtail or otherwise reduce
23 contractual obligations entered into by or through the
24 Agency prior to June 1, 2017 (the effective date of Public
25 Act 99-906).

26 (E) For purposes of this subsection (c), the required

1 procurement of cost-effective renewable energy resources
2 for a particular year commencing prior to June 1, 2017
3 shall be measured as a percentage of the actual amount of
4 electricity (megawatt-hours) supplied by the electric
5 utility to eligible retail customers in the delivery year
6 ending immediately prior to the procurement, and, for
7 delivery years commencing on and after June 1, 2017, the
8 required procurement of cost-effective renewable energy
9 resources for a particular year shall be measured as a
10 percentage of the actual amount of electricity
11 (megawatt-hours) delivered by the electric utility in the
12 delivery year ending immediately prior to the procurement,
13 to all retail customers in its service territory. For
14 purposes of this subsection (c), the amount paid per
15 kilowatthour means the total amount paid for electric
16 service expressed on a per kilowatthour basis. For
17 purposes of this subsection (c), the total amount paid for
18 electric service includes without limitation amounts paid
19 for supply, transmission, capacity, distribution,
20 surcharges, and add-on taxes.

21 Notwithstanding the requirements of this subsection
22 (c), and except as provided in subparagraph (E-5) of
23 paragraph (1) of this subsection (c) or except as
24 otherwise authorized by the Commission in its approval of
25 the integrated resource plan under Section 16-202 of the
26 Public Utilities Act, the total of renewable energy

1 resources procured under the procurement plan for any
2 single year shall be subject to the limitations of this
3 subparagraph (E). Such procurement shall be reduced for
4 all retail customers based on the amount necessary to
5 limit the annual estimated average net increase due to the
6 costs of these resources included in the amounts paid by
7 eligible retail customers in connection with electric
8 service to no more than 4.25% of the amount paid per
9 kilowatthour by those customers during the year ending May
10 31, 2009, adjusted annually for inflation starting with
11 the first adjustment in the delivery year commencing June
12 1, 2026. For the purposes of this Section, the inflation
13 adjustment shall not be accrued or applied retroactively
14 prior to the effective date of this amendatory Act of the
15 104th General Assembly and shall apply prospectively
16 starting in 2025. The limitation shall be increased by an
17 additional 1.65 percentage points of the amount paid per
18 kilowatthour by eligible retail customers during the year
19 ending May 31, 2009 starting with the delivery year
20 commencing June 1, 2027. To arrive at a maximum dollar
21 amount of renewable energy resources to be procured for
22 the particular delivery year, the resulting per
23 kilowatthour amount shall be applied to the actual amount
24 of kilowatthours of electricity delivered, or applicable
25 portion of such amount as specified in paragraph (1) of
26 this subsection (c), as applicable, by the electric

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (iv) Notwithstanding whether the Commission has

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

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

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

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

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

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

1 the counterparty electric utility.

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

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

1 solar project selection process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 processes and procedures described in this Section and
2 Section 16-111.5 of the Public Utilities Act to the
3 extent practicable, and these processes and procedures
4 may be expedited to accommodate the schedule
5 established by this subparagraph (G). To ensure the
6 successful development of new renewable energy
7 projects supported through competitive procurements,
8 for any procurements conducted under items (i), (ii),
9 (iii), and (v) of this subparagraph (G) and any other
10 procurement of new utility-scale wind or utility-scale
11 solar projects that were entered into prior to January
12 1, 2025, the Agency shall allow, upon a demonstration
13 of need to ensure the commercial viability of a
14 project, for a one-time, post-award renegotiation of
15 select contract terms prior to the project's
16 commercial operation date through bilateral
17 negotiation between the Agency, the buyer, and a
18 winning bidder. Contract terms subject to
19 renegotiation may include the project map, as defined
20 under the applicable competitive solicitation, the
21 real estate footprint or any limitations thereof, the
22 location of the generators, or a potential reduction
23 in the quantity of renewable energy credits to be
24 delivered. Provisions related to a renewable energy
25 credit delivery shortfall and the event of default may
26 be replaced with similar provisions approved by the

1 Agency in subsequent years or subsequent to a
2 successful bid. Post-award renegotiation of
3 competitively bid renewable energy credit contracts
4 entered into prior to January 1, 2025 shall not be
5 permitted to the extent such renegotiation would
6 result in (1) the point of interconnection being
7 within the service area of a different state, a
8 different regional transmission organization zone, or
9 a different regional transmission organization, (2)
10 the generator no longer meeting the definition of the
11 resource category for which the winning bidder was
12 originally awarded a contract, (3) the generator no
13 longer meeting the Agency's public interest criteria
14 as established in the long-term renewable resources
15 plan in effect at the time of the contract award, or
16 (4) a change to material terms of the renewable energy
17 credit contract unrelated to project land or footprint
18 or the number of renewable energy credits to be
19 delivered, including the applicable bid price or
20 strike price. If the Agency, the buyer, and the
21 winning bidder reach an agreement on amended terms,
22 then, upon petition by the winning bidder or current
23 seller, the Commission shall issue an order directing
24 the utility counterparty to execute an amendment
25 drafted by the Agency with the revised terms to the
26 renewable energy credit contract, the product order,

1 or both. The Agency shall provide the amendment to the
2 utility within 15 business days after the Commission's
3 order, and the utility shall execute the amendment no
4 more than 7 calendar days after delivery by the
5 Agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 meet the goals in this subsection (c).

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

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

7 (ii) At least 20% from distributed renewable
8 energy generation devices with a nameplate capacity of
9 more than 25 kilowatts and no more than 5,000
10 kilowatts. The Agency may create sub-categories within
11 this category to account for the differences between
12 projects for small commercial customers, large
13 commercial customers, and public or non-profit
14 customers. A project shall not be colocated with one
15 or more other distributed renewable energy generation
16 projects if the aggregate nameplate capacity of the
17 projects exceeds 5,000 kilowatts AC. Notwithstanding
18 any other provision of this Section, if 2 or more
19 projects are developed, owned, or controlled by or
20 originate from the same developer or an affiliated
21 developer and the projects serve affiliated loads, the
22 projects shall be colocated if the projects are
23 located on adjacent parcels. If 2 or more projects are
24 developed, owned, or controlled by or originate from
25 the same developer and the projects serve unaffiliated
26 loads, the projects may be colocated if documentation

1 indicates affiliated management and ownership in the
2 pre-development, development, construction, and
3 management of the projects and the projects are
4 located on a single or adjacent parcels.
5 Notwithstanding any subsequent transfer, assignment,
6 or conveyance of ownership or development rights to
7 separate legal entities, the Agency shall consider, in
8 its determination of whether projects are affiliated,
9 evidence that the projects were pre-developed by the
10 same legal entity or an affiliated entity. If the
11 Agency determines the projects are affiliated, the
12 projects shall be treated as colocated for purposes of
13 aggregate nameplate capacity limitations and renewable
14 energy credit pricing adjustments. The Agency shall
15 make exceptions on a case-by-case basis if it is
16 demonstrated that projects on one parcel or projects
17 on adjacent parcels are unaffiliated. For purposes of
18 determining colocation, an approved vendor who submits
19 an application for a distributed renewable energy
20 generation project shall be required to submit an
21 affidavit attesting that the project is not affiliated
22 with any other distributed renewable energy generation
23 project such that, if the 2 projects were deemed
24 colocated, the projects would exceed the 5,000
25 kilowatts nameplate capacity limitation. The receipt
26 of an affidavit shall not restrict the Agency's

1 ability to investigate and determine whether the
2 project is, in fact, colocated.

3 For purposes of this item (ii):

4 "Affiliate" has the meaning given to that term in
5 subitem (3) of item (iii) of this subparagraph (K).

6 "Colocated" means 2 or more distributed renewable
7 energy generation projects that are located on a
8 single parcel, except for projects where the owner of
9 the applicable retail electric account is confirmed to
10 be unaffiliated and the projects serve distinct
11 electrical loads.

12 "Control" has the meaning given to that term in
13 subitem (3) of item (iii) of this subparagraph (K).

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

26 (1) the Agency shall select projects on a

1 first-come, first-serve basis, however the Agency
2 may suggest additional methods to prioritize
3 projects that are submitted at the same time;

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

8 (3) projects shall not be colocated with one
9 or more other photovoltaic community renewable
10 generation projects such that the aggregate
11 nameplate capacity exceeds 10,000 kilowatts. The
12 total nameplate capacity of colocated projects
13 shall be the sum of the nameplate capacities of
14 the individual projects. For purposes of this
15 subitem (3), separate legal formation of approved
16 vendors, owners, or developers shall not preclude
17 a finding of affiliation by the Agency. Evidence
18 of affiliation may include, but is not limited to,
19 shared personnel, common contractual or financing
20 arrangements, a shared interconnection agreement,
21 distinct interconnection agreements obtained by
22 the same pre-development entity that are
23 subsequently sold to distinct legal entities,
24 familial relationships, or any demonstrable
25 pattern of coordinated action in the
26 pre-development, development, construction, or

1 management of photovoltaic community renewable
2 generation projects.

3 The Agency shall determine affiliation based
4 on evidence that projects either (i) share a
5 common origin on a parcel that has been subdivided
6 in the 5 years before the date of application or
7 (ii) were pre-developed before the beginning of
8 construction by the same legal entity or an
9 affiliated legal entity. The determination shall
10 be made notwithstanding any subsequent transfer,
11 assignment, or conveyance of ownership or
12 development rights to separate legal entities. If
13 the Agency determines the projects are affiliated,
14 the projects shall be treated as colocated for the
15 purposes of aggregate nameplate capacity
16 limitations and renewable energy credit pricing
17 adjustments. The Agency shall make exceptions to
18 this subitem (3) on a case-by-case basis if it is
19 demonstrated that projects on one parcel or
20 projects on adjacent parcels are unaffiliated.

21 A parcel shall not be divided into multiple
22 parcels within the 5 years before the submission
23 of a project application. If a parcel is divided
24 within the preceding 5 years, a colocation
25 determination shall be made based on the
26 boundaries of the previous undivided parcel.

1 For purposes of determining colocation, an
2 approved vendor who submits an application for a
3 community renewable generation project shall be
4 required to submit an affidavit attesting that (i)
5 the parcel on which the project is sited has not
6 been subdivided within the 5 years preceding the
7 project application and (ii) the project is not
8 affiliated with any other community renewable
9 energy project in a manner that would cause the 2
10 projects, if deemed colocated, to exceed the
11 10,000 kilowatt nameplate capacity limitation. The
12 receipt of an affidavit shall not restrict the
13 Agency's ability to investigate and determine
14 whether the project is colocated.

15 Multiple community solar projects sited on
16 distinct structures located on a single parcel
17 shall be considered colocated and must demonstrate
18 that the projects are unaffiliated in order to not
19 be considered colocated. Each colocated project
20 shall receive the renewable energy credit price
21 corresponding to the total, aggregated nameplate
22 capacity of the colocated systems, as determined
23 at the time the second project's application is
24 submitted to the Agency. If the second colocated
25 project has been constructed and placed in service
26 prior to application, and was placed in service

1 more than 2 years after Commission approval of the
2 original project, the colocation pricing
3 adjustment shall not apply, and each project shall
4 receive the standalone renewable energy credit
5 price for its individual capacity.

6 For purposes of this subitem (3):

7 "Affiliate" means any other entity that,
8 directly or indirectly through one or more
9 intermediaries, is controlled by or is under
10 common control of the primary entity or a third
11 entity. "Affiliate" includes family members for
12 the purposes of colocation between projects.
13 "Affiliate" does not include entities that have
14 shared sales or revenue-sharing arrangements or
15 common debt and equity financing arrangements.

16 "Colocated" means 2 or more photovoltaic
17 community renewable generation projects located on
18 a single parcel or adjacent parcels, unless it is
19 demonstrated that the projects are developed by
20 unaffiliated entities.

21 "Control" means the possession, directly or
22 indirectly, of the power to direct the management
23 and policies of an entity; and

24 (4) projects greater than 2 MW may not apply
25 until after the approval of the Agency's revised
26 Long-Term Renewable Resources Procurement Plan

1 after the effective date of this amendatory Act of
2 the 102nd General Assembly.

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

1 "Environmental Justice Community" shall have the
2 same meaning set forth in the Agency's long-term
3 renewable resources procurement plan;

4 "Organization Unit", "Tier 1" and "Tier 2" shall
5 have the meanings set for in Section 18-8.15 of the
6 School Code;

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

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

25 (1) community ownership or community
26 wealth-building;

1 (2) additional direct and indirect community
2 benefit, beyond project participation as a
3 subscriber, including, but not limited to,
4 economic, environmental, social, cultural, and
5 physical benefits;

6 (3) meaningful involvement in project
7 organization and development by community members
8 or nonprofit organizations or public entities
9 located in or serving the community;

10 (4) engagement in project operations and
11 management by nonprofit organizations, public
12 entities, or community members; and

13 (5) whether a project is developed in response
14 to a site-specific RFP developed by community
15 members or a nonprofit organization or public
16 entity located in or serving the community.

17 Selection criteria may also prioritize projects
18 that:

19 (1) are developed in collaboration with or to
20 provide complementary opportunities for the Clean
21 Jobs Workforce Network Program, the Illinois
22 Climate Works Preapprenticeship Program, the
23 Returning Residents Clean Jobs Training Program,
24 the Clean Energy Contractor Incubator Program, or
25 the Clean Energy Primes Contractor Accelerator
26 Program;

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

4 (3) are located in Equity Investment Eligible
5 Communities;

6 (4) are not greenfield projects;

7 (5) serve only local subscribers;

8 (6) have a nameplate capacity that does not
9 exceed 500 kW;

10 (7) are developed by an equity eligible
11 contractor; or

12 (8) otherwise meaningfully advance the goals
13 of providing more direct and tangible connection
14 and benefits to the communities which they serve
15 or in which they operate and increasing the
16 variety of community solar locations, models, and
17 options in Illinois.

18 For the purposes of this item (v):

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

26 "Community benefit" means a range of services and

1 activities that provide affirmative, economic,
2 environmental, social, cultural, or physical value to
3 a community; or a mechanism that enables economic
4 development, high-quality employment, and education
5 opportunities for local workers and residents, or
6 formal monitoring and oversight structures such that
7 community members may ensure that those services and
8 activities respond to local knowledge and needs.

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

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

1 address a higher number of criteria.

2 (vi) At least 10% from distributed renewable
3 energy generation devices, which includes distributed
4 renewable energy devices with a nameplate capacity
5 under 5,000 kilowatts or photovoltaic community
6 renewable generation projects, from applicants that
7 are equity eligible contractors. The Agency may create
8 subcategories within this category to account for the
9 differences between project size and type. The Agency
10 shall propose to increase the percentage in this item
11 (vi) over time to 40% based on factors, including, but
12 not limited to, the number of equity eligible
13 contractors and capacity used in this item (vi) in
14 previous delivery years.

15 The Agency shall propose a payment structure for
16 contracts executed pursuant to this paragraph under
17 which, upon a demonstration of qualification or need
18 under criteria established by the Agency that is
19 focused on supporting small and emerging businesses
20 and businesses that most acutely face barriers to the
21 access of capital, applicant firms are advanced
22 capital disbursed after contract execution but before
23 the contracted project's energization. The amount or
24 percentage of capital advanced prior to project
25 energization shall be sufficient to both cover any
26 increase in development costs resulting from

1 prevailing wage requirements or project-labor
2 agreements, and designed to overcome barriers in
3 access to capital faced by equity eligible
4 contractors. The amount or percentage of advanced
5 capital may vary by subcategory within this category
6 and by an applicant's demonstration of need, with such
7 levels to be established through the Long-Term
8 Renewable Resources Procurement Plan authorized under
9 subparagraph (A) of paragraph (1) of subsection (c) of
10 this Section and any application requirements or
11 evaluation criteria developed pursuant to the Plan.

12 Contracts developed featuring capital advanced
13 prior to a project's energization shall feature
14 provisions to ensure both the successful development
15 of applicant projects and the delivery of the
16 renewable energy credits for the full term of the
17 contract, including ongoing collateral requirements
18 and other provisions deemed necessary by the Agency,
19 and may include energization timelines longer than for
20 comparable project types. The percentage or amount of
21 capital advanced prior to project energization shall
22 not operate to increase the overall contract value,
23 however contracts executed under this subparagraph may
24 feature renewable energy credit prices higher than
25 those offered to similar projects participating in
26 other categories. Capital advanced prior to

1 energization shall serve to reduce the ratable
2 payments made after energization under items (ii) and
3 (iii) of subparagraph (L) or payments made for each
4 renewable energy credit delivery under item (iv) of
5 subparagraph (L).

6 For projects developed under this item (vi), the
7 Agency shall take steps to encourage higher portions
8 of contract value to be provided to equity eligible
9 contractors and to support equity eligible persons who
10 participate in this Program and who exercise control
11 and actively manage their businesses and their
12 businesses' contractual projects. These steps may
13 include, but are not limited to, differentiated REC
14 prices, exceptions or exemptions, and other mechanisms
15 and requirements for nonnominal contract value to be
16 provided to equity eligible contractors and equity
17 eligible persons as a prerequisite to Program
18 participation. Any steps taken shall aim to encourage
19 and grow the meaningful participation of equity
20 eligible contractors in this State's clean energy
21 economy. All entities participating under this item
22 (vi) shall comply with the minimum equity standard set
23 forth under Section 1-75.

24 (vii) The remaining capacity shall be allocated by
25 the Agency in order to respond to market demand. The
26 Agency shall allocate any discretionary capacity prior

1 to the beginning of each delivery year.

2 (viii) The Agency, through its long-term renewable
3 resources procurement plan, may implement solutions to
4 maintain stable and consistent REC offerings allocated
5 to systems described in item (i) of this subparagraph
6 (K) to avoid gaps in availability during a delivery
7 year, including, but not limited to, creating a
8 floating block of REC capacity in a given delivery
9 year.

10 To the extent there is uncontracted capacity from any
11 block in any of categories (i) through (vi) at the end of a
12 delivery year, the Agency shall redistribute that capacity
13 to one or more other categories giving priority to
14 categories with projects on a waitlist. The redistributed
15 capacity shall be added to the annual capacity in the
16 subsequent delivery year, and the price for renewable
17 energy credits shall be the price for the new delivery
18 year. Redistributed capacity shall not be considered
19 redistributed when determining whether the goals in this
20 subsection (K) have been met.

21 Notwithstanding anything to the contrary, as the
22 Agency increases the capacity in item (vi) to 40% over
23 time, the Agency may reduce the capacity of items (i)
24 through (v) proportionate to the capacity of the
25 categories of projects in item (vi), to achieve a balance
26 of project types.

1 The Adjustable Block program shall be designed to
2 ensure that renewable energy credits are procured from
3 projects in diverse locations and are not concentrated in
4 a few regional areas.

5 (L) Notwithstanding provisions for advancing capital
6 prior to project energization found in item (vi) of
7 subparagraph (K), the procurement of photovoltaic
8 renewable energy credits under items (i) through (vi) of
9 subparagraph (K) of this paragraph (1) shall otherwise be
10 subject to the following contract and payment terms:

11 (i) (Blank).

12 (ii) Unless otherwise provided for in the Agency's
13 approved long-term plan, for those renewable energy
14 credits that qualify and are procured under item (i)
15 of subparagraph (K) of this paragraph (1), and any
16 similar category projects that are procured under item
17 (vi) of subparagraph (K) of this paragraph (1) that
18 qualify and are procured under item (vi), the contract
19 length shall be 15 years. Beginning on the effective
20 date of this amendatory Act of the 104th General
21 Assembly, and including the remainder of program year
22 2026-2027, 50% of the renewable energy credit delivery
23 contract value, based on the estimated generation
24 during the first 15 years of operation, shall be paid
25 by the contracting utilities at the time that the
26 facility producing the renewable energy credits is

1 interconnected at the distribution system level of the
2 utility and verified as energized and compliant by the
3 Program Administrator. The remaining portion of the
4 renewable energy credit delivery contract value shall
5 be paid ratably over the subsequent 6-year period.
6 Relative to a contract structure under which the full
7 renewable energy credit delivery contract value shall
8 be paid in full at the time of interconnection and
9 verification of energization, the Agency shall
10 consider the impact of deferred payments across the
11 subsequent payment period when establishing renewable
12 energy credit prices. The electric utility shall
13 receive and retire all renewable energy credits
14 generated by the project for the first 15 years of
15 operation. Renewable energy credits generated by the
16 project thereafter shall not be transferred under the
17 renewable energy credit delivery contract with the
18 counterparty electric utility.

19 (iii) Unless otherwise provided for in the
20 Agency's approved long-term plan, for those renewable
21 energy credits that qualify and are procured under
22 item (ii) and (v) of subparagraph (K) of this
23 paragraph (1) and any like projects that qualify and
24 are procured under items (iv) and (vi), the contract
25 length shall be 15 years. 15% of the renewable energy
26 credit delivery contract value, based on the estimated

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

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

1 annual generation amount, the excess renewable energy
2 credits shall be carried forward to future delivery
3 years and shall not expire during the delivery term.
4 If generation of renewable energy credits during a
5 delivery year, including carried forward excess
6 renewable energy credits, if any, is less than the
7 estimated annual generation amount, payments during
8 such delivery year will not exceed the quantity
9 generated plus the quantity carried forward multiplied
10 by the contract price. The electric utility shall
11 receive all renewable energy credits generated by the
12 project during the first 20 years of operation and
13 retire all renewable energy credits paid for under
14 this item (iv) and return at the end of the delivery
15 term all renewable energy credits that were not paid
16 for. 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), as well as the Geothermal Homes and
3 Businesses Program described in subparagraph (S) of this
4 paragraph (1), and the Agency shall retain the consultant
5 or consultants in the same manner, to the extent
6 practicable, as the Agency retains others to administer
7 provisions of this Act, including, but not limited to, the
8 procurement administrator. The selection of experts and
9 expert consulting firms and the procurement process
10 described in this subparagraph (M) are exempt from the
11 requirements of Section 20-10 of the Illinois Procurement
12 Code, under Section 20-10 of that Code. The Agency shall
13 strive to minimize administrative expenses in the
14 implementation of the Adjustable Block program.

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

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

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

1 10% from the Commission's approved value must be approved
2 by the Commission as a long-term plan amendment under
3 Section 16-111.5 of the Public Utilities Act. The Agency
4 shall consider stakeholder feedback when making
5 adjustments to the Adjustable Block and the Geothermal
6 Homes and Businesses Program design and shall notify
7 stakeholders in advance of any planned changes.

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

23 (i) The Agency shall establish a registration
24 process for entities seeking to qualify for
25 program-administered incentive funding and establish
26 baseline qualifications for vendor approval. The

1 Agency shall also establish program requirements and
2 minimum contract terms for vendors and others involved
3 in the marketing, sale, installation, and financing of
4 distributed generation systems and community solar
5 subscriptions to prevent misleading marketing and
6 abusive practices and to otherwise protect customers.
7 The Agency must maintain a list of approved entities
8 on each program's website, and may revoke a vendor's
9 ability to receive program-administered incentive
10 funding status upon a determination that the vendor
11 failed to comply with contract terms, the law, or
12 other program requirements.

13 (ii) The Agency shall establish program
14 requirements and minimum contract terms to ensure
15 projects are properly installed and produce their
16 expected amounts of energy. Program requirements may
17 include on-site inspections and photo documentation of
18 projects under construction. The Agency may require
19 repairs, alterations, or additions to remedy any
20 material deficiencies discovered. Vendors who have a
21 disproportionately high number of deficient systems
22 may lose their eligibility to continue to receive
23 State-administered incentive funding through Agency
24 programs and procurements.

25 (iii) To discourage deceptive marketing or other
26 bad faith business practices, the Agency may require

1 direct program participants, including agents
2 operating on their behalf, to provide standardized
3 disclosures to a customer prior to that customer's
4 execution of a contract for the development of a
5 distributed generation system, a subscription to a
6 community solar project, or the development of a
7 geothermal heating and cooling system.

8 (iv) The Agency shall establish one or multiple
9 Consumer Complaints Centers to accept complaints
10 regarding businesses that participate in, or otherwise
11 benefit from, State-administered incentive funding
12 through Agency-administered programs. The Agency shall
13 maintain a public database of complaints with any
14 confidential or particularly sensitive information
15 redacted from public entries.

16 (v) Through a filing in the proceeding for the
17 approval of its long-term renewable energy resources
18 procurement plan, the Agency shall provide an annual
19 written report to the Illinois Commerce Commission
20 documenting the frequency and nature of complaints and
21 any enforcement actions taken in response to those
22 complaints.

23 (vi) The Agency shall schedule regular meetings
24 with representatives of the Office of the Attorney
25 General, the Illinois Commerce Commission, consumer
26 protection groups, and other interested stakeholders

1 to share relevant information about consumer
2 protection, project compliance, and complaints
3 received.

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

10 (viii) The Agency may, at its discretion,
11 establish a registration process for entities, or a
12 subset of entities, that provide financing for
13 consumers for the purchase of distributed renewable
14 generation devices. The Agency may establish baseline
15 qualifications for financing entity approval,
16 including defining the circumstances under which
17 financing entities may be subject to registration. The
18 Agency may also establish program requirements for
19 entities that provide financing for the purchase of
20 distributed renewable generation devices, which may
21 include marketing and disclosure requirements, other
22 requirements as further defined by the Agency through
23 its long-term plan, and any consumer protection
24 requirements developed or modified thereto. If the
25 Agency establishes a registration process for
26 financing entities, the Agency may revoke a financing

1 entity's approval in a program upon a determination
2 that the financing entity failed to comply with
3 contract terms, the law, or other program
4 requirements. The Agency may also establish program
5 requirements that prohibit distributed renewable
6 generation devices intending to apply for
7 program-administered incentive funding from receiving
8 program funding if the consumer's purchase of the
9 device was financed by an entity whose approval status
10 in the program has been revoked. These registration
11 requirements may apply to entities that finance
12 projects intended to apply for program-administered
13 incentive funding even if those entities do not
14 receive any portion of the program-administered
15 incentive funding.

16 (ix) The Agency, at its discretion, may require
17 that vendors, as part of the application and annual
18 recertification process, present the Agency or its
19 designee with a security bond equal to an amount
20 determined to be reasonable by the Agency. The bond
21 shall be for the benefit of customers harmed by the
22 vendor's violation of Agency requirements or other
23 applicable laws or regulations. The Agency may
24 determine that it is reasonable to have no bond
25 requirement for some categories of vendors or enhanced
26 bond requirements for vendors that the Agency has

1 deemed to pose more acute risks.

2 (x) For distributed renewable generation devices,
3 the Agency may, in its discretion, establish
4 provisions that restrict, prohibit, or create
5 additional requirements for distributed renewable
6 generation device sales or financing offers through
7 which the customer is promised the pass-through of a
8 portion or all of the payments received by the
9 approved vendor for the delivery of renewable energy
10 credits only after the receipt of such payment by the
11 approved vendor. The requirements may include the use
12 of an escrow process developed by the Agency through
13 which renewable energy credit payments are made to an
14 escrow agent who then disburses the promised amount to
15 the customer and the remainder to the vendor. The
16 requirements in this item (x) shall in no way prohibit
17 the upfront discounting of the purchase price, lease
18 payment, or power purchase agreement rate based on the
19 anticipated receipt of renewable energy credit
20 contract payments by the approved vendor.

21 (xi) To the extent that distributed renewable
22 generation device sales or financing offers through
23 which the customer is promised the pass-through of a
24 portion or all of the payments received by the vendor
25 for the delivery of renewable energy credits after the
26 receipt of such payment by the vendor are permitted,

1 the following requirements may be implemented, at the
2 Agency's discretion, in a time and manner determined
3 by the Agency:

4 (I) the vendor shall submit proof of customer
5 payments to the Agency as the Agency deems
6 necessary; and

7 (II) the vendor shall represent and warrant on
8 a form developed by the Agency that the vendor is
9 not insolvent, has not voluntarily filed for
10 bankruptcy, and has not been subject to or
11 threatened with involuntary insolvency.

12 (xii) To ensure that customers receive full and
13 uninterrupted benefits and services promised by
14 vendors, the Agency may propose additional solutions
15 through its long-term renewable resources procurement
16 plan described in this subsection (c) and paragraph
17 (5) of subsection (b) of Section 16-111.5 of the
18 Public Utilities Act. The solutions may allow for
19 collections made pursuant to subsection (k) of Section
20 16-108 of the Public Utilities Act to support the
21 programs and procurements outlined in paragraph (1) of
22 subsection (c) of this Section to be leveraged to (1)
23 ensure that a vendor's promised payments are received
24 by customers, (2) incentivize vendors to establish
25 service agreements with customers whose original
26 vendor has become nonresponsive, (3) ensure that

1 customers receive restitution for financial harm
2 proven to be caused by a program vendor or its
3 designee, or (4) otherwise ensure that customers do
4 not suffer loss or harm through activities supported
5 by the Adjustable Block program and the Illinois Solar
6 for All Program.

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

24 Through the development of its long-term renewable
25 resources procurement plan, the Agency may consider
26 whether community renewable generation projects utilizing

1 technologies other than photovoltaics should be supported
2 through State-administered incentive funding, and may
3 issue requests for information to gauge market demand.

4 Electric utilities shall provide a monetary credit to
5 a subscriber's subsequent bill for service for the
6 proportional output of a community renewable generation
7 project attributable to that subscriber as specified in
8 Section 16-107.5 of the Public Utilities Act.

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

20 The owners of and any subscribers to a community
21 renewable generation project shall not be considered
22 public utilities or alternative retail electricity
23 suppliers under the Public Utilities Act solely as a
24 result of their interest in or subscription to a community
25 renewable generation project and shall not be required to
26 become an alternative retail electric supplier by

1 participating in a community renewable generation project
2 with a public utility.

3 (O) For the delivery year beginning June 1, 2018, the
4 long-term renewable resources procurement plan required by
5 this subsection (c) shall provide for the Agency to
6 procure contracts to continue offering the Illinois Solar
7 for All Program described in subsection (b) of Section
8 1-56 of this Act, and the contracts approved by the
9 Commission shall be executed by the utilities that are
10 subject to this subsection (c). The long-term renewable
11 resources procurement plan shall allocate up to
12 \$50,000,000 per delivery year to fund the programs, and
13 the plan shall determine the amount of funding to be
14 apportioned to the programs identified in subsection (b)
15 of Section 1-56 of this Act; provided that for the
16 delivery years beginning June 1, 2021, June 1, 2022, and
17 June 1, 2023, the long-term renewable resources
18 procurement plan may average the annual budgets over a
19 3-year period to account for program ramp-up. For the
20 delivery years beginning June 1, 2021, June 1, 2024, June
21 1, 2027, and June 1, 2030 and additional \$10,000,000 shall
22 be provided to the Department of Commerce and Economic
23 Opportunity to implement the workforce development
24 programs and reporting as outlined in Section 16-108.12 of
25 the Public Utilities Act. In making the determinations
26 required under this subparagraph (O), the Commission shall

1 consider the experience and performance under the programs
2 and any evaluation reports. The Commission shall also
3 provide for an independent evaluation of those programs on
4 a periodic basis that are funded under this subparagraph
5 (O).

6 (P) All programs and procurements under this
7 subsection (c) shall be designed to encourage
8 participating projects to use a diverse and equitable
9 workforce and a diverse set of contractors, including
10 minority-owned businesses, disadvantaged businesses,
11 trade unions, graduates of any workforce training programs
12 administered under this Act, and small businesses.

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

1 from this requirement from the Commission.

2 (Q) Each facility listed in subitems (i) through (ix)
3 of item (1) of this subparagraph (Q) for which a renewable
4 energy credit delivery contract is signed after the
5 effective date of this amendatory Act of the 102nd General
6 Assembly is subject to the following requirements through
7 the Agency's long-term renewable resources procurement
8 plan:

9 (1) Each facility shall be subject to the
10 prevailing wage requirements included in the
11 Prevailing Wage Act. The Agency shall require
12 verification that all construction performed on the
13 facility by the renewable energy credit delivery
14 contract holder, its contractors, or its
15 subcontractors relating to construction of the
16 facility is performed by construction employees
17 receiving an amount for that work equal to or greater
18 than the general prevailing rate, as that term is
19 defined in Section 2 of the Prevailing Wage Act. For
20 purposes of this item (1), "house of worship" means
21 property that is both (1) used exclusively by a
22 religious society or body of persons as a place for
23 religious exercise or religious worship and (2)
24 recognized as exempt from taxation pursuant to Section
25 15-40 of the Property Tax Code. This item (1) shall
26 apply to any of the following:

- 1 (i) all new utility-scale wind projects;
- 2 (ii) all new utility-scale photovoltaic
3 projects and repowered wind projects;
- 4 (iii) all new brownfield photovoltaic
5 projects;
- 6 (iv) all new photovoltaic community renewable
7 energy facilities that qualify for item (iii) of
8 subparagraph (K) of this paragraph (1);
- 9 (v) all new community driven community
10 photovoltaic projects that qualify for item (v) of
11 subparagraph (K) of this paragraph (1);
- 12 (vi) all new photovoltaic projects on public
13 school land that qualify for item (iv) of
14 subparagraph (K) of this paragraph (1);
- 15 (vii) all new photovoltaic distributed
16 renewable energy generation devices that (1)
17 qualify for item (i) 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 colocated
22 projects would not exceed 100 kilowatts;
- 23 (viii) all new photovoltaic distributed
24 renewable energy generation devices that (1)
25 qualify for item (ii) of subparagraph (K) of this
26 paragraph (1); (2) are not projects that serve

1 single-family or multi-family residential
2 buildings; and (3) are not houses of worship where
3 the aggregate capacity including colocated
4 projects would not exceed 100 kilowatts;

5 (ix) all new, modernized, or retooled
6 hydropower facilities;

7 (x) all new geothermal heating and cooling
8 systems awarded through the Geothermal Homes and
9 Businesses Program under subparagraph (S) of this
10 paragraph (1) that do not serve (1) single-family
11 residential buildings, (2) multi-family
12 residential buildings with aggregate geothermal
13 system tonnage, including colocated projects, of
14 no more than 29 tons, or (3) houses of worship with
15 aggregate geothermal system tonnage, including
16 colocated projects, of no more than 29 tons.

17 (2) Renewable energy credits procured from new
18 utility-scale wind projects, new utility-scale solar
19 projects, new brownfield solar projects, repowered
20 wind projects, and retooled hydropower facilities
21 pursuant to Agency procurement events occurring after
22 the effective date of this amendatory Act of the 102nd
23 General Assembly and photovoltaic community renewable
24 generation projects where the aggregate capacity,
25 including colocated projects, exceeds 3,000 kilowatts
26 pursuant to a renewable energy credit delivery

1 contract approved by the Illinois Commerce Commission
2 under the Adjustable Block Program after the effective
3 date of this amendatory Act of the 104th General
4 Assembly must be from facilities built by general
5 contractors that must enter into a project labor
6 agreement, as defined by this Act, prior to
7 construction. Photovoltaic community renewable
8 generation projects on a program waitlist as of the
9 effective date of this amendatory Act of the 104th
10 General Assembly awarded capacity for the program year
11 commencing June 1, 2026 or any program year thereafter
12 shall not be exempt from the project labor agreement
13 requirements of this item (2). The project labor
14 agreement shall be filed with the Director in
15 accordance with procedures established by the Agency
16 through its long-term renewable resources procurement
17 plan. Any information submitted to the Agency in this
18 item (2) shall be considered commercially sensitive
19 information. At a minimum, the project labor agreement
20 must provide the names, addresses, and occupations of
21 the owner of the plant and the individuals
22 representing the labor organization employees
23 participating in the project labor agreement
24 consistent with the Project Labor Agreements Act. The
25 agreement must also specify the terms and conditions
26 as defined by this Act.

1 (2.5) Energy storage credits procured from battery
2 storage projects pursuant to Agency procurement events
3 and additional energy storage resources procured in
4 accordance with subparagraph (B) of paragraph (3) of
5 subsection (d-20) of this Section pursuant to Agency
6 procurement events occurring after the effective date
7 of this amendatory Act of the 104th General Assembly
8 must be from facilities built by general contractors
9 that must enter into a project labor agreement prior
10 to construction. The project labor agreement shall be
11 filed with the Director in accordance with procedures
12 established by the Agency through its long-term
13 renewable resources procurement plan. Any information
14 submitted to the Agency pursuant to this item (2.5)
15 shall be considered commercially sensitive
16 information. At a minimum, the project labor agreement
17 must provide the names, addresses, and occupations of
18 the owner of the plant and the individuals
19 representing the labor organization employees
20 participating in the project labor agreement
21 consistent with the Project Labor Agreements Act. The
22 agreement must also specify the terms and conditions,
23 as defined by this Act.

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

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

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

1 Section 16-102 of the Public Utilities Act. This program
2 shall take effect in the delivery year commencing June 1,
3 2023.

4 (1) For the purposes of this subparagraph:

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

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

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

26 (i) qualify as renewable energy credits as

1 defined in Section 1-10 of this Act;

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

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

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

1 (v) be retired by or on behalf of the large
2 energy customer;

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

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

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

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

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

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

1 this to the Commission in an annual compliance filing.
2 The Commission must approve the self-direct credit
3 amount by June 1, 2023 and June 1 of each delivery year
4 thereafter.

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

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

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

1 supporting documentation;

2 (iii) certification that the contract or
3 contracts for new renewable energy resources are
4 long-term contracts with term lengths of at least
5 10 years, including supporting documentation;

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

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

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

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

1 knowingly fail to properly procure and retire
2 renewable energy credits and do not notify the Agency
3 are ineligible for continued participation in the
4 self-direct renewable portfolio standard compliance
5 program.

6 (S) Beginning with the long-term renewable resources
7 procurement plan covering program and procurement activity
8 for the delivery year beginning on June 1, 2028, any
9 long-term renewable resources procurement plan developed
10 by the Agency in accordance with subparagraph (A) of this
11 paragraph (1) shall include a Geothermal Homes and
12 Businesses Program for the procurement of geothermal
13 renewable energy credits from new geothermal heating and
14 cooling systems. The long-term renewable resources
15 procurement plan shall allocate up to \$10,000,000 per
16 delivery year to fund the Program as described in this
17 subparagraph (S). The Program shall be designed to
18 stimulate the steady, predictable, and sustainable growth
19 of new geothermal heating and cooling system deployment in
20 this State and meet gaps in the marketplace. To this end,
21 the Geothermal Homes and Businesses Program shall provide
22 a transparent annual schedule of prices and quantities to
23 enable the geothermal heating and cooling market to scale
24 up and renewable energy credit prices to adjust at a
25 predictable rate over time. The prices set by the
26 Geothermal Homes and Businesses Program may be reflected

1 as a set value or as the product of a formula.

2 (i) The Geothermal Homes and Businesses Program
3 shall allocate blocks of renewable energy credits as
4 follows:

5 (1) The Agency may create categories for the
6 Program based on structure features and use cases,
7 including categories based on the nature and size
8 of the Program's projects, customers, communities
9 in which a project is located, and other
10 attributes, defined at the discretion of the
11 Agency through its long-term plan.

12 (2) The Agency shall propose an initial single
13 annual block for each Program delivery year for
14 each category it creates through the delivery year
15 beginning on June 1, 2035. The Program shall
16 include the following for eligible projects for
17 each delivery year: (I) a block of geothermal
18 renewable energy credit volumes; (II) a price for
19 renewable energy credits from geothermal heating
20 and cooling systems within the identified block;
21 and (III) the terms and conditions for securing a
22 spot on a waitlist once the block is fully
23 committed or reserved. The Agency may periodically
24 review its prior decisions establishing the amount
25 of geothermal renewable energy credit volumes in
26 each annual block and the purchase price for each

1 block and may propose, on an expedited basis,
2 changes to the previously set values, including,
3 but not limited to, redistributing the amounts and
4 the available funds as necessary and appropriate,
5 subject to Commission approval. The Agency may
6 define different block sizes, purchase prices, or
7 other distinct terms and conditions for projects
8 located in different utility service territories
9 if the Agency deems it necessary.

10 (3) The Agency may develop an intra-year and
11 year-to-year waitlist and block reservation policy
12 that balances market certainty, program
13 availability, and expedient project deployment.

14 (4) For the program year beginning on June 1,
15 2028, at least 33% of each annual block shall be
16 available to be reserved for systems that are
17 residential, as defined by the Agency. The Agency
18 shall endeavor to ensure at least 40% of each
19 annual block is available to be reserved by
20 systems located in Equity Investment Eligible
21 Communities. At least 10% of all annual blocks
22 shall be available to be reserved by systems from
23 applicants that are equity eligible contractors,
24 and the Agency shall propose to increase the
25 percentage of systems from applicants that are
26 equity eligible contractors over time to 40% based

1 on factors that include, but are not limited to,
2 the number of equity eligible contractors and the
3 volume used under this clause (4) in previous
4 delivery years. For long-term renewable resources
5 procurement plans developed thereafter, the Agency
6 may propose adjustments to the minimum percentages
7 based on developer interest, market interest and
8 availability, and other factors.

9 (5) The Agency shall establish Program
10 eligibility requirements that ensure that systems
11 that enter the Program are sufficiently mature
12 enough to indicate a demonstrable path to
13 completion and other terms, conditions, and
14 requirements for the program, including vendor
15 registration and approval, sales and marketing
16 requirements, and other consumer protection
17 requirements as the Agency deems necessary.

18 (6) The Program shall be designed to ensure
19 that geothermal renewable energy credits are
20 procured from projects in diverse locations and
21 are not procured from projects that are
22 concentrated in a few regional areas.

23 (7) The Agency, through its long-term
24 renewable resources procurement plan, may
25 implement solutions to maintain stable and
26 consistent REC offerings to avoid gaps in

1 availability during a delivery year, including,
2 but not limited to, creating a floating block of
3 REC capacity in a given delivery year.

4 (ii) Energy derived from a geothermal heating and
5 cooling system shall be eligible for inclusion in
6 meeting the requirements of the Program. Geothermal
7 renewable energy credits shall be expressed in
8 megawatt-hour units. To make this calculation, the
9 Agency (1) shall identify an appropriate formula
10 supported by a geothermal industry trade organization,
11 a national laboratory, or another data-backed and
12 verifiable methodology, (2) may propose adjustments to
13 any formulas for its proposed renewable energy credit
14 calculation methodology, and (3) may reflect
15 calculation methodologies already in use for other
16 State renewable portfolio standards, if applicable and
17 appropriate. The Agency shall determine the form and
18 manner in which the renewable energy credits are
19 verified and retired, in accordance with national best
20 practices.

21 Geothermal renewable energy credits retired by
22 obligated utilities for compliance with the Program
23 are only valid for compliance if those geothermal
24 renewable energy credits have not been previously
25 retired by another entity that is not the obligated
26 utility on any tracking system, carbon registry, or

1 other accounting mechanism at any time. Additionally,
2 geothermal renewable energy credits retired by
3 obligated utilities for compliance with the Program
4 shall only be valid for compliance if those geothermal
5 renewable energy credits have not been used to
6 substantiate a public emissions or energy usage claim
7 by any other another entity that is not the obligated
8 utility, of any type and at any time, whether or not
9 the geothermal renewable energy credits were actually
10 retired on a tracking system, registry, or other
11 accounting mechanism at the time of the public
12 emissions-based claim. Geothermal renewable energy
13 credits generated for compliance with the Program
14 shall be valid only if retired once, and claimed once,
15 by the obligated utility.

16 In order to promote the competitive development of
17 geothermal heating and cooling systems in furtherance
18 of this State's interest in the health, safety, and
19 welfare of its residents, renewable energy credits
20 from geothermal heating and cooling systems shall not
21 be eligible for purchase and retirement under this Act
22 if the credits are sourced from a geothermal heating
23 and cooling system for which costs are being recovered
24 on or after the effective date of this amendatory Act
25 of the 104th General Assembly through rates regulated
26 by this State or any other state.

1 (iii) The Agency shall establish Program
2 requirements and minimum contract terms to ensure that
3 projects are properly installed and that projects
4 operate to the level of expected benefits. The
5 contract terms shall include, but are not limited to,
6 the following:

7 (1) The capital that is not advanced shall be
8 disbursed upon a schedule determined by the
9 Agency, based on the total contracted fulfillment
10 over the delivery term, not to exceed, during each
11 delivery year, the contract price multiplied by
12 the estimated annual renewable energy credit
13 generation amount. Payment structures shall
14 include provisions that provide portions of the
15 renewable energy credit delivery contract value
16 upon energization, including no less than 40% of
17 the contract value for residential projects, based
18 on the estimated renewable energy credit
19 production during the contract term.

20 (2) For renewable energy credits that qualify
21 and are procured under the Program, the delivery
22 contract length shall be 15 years.

23 (3) For contracts that are paid upon the
24 delivery of renewable energy credits, if
25 generation of renewable energy credits from
26 geothermal heating and cooling systems during a

1 delivery year exceeds the estimated annual
2 generation amount, the excess of such renewable
3 energy credits shall be carried forward to future
4 delivery years and shall not expire during the
5 delivery term. If the renewable energy credit
6 generation during a delivery year, including any
7 carried forward excess renewable energy credits,
8 is less than the estimated annual generation
9 amount, payments during the delivery year shall
10 not exceed the quantity generated plus the
11 quantity carried forward multiplied by the
12 contract price. The electric utility shall receive
13 all renewable energy credits generated by the
14 project during the first 15 years of operation,
15 and retire all renewable energy credits paid for
16 under this clause (3) and return at the end of the
17 delivery term all geothermal renewable energy
18 credits that were not paid for. Renewable energy
19 credits generated by the project thereafter shall
20 not be transferred under the renewable energy
21 credit delivery contract with the counterparty
22 electric utility.

23 (4) For renewable energy contracts for any
24 type of community, shared, or similar geothermal
25 heating and cooling system that operates using a
26 subscription model and for which subscriptions are

1 a basis for contractual payments, subscription of
2 90% of total renewable energy credit volumes or
3 greater shall be deemed to be fully subscribed.

4 (5) Beginning with the long-term renewable
5 resources procurement plan covering the delivery
6 year beginning on June 1, 2030, the Agency may
7 propose a payment structure for Program contracts
8 upon a demonstration of qualification or need
9 under criteria established by the Agency that is
10 focused on supporting the small and emerging
11 businesses and the businesses that most acutely
12 face barriers to capital access. Successful
13 applicant firms shall have advanced capital
14 disbursed before renewable energy credits are
15 first generated. The maximum amount or percentage
16 of capital advanced shall be included in the
17 long-term renewable resources procurement plan,
18 and any amount actually advanced shall be designed
19 to overcome the barriers in access to capital that
20 are faced by an applicant through that applicant's
21 demonstration of need. The amount or percentage of
22 advanced capital may vary by year, or inter-year,
23 by structure category, block, and other factors as
24 deemed applicable by the Agency and by an
25 applicant's demonstration of need. Contracts
26 featuring capital advanced prior to system

1 operation shall feature provisions to ensure both
2 the successful development of applicant projects
3 and the delivery of renewable energy credits for
4 the full term of the contract, including ongoing
5 collateral requirements and other provisions
6 deemed necessary by the Agency. The percentage or
7 amount of capital advanced prior to system
8 operation shall not increase the overall contract
9 value.

10 (6) Each contract shall include provisions to
11 ensure the delivery of the estimated quantity of
12 geothermal renewable energy credits, including a
13 requirement of performance assurance in an amount
14 deemed appropriate by the Agency.

15 (7) An obligated utility shall be the
16 counterparty to the contracts executed under this
17 subparagraph (S) that are approved by the
18 Commission. No contract shall be executed for an
19 amount that is less than one geothermal renewable
20 energy credit per year.

21 (8) Nothing in this subparagraph (S) shall
22 require the utility to advance any payment or pay
23 any amounts that exceed the actual amount of
24 revenues anticipated to be collected by the
25 utility inclusive of eligible funds collected in
26 prior years and alternative compliance payments

1 for use by the utility.

2 (9) Contracts may be assignable, but only to
3 entities first deemed by the Agency to have met
4 Program terms and requirements applicable to
5 direct Program participation. In developing
6 contracts for the delivery of renewable energy
7 credits from geothermal heating and cooling
8 systems, the Agency may establish fees applicable
9 to each contract assignment.

10 (10) If, at any time, approved applications
11 for the Program exceed funds collected by the
12 electric utility or would cause the Agency to
13 exceed the limitation on the amount of renewable
14 energy resources that may be procured, then the
15 Agency may consider future uncommitted funds to be
16 reserved for these contracts on a first-come,
17 first-served basis.

18 (iv) In order to advance priority access to the
19 clean energy economy for businesses and workers from
20 communities that have been excluded from economic
21 opportunities in the energy sector, been subject to
22 disproportionate levels of pollution, and
23 disproportionately experienced negative public health
24 outcomes, the Agency shall apply its equity
25 accountability system and minimum equity standards
26 established under subsections (c-10), (c-15), (c-20),

1 (c-25), and (c-30) to geothermal heating and cooling
2 system renewable energy credit procurement and
3 programs and may include any proposed modifications to
4 the equity accountability system and minimum equity
5 standards that may be warranted with respect to
6 geothermal heating and cooling systems in its plan
7 submission to the Commission under Section 16-111.5 of
8 the Public Utilities Act.

9 (v) Projects shall be developed in compliance with
10 the prevailing wage and project labor agreement
11 requirements, as applicable, for renewable energy
12 projects in subparagraph (Q) of paragraph (1) of
13 subsection (c). Projects approved under this Program
14 are subject to the prevailing wage requirements
15 outlined in subitem (x) of item (1) of subparagraph
16 (Q) of paragraph (1) of this subsection (c). Renewable
17 energy credits for any single geothermal heating and
18 cooling project that is 142 tons or larger and is
19 procured under this Program after the effective date
20 of this amendatory Act of the 104th General Assembly
21 shall only be eligible if the associated project was
22 built by general contractors who entered into a
23 project labor agreement prior to construction. The
24 project labor agreement shall be filed with the
25 Director in accordance with procedures established by
26 the Agency through its long-term renewable resources

1 procurement plan. The project labor agreement shall
2 provide the names, addresses, and occupations of the
3 owner of the plant and the individuals representing
4 the labor organization employees that participate in
5 the project labor agreement. The project labor
6 agreement shall also specify terms and conditions as
7 provided in this Act.

8 (vi) The Agency shall strive to minimize
9 administrative expenses in the implementation of the
10 Program. The Agency may use any existing program
11 administrator and any applicable subcontractors to
12 develop, administer, implement, operate, and evaluate
13 the Program.

14 (T) Renewable energy credits procured under Agency
15 procurements or programs for community solar projects with
16 more than 3 megawatts in nameplate capacity must be
17 procured from facilities built by general contractors
18 that, prior to construction, enter into a project labor
19 agreement, as defined by this Act, subject to the
20 following requirements and limitations:

21 (i) The project labor agreement shall be filed
22 with the Director in accordance with procedures
23 established by the Agency through its long-term
24 renewable resources procurement plan. Any information
25 submitted to the Agency under this item (i) shall be
26 considered commercially sensitive information.

1 (ii) At a minimum, the project labor agreement
2 must provide the names, addresses, and occupations of
3 the owner of the project and any individuals
4 representing the labor organization of the employees
5 participating in the project labor agreement
6 consistent with the Project Labor Agreements Act. The
7 project labor agreement must also meet the terms and
8 conditions, as set forth in this Act.

9 (iii) It is the intent of this Section to ensure
10 that economic development occurs across communities in
11 this State, that emerging businesses may grow, and
12 that there is improved access to the clean energy
13 economy by persons who have greater economic burdens
14 to success. The Agency shall take into consideration
15 the unique cost of compliance of this subparagraph (T)
16 that may be borne by equity eligible contractors and
17 shall include those costs when determining the price
18 of renewable energy credits in the Adjustable Block
19 program. The Agency shall consider costs associated
20 with compliance, including in the development,
21 financing, or construction of projects. The Agency
22 shall periodically review the assumptions in these
23 costs and may adjust prices in compliance with
24 subparagraph (M) of this paragraph (1).

25 (2) (Blank).

26 (3) (Blank).

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

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

1 the prior year ending May 31.

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

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

21 In meeting the renewable energy requirements of this
22 subsection (c), to the extent feasible and consistent with
23 State and federal law, the renewable energy credit
24 procurements, Adjustable Block solar program, and
25 community renewable generation program shall provide
26 employment opportunities for all segments of the

1 population and workforce, including minority-owned and
2 female-owned business enterprises, and shall not,
3 consistent with State and federal law, discriminate based
4 on race or socioeconomic status.

5 (R-5) In recognition of the market and electricity
6 system impacts, including rising capacity and electricity
7 prices and potential reliability and resource adequacy
8 concerns inherent in interconnecting multitudes of new
9 data centers without developing corresponding new clean
10 energy supply, beginning on the effective date of this
11 amendatory Act of the 104th General Assembly, all
12 customers taking service under the data center tariff
13 described in paragraph (3) of subsection (c) of Section
14 16-105.5 of the Public Utilities Act shall be eligible for
15 the data center self-direct program described in this
16 subparagraph (R-5). The data center self-direct program
17 shall allow for customers taking service under the data
18 center tariff to receive a reduction in the charges
19 collected for the procurement of renewable energy
20 resources pursuant to Section 16-108 of the Public
21 Utilities Act in recognition of that customer's
22 contribution to the successful facilitation of the
23 development of new additive clean energy generation. The
24 reduction in charges available to the customer shall
25 increase based on the energy or capacity value of the new
26 additive clean energy generation's contribution pursuant

1 to the following requirements:

2 (1) Only customers taking service under the data
3 center tariff described in paragraph (3) to subsection
4 (c) of Section 16-105.5 of the Public Utilities Act
5 shall be eligible for the program described in this
6 subparagraph (R-5), and such customers shall not be
7 eligible for the large customer self-direct program
8 described in subparagraph (R) as of the effective date
9 of this amendatory Act of the 104th General Assembly.
10 Retail customers taking service under this tariff
11 shall individually apply for entry into the program.
12 Multiple qualifying affiliated retail customer
13 accounts for customers located across the same or
14 adjacent parcels may provide a single joint
15 application.

16 (2) For a generating facility to qualify to
17 contribute to the self-direct crediting rate, the
18 generating facility must meet the following criteria:

19 (i) The facility must meet the definition of
20 clean energy under Section 1-10, and the facility
21 must sequester or avoid at least 90% of the total
22 carbon dioxide emissions that a similar generating
23 facility would otherwise emit or qualify as an
24 energy storage system as defined in Section 1-10
25 of this Act.

26 (ii) For the purposes of this item (ii):

1 "New" means a generating facility energized
2 after the effective date of this amendatory Act of
3 the 104th General Assembly and no earlier than 6
4 months before the applicant data center's
5 interconnection.

6 "Facilitated by the applicant customer" means
7 that the customer must have a relationship with
8 the facility that satisfies the contract or
9 colocation requirements outlined in this item
10 (ii).

11 Generation from the facility must constitute
12 new clean energy generation facilitated by the
13 applicant customer with the following
14 requirements:

15 (I) New generation successfully
16 facilitated at an existing generating facility
17 may qualify under this item (ii), but only for
18 the incremental increase in generation that
19 directly resulted from the investment in
20 facility expansion or repowering facilitated
21 by the applicant customer.

22 (II) Generating facilities having received
23 a contract for the sale of renewable energy
24 credits under this Section or Section 1-56 or
25 having been used as part of an application for
26 the self-direct program described in

1 subparagraph (R) or having received support
2 through the energy storage resources
3 procurements conducted pursuant to subsection
4 (d-20) of this Section shall be ineligible.

5 (iii) The facility must be located within the
6 same regional transmission organization for which
7 the data center is interconnected and the facility
8 must meet the geographic requirements as set forth
9 in subparagraph (I) of paragraph (1) of subsection
10 (c) as interpreted through the Agency's long-term
11 renewable resources procurement plan or constitute
12 renewable energy generation featuring electricity
13 delivered through high voltage direct current
14 transmission facilities if the high voltage direct
15 current transmission line:

16 (I) was constructed with a project labor
17 agreement;

18 (II) is capable of transmitting
19 electricity at 525 kilovolts or above;

20 (III) has a converter station located in
21 Illinois or in a state adjacent to Illinois
22 that is located or interconnected within the
23 region of the PJM Interconnection, LLC, or
24 Midcontinent Independent System Operator,
25 Inc.; and

26 (IV) does not operate as a public utility,

1 as defined in Section 3-105 of the Public
2 Utilities Act, serving more than 100,000
3 customers as of January 1, 2021.

4 (iv) The facility must qualify as an
5 accredited capacity resource within the service
6 areas of PJM Interconnection, LLC, or Midcontinent
7 Independent System Operator, Inc.

8 (v) The facility's development and
9 construction must meet all labor and equity
10 requirements that would otherwise apply to a
11 similarly sized and similarly located project
12 under this Section, including prevailing wage,
13 project labor agreement, and minimum equity
14 standard requirements.

15 (3) Participating customers shall be eligible to
16 offset a portion or all of the assessed charges by
17 securing supply through collocating or entering into
18 power purchase agreements with eligible generating
19 facilities. Eligible contracts may involve an
20 alternative retail electric supplier as defined in
21 Section 16-102 of the Public Utilities Act. Eligible
22 contracts must be at least 10 years in length and shall
23 be deemed as sufficiently additive if the facility is
24 colocated with the customer such that the facility is
25 located on the customer's side of the electric meter
26 and primarily used to offset the customer's

1 electricity load. Bundled power purchase agreements
2 for some combination of energy, capacity, and
3 environmental attributes shall also be considered
4 sufficiently additive. Contracts only for the purchase
5 of environmental attributes shall only be considered
6 sufficiently additive upon a successful demonstration
7 to the Agency that the contract instrument facilitated
8 the facility's development. Environmental attributes,
9 including renewable energy credits, purchased under
10 any qualifying contract or generated from colocated
11 generation shall be retired on that customer's behalf.

12 (4) To determine the self-direct crediting rate,
13 the following 3 steps must be completed:

14 (i) A comparison between the amount of energy
15 produced from customer contracted eligible
16 resources to the customer's expected usage to
17 calculate a percentage of self-supplied energy, to
18 establish a self-supplied energy percentage.

19 (ii) A comparison of the calculated capacity
20 of the contracted eligible resources by
21 multiplying the resource's nameplate capacity by
22 the applicable regional transmission organization
23 effective load carrying capacity (ELCC) for the
24 applicable facility and comparing the resulting
25 value against the customer's noncoincident peak
26 demand to develop a self-supplied capacity

1 percentage.

2 (iii) The simple average of the self-supplied
3 energy percentage and the self-supplied capacity
4 percentage shall constitute the offset value that
5 serves to reduce the applicant customer's
6 renewable portfolio standard-related charges by
7 the resulting percentage. The process for
8 establishing a customer's usage shall be based
9 upon a predefined calculation, accounting for a
10 customer's demand based upon the best available
11 information for that customer. Eligible resource
12 ELCCs shall be established using the most recent
13 publicly available RTO-established values. Once
14 established, the applicable ELCC shall not change
15 unless an error in the RTO process is identified
16 and corrected or an adjustment in the eligible
17 resource's operation impacts its ability to
18 operate according to reasonable operational
19 parameters for its type. A significant change in
20 either the customer's operation or that of the
21 eligible resource may result in a reassessment and
22 change in self-supplied energy or capacity
23 percentage. The maximum crediting rate shall not
24 allow for crediting that customer's proportionate
25 share of support for the costs associated with
26 procuring renewable energy credits through the

1 Solar for All Program described in subsection (b)
2 of Section 1-56 of this Act. If the resulting
3 crediting rate reaches 90%, a customer shall be
4 charged the minimum possible renewable portfolio
5 standard-related charges due to the scale and
6 qualitative benefits of that customer's investment
7 in facilitating new clean energy generation. The
8 resulting crediting rate shall not exceed 100%.

9 (5) Customers described in this subparagraph (R-5)
10 shall apply, on a form developed by the Agency, to the
11 Agency to be designated as a data center. The Agency
12 shall open the data center self-direct customer
13 program for applications quarterly, with an
14 application window of no less than 2 weeks each
15 quarter. Once the Agency determines that a self-direct
16 customer is eligible for participation in the program,
17 the self-direct customer shall remain eligible until
18 the end of the term of the contract. At a minimum, such
19 application shall contain the following:

20 (i) the customer's certification that, at the
21 time of the customer's application, the customer
22 takes service or would qualify to take service
23 under the tariff described in paragraph (3) of
24 subsection (c) of Section 16-105.5 of the Public
25 Utilities Act, including documents demonstrating
26 that qualification and proof of qualification once

1 achieved;

2 (ii) the customer's certification that the
3 customer has entered into one or more bilateral
4 contracts with eligible generating facilities or
5 is colocated with eligible generating facilities,
6 including supporting documentation that provides
7 information about those facilities necessary for
8 facility qualification and that determines
9 applicable crediting rates;

10 (iii) certification that the contract or
11 contracts with new clean energy generating
12 facilities are long-term contracts with term
13 lengths of at least 10 years, including supporting
14 documentation;

15 (iv) certification of the quantities of
16 energy, capacity, or renewable energy credits that
17 the customer will purchase each year under such
18 contract or contracts, including supporting
19 documentation;

20 (v) historical information and projections
21 related to the customer's electricity consumption,
22 including a demonstration of the share of the
23 customer's electricity consumption and peak load
24 contribution, that the facility or facilities is
25 intended to meet as demonstrated through
26 supporting documentation; and

1 (vi) a certification that the customer intends
2 to maintain the contract for the duration of the
3 length of the contract.

4 The Agency may request, and applicant customers
5 shall provide, any additional information necessary
6 for determining customer program eligibility, facility
7 eligibility, and applicable crediting rate.

8 (6) The Agency shall provide biannual filings
9 outlining customer qualification and applicable
10 crediting rates as compliance filings in the most
11 recent Commission-docketed proceeding for approval of
12 the Agency's long-term renewable resources procurement
13 plan.

14 (7) The Agency may require that participating
15 customers provide annual reports related to facility
16 operation and performance, customer electricity
17 consumption and load profiles, and other information
18 as necessary. Upon a material change in any
19 information underpinning the customer's qualification
20 for the program or establishment of the customer's
21 crediting rate, the participating customer shall
22 provide notice to the Agency outlining the nature and
23 impact of such changes.

24 (8) Recognizing the need for the State to
25 facilitate the development of new renewable energy
26 generation at a sufficient scale regardless of new

1 data center interconnections, renewable energy credits
2 procured and retired by a self-direct customer
3 participating in the program described in this
4 subparagraph (R-5) shall only reduce the total volume
5 of renewable energy credits that the Agency is
6 otherwise required to procure up to the percentage of
7 renewable energy resources applicable to each
8 utility's load for that year, as outlined in
9 subparagraph (B) of paragraph (1) of subsection (c) of
10 this Section, associated with a participating
11 customer's electricity usage.

12 (9) The Agency shall include additional terms,
13 conditions, details, and requirements applicable to
14 the data center self-direct renewable portfolio
15 standard program within its long-term renewable
16 resources procurement plan. Notwithstanding whether an
17 updated long-term renewable resources procurement
18 plan, including this program, has been approved by the
19 Commission, the data center self-direct program shall
20 begin taking applications no later than 90 days after
21 Commission approval of the tariff outlined in
22 paragraph (3) of subsection (c) of Section 16-105.5 of
23 the Public Utilities Act.

24 (c-5) Procurement of renewable energy credits from new
25 renewable energy facilities installed at or adjacent to the
26 sites of electric generating facilities that burn or burned

1 coal as their primary fuel source.

2 (1) In addition to the procurement of renewable energy
3 credits pursuant to long-term renewable resources
4 procurement plans in accordance with subsection (c) of
5 this Section and Section 16-111.5 of the Public Utilities
6 Act, the Agency shall conduct procurement events in
7 accordance with this subsection (c-5) for the procurement
8 by electric utilities that served more than 300,000 retail
9 customers in this State as of January 1, 2019 of renewable
10 energy credits from new renewable energy facilities to be
11 installed at or adjacent to the sites of electric
12 generating facilities that, as of January 1, 2016, burned
13 coal as their primary fuel source and meet the other
14 criteria specified in this subsection (c-5). For purposes
15 of this subsection (c-5), "new renewable energy facility"
16 means a new utility-scale solar project as defined in this
17 Section 1-75. The renewable energy credits procured
18 pursuant to this subsection (c-5) may be included or
19 counted for purposes of compliance with the amounts of
20 renewable energy credits required to be procured pursuant
21 to subsection (c) of this Section to the extent that there
22 are otherwise shortfalls in compliance with such
23 requirements. The procurement of renewable energy credits
24 by electric utilities pursuant to this subsection (c-5)
25 shall be funded solely by revenues collected from the Coal
26 to Solar and Energy Storage Initiative Charge provided for

1 in this subsection (c-5) and subsection (i-5) of Section
2 16-108 of the Public Utilities Act, shall not be funded by
3 revenues collected through any of the other funding
4 mechanisms provided for in subsection (c) of this Section,
5 and shall not be subject to the limitation imposed by
6 subsection (c) on charges to retail customers for costs to
7 procure renewable energy resources pursuant to subsection
8 (c), and shall not be subject to any other requirements or
9 limitations of subsection (c).

10 (2) The Agency shall conduct 2 procurement events to
11 select owners of electric generating facilities meeting
12 the eligibility criteria specified in this subsection
13 (c-5) to enter into long-term contracts to sell renewable
14 energy credits to electric utilities serving more than
15 300,000 retail customers in this State as of January 1,
16 2019. The first procurement event shall be conducted no
17 later than March 31, 2022, unless the Agency elects to
18 delay it, until no later than May 1, 2022, due to its
19 overall volume of work, and shall be to select owners of
20 electric generating facilities located in this State and
21 south of federal Interstate Highway 80 that meet the
22 eligibility criteria specified in this subsection (c-5).
23 The second procurement event shall be conducted no sooner
24 than September 30, 2022 and no later than October 31, 2022
25 and shall be to select owners of electric generating
26 facilities located anywhere in this State that meet the

1 eligibility criteria specified in this subsection (c-5).
2 The Agency shall establish and announce a time period,
3 which shall begin no later than 30 days prior to the
4 scheduled date for the procurement event, during which
5 applicants may submit applications to be selected as
6 suppliers of renewable energy credits pursuant to this
7 subsection (c-5). The eligibility criteria for selection
8 as a supplier of renewable energy credits pursuant to this
9 subsection (c-5) shall be as follows:

10 (A) The applicant owns an electric generating
11 facility located in this State that: (i) as of January
12 1, 2016, burned coal as its primary fuel to generate
13 electricity; and (ii) has, or had prior to retirement,
14 an electric generating capacity of at least 150
15 megawatts. The electric generating facility can be
16 either: (i) retired as of the date of the procurement
17 event; or (ii) still operating as of the date of the
18 procurement event.

19 (B) The applicant is not (i) an electric
20 cooperative as defined in Section 3-119 of the Public
21 Utilities Act, or (ii) an entity described in
22 subsection (b)(1) of Section 3-105 of the Public
23 Utilities Act, or an association or consortium of or
24 an entity owned by entities described in (i) or (ii);
25 and the coal-fueled electric generating facility was
26 at one time owned, in whole or in part, by a public

1 utility as defined in Section 3-105 of the Public
2 Utilities Act.

3 (C) If participating in the first procurement
4 event, the applicant proposes and commits to construct
5 and operate, at the site, and if necessary for
6 sufficient space on property adjacent to the existing
7 property, at which the electric generating facility
8 identified in paragraph (A) is located: (i) a new
9 renewable energy facility of at least 20 megawatts but
10 no more than 100 megawatts of electric generating
11 capacity, and (ii) an energy storage facility having a
12 storage capacity equal to at least 2 megawatts and at
13 most 10 megawatts. If participating in the second
14 procurement event, the applicant proposes and commits
15 to construct and operate, at the site, and if
16 necessary for sufficient space on property adjacent to
17 the existing property, at which the electric
18 generating facility identified in paragraph (A) is
19 located: (i) a new renewable energy facility of at
20 least 5 megawatts but no more than 20 megawatts of
21 electric generating capacity, and (ii) an energy
22 storage facility having a storage capacity equal to at
23 least 0.5 megawatts and at most one megawatt.

24 (D) The applicant agrees that the new renewable
25 energy facility and the energy storage facility will
26 be constructed or installed by a qualified entity or

1 entities in compliance with the requirements of
2 subsection (g) of Section 16-128A of the Public
3 Utilities Act and any rules adopted thereunder.

4 (E) The applicant agrees that personnel operating
5 the new renewable energy facility and the energy
6 storage facility will have the requisite skills,
7 knowledge, training, experience, and competence, which
8 may be demonstrated by completion or current
9 participation and ultimate completion by employees of
10 an accredited or otherwise recognized apprenticeship
11 program for the employee's particular craft, trade, or
12 skill, including through training and education
13 courses and opportunities offered by the owner to
14 employees of the coal-fueled electric generating
15 facility or by previous employment experience
16 performing the employee's particular work skill or
17 function.

18 (F) The applicant commits that not less than the
19 prevailing wage, as determined pursuant to the
20 Prevailing Wage Act, will be paid to the applicant's
21 employees engaged in construction activities
22 associated with the new renewable energy facility and
23 the new energy storage facility and to the employees
24 of applicant's contractors engaged in construction
25 activities associated with the new renewable energy
26 facility and the new energy storage facility, and

1 that, on or before the commercial operation date of
2 the new renewable energy facility, the applicant shall
3 file a report with the Agency certifying that the
4 requirements of this subparagraph (F) have been met.

5 (G) The applicant commits that if selected, it
6 will negotiate a project labor agreement for the
7 construction of the new renewable energy facility and
8 associated energy storage facility that includes
9 provisions requiring the parties to the agreement to
10 work together to establish diversity threshold
11 requirements and to ensure best efforts to meet
12 diversity targets, improve diversity at the applicable
13 job site, create diverse apprenticeship opportunities,
14 and create opportunities to employ former coal-fired
15 power plant workers.

16 (H) The applicant commits to enter into a contract
17 or contracts for the applicable duration to provide
18 specified numbers of renewable energy credits each
19 year from the new renewable energy facility to
20 electric utilities that served more than 300,000
21 retail customers in this State as of January 1, 2019,
22 at a price of \$30 per renewable energy credit. The
23 price per renewable energy credit shall be fixed at
24 \$30 for the applicable duration and the renewable
25 energy credits shall not be indexed renewable energy
26 credits as provided for in item (v) of subparagraph

1 (G) of paragraph (1) of subsection (c) of Section 1-75
2 of this Act. The applicable duration of each contract
3 shall be 20 years, unless the applicant is physically
4 interconnected to the PJM Interconnection, LLC
5 transmission grid and had a generating capacity of at
6 least 1,200 megawatts as of January 1, 2021, in which
7 case the applicable duration of the contract shall be
8 15 years.

9 (I) The applicant's application is certified by an
10 officer of the applicant and by an officer of the
11 applicant's ultimate parent company, if any.

12 (3) An applicant may submit applications to contract
13 to supply renewable energy credits from more than one new
14 renewable energy facility to be constructed at or adjacent
15 to one or more qualifying electric generating facilities
16 owned by the applicant. The Agency may select new
17 renewable energy facilities to be located at or adjacent
18 to the sites of more than one qualifying electric
19 generation facility owned by an applicant to contract with
20 electric utilities to supply renewable energy credits from
21 such facilities.

22 (4) The Agency shall assess fees to each applicant to
23 recover the Agency's costs incurred in receiving and
24 evaluating applications, conducting the procurement event,
25 developing contracts for sale, delivery and purchase of
26 renewable energy credits, and monitoring the

1 administration of such contracts, as provided for in this
2 subsection (c-5), including fees paid to a procurement
3 administrator retained by the Agency for one or more of
4 these purposes.

5 (5) The Agency shall select the applicants and the new
6 renewable energy facilities to contract with electric
7 utilities to supply renewable energy credits in accordance
8 with this subsection (c-5). In the first procurement
9 event, the Agency shall select applicants and new
10 renewable energy facilities to supply renewable energy
11 credits, at a price of \$30 per renewable energy credit,
12 aggregating to no less than 400,000 renewable energy
13 credits per year for the applicable duration, assuming
14 sufficient qualifying applications to supply, in the
15 aggregate, at least that amount of renewable energy
16 credits per year; and not more than 580,000 renewable
17 energy credits per year for the applicable duration. In
18 the second procurement event, the Agency shall select
19 applicants and new renewable energy facilities to supply
20 renewable energy credits, at a price of \$30 per renewable
21 energy credit, aggregating to no more than 625,000
22 renewable energy credits per year less the amount of
23 renewable energy credits each year contracted for as a
24 result of the first procurement event, for the applicable
25 durations. The number of renewable energy credits to be
26 procured as specified in this paragraph (5) shall not be

1 reduced based on renewable energy credits procured in the
2 self-direct renewable energy credit compliance program
3 established pursuant to subparagraph (R) of paragraph (1)
4 of subsection (c) of Section 1-75.

5 (6) The obligation to purchase renewable energy
6 credits from the applicants and their new renewable energy
7 facilities selected by the Agency shall be allocated to
8 the electric utilities based on their respective
9 percentages of kilowatthours delivered to delivery
10 services customers to the aggregate kilowatthour
11 deliveries by the electric utilities to delivery services
12 customers for the year ended December 31, 2021. In order
13 to achieve these allocation percentages between or among
14 the electric utilities, the Agency shall require each
15 applicant that is selected in the procurement event to
16 enter into a contract with each electric utility for the
17 sale and purchase of renewable energy credits from each
18 new renewable energy facility to be constructed and
19 operated by the applicant, with the sale and purchase
20 obligations under the contracts to aggregate to the total
21 number of renewable energy credits per year to be supplied
22 by the applicant from the new renewable energy facility.

23 (7) The Agency shall submit its proposed selection of
24 applicants, new renewable energy facilities to be
25 constructed, and renewable energy credit amounts for each
26 procurement event to the Commission for approval. The

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

11 (8) The Agency, in conjunction with its procurement
12 administrator if one is retained, the electric utilities,
13 and potential applicants for contracts to produce and
14 supply renewable energy credits pursuant to this
15 subsection (c-5), shall develop a standard form contract
16 for the sale, delivery and purchase of renewable energy
17 credits pursuant to this subsection (c-5). Each contract
18 resulting from the first procurement event shall allow for
19 a commercial operation date for the new renewable energy
20 facility of either June 1, 2023 or June 1, 2024, with such
21 dates subject to adjustment as provided in this paragraph.
22 Each contract resulting from the second procurement event
23 shall provide for a commercial operation date on June 1
24 next occurring up to 48 months after execution of the
25 contract. Each contract shall provide that the owner shall
26 receive payments for renewable energy credits for the

1 applicable durations beginning with the commercial
2 operation date of the new renewable energy facility. The
3 form contract shall provide for adjustments to the
4 commercial operation and payment start dates as needed due
5 to any delays in completing the procurement and
6 contracting processes, in finalizing interconnection
7 agreements and installing interconnection facilities, and
8 in obtaining other necessary governmental permits and
9 approvals. The form contract shall be, to the maximum
10 extent possible, consistent with standard electric
11 industry contracts for sale, delivery, and purchase of
12 renewable energy credits while taking into account the
13 specific requirements of this subsection (c-5). The form
14 contract shall provide for over-delivery and
15 under-delivery of renewable energy credits within
16 reasonable ranges during each 12-month period and penalty,
17 default, and enforcement provisions for failure of the
18 selling party to deliver renewable energy credits as
19 specified in the contract and to comply with the
20 requirements of this subsection (c-5). The standard form
21 contract shall specify that all renewable energy credits
22 delivered to the electric utility pursuant to the contract
23 shall be retired. The Agency shall make the proposed
24 contracts available for a reasonable period for comment by
25 potential applicants, and shall publish the final form
26 contract at least 30 days before the date of the first

1 procurement event.

2 (9) Coal to Solar and Energy Storage Initiative
3 Charge.

4 (A) By no later than July 1, 2022, each electric
5 utility that served more than 300,000 retail customers
6 in this State as of January 1, 2019 shall file a tariff
7 with the Commission for the billing and collection of
8 a Coal to Solar and Energy Storage Initiative Charge
9 in accordance with subsection (i-5) of Section 16-108
10 of the Public Utilities Act, with such tariff to be
11 effective, following review and approval or
12 modification by the Commission, beginning January 1,
13 2023. The tariff shall provide for the calculation and
14 setting of the electric utility's Coal to Solar and
15 Energy Storage Initiative Charge to collect revenues
16 estimated to be sufficient, in the aggregate, (i) to
17 enable the electric utility to pay for the renewable
18 energy credits it has contracted to purchase in the
19 delivery year beginning June 1, 2023 and each delivery
20 year thereafter from new renewable energy facilities
21 located at the sites of qualifying electric generating
22 facilities, and (ii) to fund the grant payments to be
23 made in each delivery year by the Department of
24 Commerce and Economic Opportunity, or any successor
25 department or agency, which shall be referred to in
26 this subsection (c-5) as the Department, pursuant to

1 paragraph (10) of this subsection (c-5). The electric
2 utility's tariff shall provide for the billing and
3 collection of the Coal to Solar and Energy Storage
4 Initiative Charge on each kilowatthour of electricity
5 delivered to its delivery services customers within
6 its service territory and shall provide for an annual
7 reconciliation of revenues collected with actual
8 costs, in accordance with subsection (i-5) of Section
9 16-108 of the Public Utilities Act.

10 (B) Each electric utility shall remit on a monthly
11 basis to the State Treasurer, for deposit in the Coal
12 to Solar and Energy Storage Initiative Fund provided
13 for in this subsection (c-5), the electric utility's
14 collections of the Coal to Solar and Energy Storage
15 Initiative Charge in the amount estimated to be needed
16 by the Department for grant payments pursuant to grant
17 contracts entered into by the Department pursuant to
18 paragraph (10) of this subsection (c-5).

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

20 (A) The Coal to Solar and Energy Storage
21 Initiative Fund is established as a special fund in
22 the State treasury. The Coal to Solar and Energy
23 Storage Initiative Fund is authorized to receive, by
24 statutory deposit, that portion specified in item (B)
25 of paragraph (9) of this subsection (c-5) of moneys
26 collected by electric utilities through imposition of

1 the Coal to Solar and Energy Storage Initiative Charge
2 required by this subsection (c-5). The Coal to Solar
3 and Energy Storage Initiative Fund shall be
4 administered by the Department to provide grants to
5 support the installation and operation of energy
6 storage facilities at the sites of qualifying electric
7 generating facilities meeting the criteria specified
8 in this paragraph (10).

9 (B) The Coal to Solar and Energy Storage
10 Initiative Fund shall not be subject to sweeps,
11 administrative charges, or chargebacks, including, but
12 not limited to, those authorized under Section 8h of
13 the State Finance Act, that would in any way result in
14 the transfer of those funds from the Coal to Solar and
15 Energy Storage Initiative Fund to any other fund of
16 this State or in having any such funds utilized for any
17 purpose other than the express purposes set forth in
18 this paragraph (10).

19 (C) The Department shall utilize up to
20 \$280,500,000 in the Coal to Solar and Energy Storage
21 Initiative Fund for grants, assuming sufficient
22 qualifying applicants, to support installation of
23 energy storage facilities at the sites of up to 3
24 qualifying electric generating facilities located in
25 the Midcontinent Independent System Operator, Inc.,
26 region in Illinois and the sites of up to 2 qualifying

1 electric generating facilities located in the PJM
2 Interconnection, LLC region in Illinois that meet the
3 criteria set forth in this subparagraph (C). The
4 criteria for receipt of a grant pursuant to this
5 subparagraph (C) are as follows:

6 (1) the electric generating facility at the
7 site has, or had prior to retirement, an electric
8 generating capacity of at least 150 megawatts;

9 (2) the electric generating facility burns (or
10 burned prior to retirement) coal as its primary
11 source of fuel;

12 (3) if the electric generating facility is
13 retired, it was retired subsequent to January 1,
14 2016;

15 (4) the owner of the electric generating
16 facility has not been selected by the Agency
17 pursuant to this subsection (c-5) of this Section
18 to enter into a contract to sell renewable energy
19 credits to one or more electric utilities from a
20 new renewable energy facility located or to be
21 located at or adjacent to the site at which the
22 electric generating facility is located;

23 (5) the electric generating facility located
24 at the site was at one time owned, in whole or in
25 part, by a public utility as defined in Section
26 3-105 of the Public Utilities Act;

1 (6) the electric generating facility at the
2 site is not owned by (i) an electric cooperative
3 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
7 or an entity owned by entities described in items
8 (i) or (ii);

9 (7) the proposed energy storage facility at
10 the site will have energy storage capacity of at
11 least 37 megawatts;

12 (8) the owner commits to place the energy
13 storage facility into commercial operation on
14 either June 1, 2023, June 1, 2024, or June 1, 2025,
15 with such date subject to adjustment as needed due
16 to any delays in completing the grant contracting
17 process, in finalizing interconnection agreements
18 and in installing interconnection facilities, and
19 in obtaining necessary governmental permits and
20 approvals;

21 (9) the owner agrees that the new energy
22 storage facility will be constructed or installed
23 by a qualified entity or entities consistent with
24 the requirements of subsection (g) of Section
25 16-128A of the Public Utilities Act and any rules
26 adopted under that Section;

1 (10) the owner agrees that personnel operating
2 the energy storage facility will have the
3 requisite skills, knowledge, training, experience,
4 and competence, which may be demonstrated by
5 completion or current participation and ultimate
6 completion by employees of an accredited or
7 otherwise recognized apprenticeship program for
8 the employee's particular craft, trade, or skill,
9 including through training and education courses
10 and opportunities offered by the owner to
11 employees of the coal-fueled electric generating
12 facility or by previous employment experience
13 performing the employee's particular work skill or
14 function;

15 (11) the owner commits that not less than the
16 prevailing wage, as determined pursuant to the
17 Prevailing Wage Act, will be paid to the owner's
18 employees engaged in construction activities
19 associated with the new energy storage facility
20 and to the employees of the owner's contractors
21 engaged in construction activities associated with
22 the new energy storage facility, and that, on or
23 before the commercial operation date of the new
24 energy storage facility, the owner shall file a
25 report with the Department certifying that the
26 requirements of this subparagraph (11) have been

1 met; and

2 (12) the owner commits that if selected to
3 receive a grant, it will negotiate a project labor
4 agreement for the construction of the new energy
5 storage facility that includes provisions
6 requiring the parties to the agreement to work
7 together to establish diversity threshold
8 requirements and to ensure best efforts to meet
9 diversity targets, improve diversity at the
10 applicable job site, create diverse apprenticeship
11 opportunities, and create opportunities to employ
12 former coal-fired power plant workers.

13 The Department shall accept applications for this
14 grant program until March 31, 2022 and shall announce
15 the award of grants no later than June 1, 2022. The
16 Department shall make the grant payments to a
17 recipient in equal annual amounts for 10 years
18 following the date the energy storage facility is
19 placed into commercial operation. The annual grant
20 payments to a qualifying energy storage facility shall
21 be \$110,000 per megawatt of energy storage capacity,
22 with total annual grant payments pursuant to this
23 subparagraph (C) for qualifying energy storage
24 facilities not to exceed \$28,050,000 in any year.

25 (D) Grants of funding for energy storage
26 facilities pursuant to subparagraph (C) of this

1 paragraph (10), from the Coal to Solar and Energy
2 Storage Initiative Fund, shall be memorialized in
3 grant contracts between the Department and the
4 recipient. The grant contracts shall specify the date
5 or dates in each year on which the annual grant
6 payments shall be paid.

7 (E) All disbursements from the Coal to Solar and
8 Energy Storage Initiative Fund shall be made only upon
9 warrants of the Comptroller drawn upon the Treasurer
10 as custodian of the Fund upon vouchers signed by the
11 Director of the Department or by the person or persons
12 designated by the Director of the Department for that
13 purpose. The Comptroller is authorized to draw the
14 warrants upon vouchers so signed. The Treasurer shall
15 accept all written warrants so signed and shall be
16 released from liability for all payments made on those
17 warrants.

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

19 (A) Each applicant selected in a procurement event
20 to contract to supply renewable energy credits in
21 accordance with this subsection (c-5) and each owner
22 selected by the Department to receive a grant or
23 grants to support the construction and operation of a
24 new energy storage facility or facilities in
25 accordance with this subsection (c-5) shall, within 60
26 days following the Commission's approval of the

1 applicant to contract to supply renewable energy
2 credits or within 60 days following execution of a
3 grant contract with the Department, as applicable,
4 submit to the Commission a diversity, equity, and
5 inclusion plan setting forth the applicant's or
6 owner's numeric goals for the diversity composition of
7 its supplier entities for the new renewable energy
8 facility or new energy storage facility, as
9 applicable, which shall be referred to for purposes of
10 this paragraph (11) as the project, and the
11 applicant's or owner's action plan and schedule for
12 achieving those goals.

13 (B) For purposes of this paragraph (11), diversity
14 composition shall be based on the percentage, which
15 shall be a minimum of 25%, of eligible expenditures
16 for contract awards for materials and services (which
17 shall be defined in the plan) to business enterprises
18 owned by minority persons, women, or persons with
19 disabilities as defined in Section 2 of the Business
20 Enterprise for Minorities, Women, and Persons with
21 Disabilities Act, to LGBTQ business enterprises, to
22 veteran-owned business enterprises, and to business
23 enterprises located in environmental justice
24 communities. The diversity composition goals of the
25 plan may include eligible expenditures in areas for
26 vendor or supplier opportunities in addition to

1 development and construction of the project, and may
2 exclude from eligible expenditures materials and
3 services with limited market availability, limited
4 production and availability from suppliers in the
5 United States, such as solar panels and storage
6 batteries, and material and services that are subject
7 to critical energy infrastructure or cybersecurity
8 requirements or restrictions. The plan may provide
9 that the diversity composition goals may be met
10 through Tier 1 Direct or Tier 2 subcontracting
11 expenditures or a combination thereof for the project.

12 (C) The plan shall provide for, but not be limited
13 to: (i) internal initiatives, including multi-tier
14 initiatives, by the applicant or owner, or by its
15 engineering, procurement and construction contractor
16 if one is used for the project, which for purposes of
17 this paragraph (11) shall be referred to as the EPC
18 contractor, to enable diverse businesses to be
19 considered fairly for selection to provide materials
20 and services; (ii) requirements for the applicant or
21 owner or its EPC contractor to proactively solicit and
22 utilize diverse businesses to provide materials and
23 services; and (iii) requirements for the applicant or
24 owner or its EPC contractor to hire a diverse
25 workforce for the project. The plan shall include a
26 description of the applicant's or owner's diversity

1 recruiting efforts both for the project and for other
2 areas of the applicant's or owner's business
3 operations. The plan shall provide for the imposition
4 of financial penalties on the applicant's or owner's
5 EPC contractor for failure to exercise best efforts to
6 comply with and execute the EPC contractor's diversity
7 obligations under the plan. The plan may provide for
8 the applicant or owner to set aside a portion of the
9 work on the project to serve as an incubation program
10 for qualified businesses, as specified in the plan,
11 owned by minority persons, women, persons with
12 disabilities, LGBTQ persons, and veterans, and
13 businesses located in environmental justice
14 communities, seeking to enter the renewable energy
15 industry.

16 (D) The applicant or owner may submit a revised or
17 updated plan to the Commission from time to time as
18 circumstances warrant. The applicant or owner shall
19 file annual reports with the Commission detailing the
20 applicant's or owner's progress in implementing its
21 plan and achieving its goals and any modifications the
22 applicant or owner has made to its plan to better
23 achieve its diversity, equity and inclusion goals. The
24 applicant or owner shall file a final report on the
25 fifth June 1 following the commercial operation date
26 of the new renewable energy resource or new energy

1 storage facility, but the applicant or owner shall
2 thereafter continue to be subject to applicable
3 reporting requirements of Section 5-117 of the Public
4 Utilities Act.

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

25 (1) Minimum equity standards. The Agency shall create
26 programs with the purpose of increasing access to and

1 development of equity eligible contractors, who are prime
2 contractors and subcontractors, across all of the programs
3 it manages. All applications for renewable energy credit
4 procurements shall comply with specific minimum equity
5 commitments. Starting in the delivery year immediately
6 following the next long-term renewable resources
7 procurement plan, at least 10% of the project workforce
8 for each entity participating in a procurement program
9 outlined in this subsection (c-10) must be done by equity
10 eligible persons or equity eligible contractors. The
11 Agency shall increase the minimum percentage each delivery
12 year thereafter by increments that ensure a statewide
13 average of 30% of the project workforce for each entity
14 participating in a procurement program is done by equity
15 eligible persons or equity eligible contractors by 2030.
16 The Agency shall propose a schedule of percentage
17 increases to the minimum equity standards in its draft
18 revised renewable energy resources procurement plan
19 submitted to the Commission for approval pursuant to
20 paragraph (5) of subsection (b) of Section 16-111.5 of the
21 Public Utilities Act. In determining these annual
22 increases, the Agency shall have the discretion to
23 establish different minimum equity standards for different
24 types of procurements and different regions of the State
25 if the Agency finds that doing so will further the
26 purposes of this subsection (c-10). The proposed schedule

1 of annual increases shall be revisited and updated on an
2 annual basis. Revisions shall be developed with
3 stakeholder input, including from equity eligible persons,
4 equity eligible contractors, clean energy industry
5 representatives, and community-based organizations that
6 work with such persons and contractors.

7 (A) At the start of each delivery year, the Agency
8 shall require a compliance plan from each entity
9 participating in a procurement program of subsection
10 (c) of this Section, and entities opting to comply
11 with the minimum equity standard through the Illinois
12 Solar for All Program under Section 1-56 of this Act,
13 that demonstrates how they will achieve compliance
14 with the minimum equity standard percentage for work
15 completed in that delivery year. If an entity applies
16 for its approved vendor or designee status between
17 delivery years, the Agency shall require a compliance
18 plan at the time of application.

19 (B) Halfway through each delivery year, the Agency
20 shall require each entity participating in a
21 procurement program to confirm that it will achieve
22 compliance in that delivery year, when applicable. The
23 Agency may offer corrective action plans to entities
24 that are not on track to achieve compliance.

25 (C) At the end of each delivery year, each entity
26 participating and completing work in that delivery

1 year in a procurement program of subsection (c) shall
2 submit a report to the Agency that demonstrates how it
3 achieved compliance with the minimum equity standards
4 percentage for that delivery year.

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

20 (E) The Agency shall pursue efficiencies achieved
21 by combining with other approved vendor or designee
22 reporting.

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

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

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

1 (A) The current status and number of equity
2 eligible contractors listed in the Energy Workforce
3 Equity Database designed in subsection (c-25),
4 including the number of equity eligible contractors
5 with current certifications as issued by the Agency.

6 (B) A mechanism for measuring, tracking, and
7 reporting project workforce at the approved vendor or
8 designee level, as applicable, which shall include a
9 measurement methodology and records to be made
10 available for audit by the Agency or the Program
11 Administrator.

12 (C) A program for approved vendors, designees,
13 eligible persons, and equity eligible contractors to
14 receive trainings, guidance, and other support from
15 the Agency or its designee regarding the equity
16 category outlined in item (vi) of subparagraph (K) of
17 paragraph (1) of subsection (c) and in meeting the
18 minimum equity standards of this subsection (c-10).

19 (D) A process for certifying equity eligible
20 contractors and equity eligible persons. The
21 certification process shall coordinate with the Energy
22 Workforce Equity Database set forth in subsection
23 (c-25).

24 (E) An application for waiver of the minimum
25 equity standards of this subsection, which the Agency
26 shall have the discretion to grant in rare

1 circumstances. The Agency may grant such a waiver
2 where the applicant provides evidence of significant
3 efforts toward meeting the minimum equity commitment,
4 including: use of the Energy Workforce Equity
5 Database; efforts to hire or contract with entities
6 that hire eligible persons; and efforts to establish
7 contracting relationships with eligible contractors.
8 The Agency shall support applicants in understanding
9 the Energy Workforce Equity Database and other
10 resources for pursuing compliance of the minimum
11 equity standards. Waivers shall be project-specific,
12 unless the Agency deems it necessary to grant a waiver
13 across a portfolio of projects, and in effect for no
14 longer than one year. Any waiver extension or
15 subsequent waiver request from an applicant shall be
16 subject to the requirements of this Section and shall
17 specify efforts made to reach compliance. When
18 considering whether to grant a waiver, and to what
19 extent, the Agency shall consider the degree to which
20 similarly situated applicants have been able to meet
21 these minimum equity commitments. For repeated waiver
22 requests for specific lack of eligible persons or
23 eligible contractors available, the Agency shall make
24 recommendations to target recruitment to add such
25 eligible persons or eligible contractors to the
26 database.

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

9 As part of the reporting requirement under this
10 subparagraph (5), the Agency shall collect and report
11 information about the use of equity eligible contractors
12 and equity eligible persons, as well as Minimum Equity
13 Standard compliance and waiver usage on the Adjustable
14 Block program and utility-scale projects subject to
15 project labor agreements. The Agency shall note any
16 instances of the projects being unable to meet or
17 requiring a waiver to meet Minimum Equity Standard
18 requirements and the location of those projects.

19 On an annual basis, the Agency shall submit a written
20 summary of its findings on an annual basis to the General
21 Assembly and the Governor and shall make the report and
22 summary available on the Agency's website.

23 (6) The Agency shall keep confidential all information
24 and communication that provides private or personal
25 information.

26 (7) Modifications to the equity accountability system.

1 As part of the update of the long-term renewable resources
2 procurement plan to be initiated in 2023, or sooner if the
3 Agency deems necessary, the Agency shall determine the
4 extent to which the equity accountability system described
5 in this subsection (c-10) has advanced the goals of this
6 amendatory Act of the 102nd General Assembly, including
7 through the inclusion of equity eligible persons and
8 equity eligible contractors in renewable energy credit
9 projects. If the Agency finds that the equity
10 accountability system has failed to meet those goals to
11 its fullest potential, the Agency may revise the following
12 criteria for future Agency procurements: (A) the
13 percentage of project workforce, or other appropriate
14 workforce measure, certified as equity eligible persons or
15 equity eligible contractors; (B) definitions for equity
16 investment eligible persons and equity investment eligible
17 community; and (C) such other modifications necessary to
18 advance the goals of this amendatory Act of the 102nd
19 General Assembly effectively. Such revised criteria may
20 also establish distinct equity accountability systems for
21 different types of procurements or different regions of
22 the State if the Agency finds that doing so will further
23 the purposes of such programs. Revisions shall be
24 developed with stakeholder input, including from equity
25 eligible persons, equity eligible contractors, and
26 community-based organizations that work with such persons

1 and contractors.

2 (c-15) Racial discrimination elimination powers and
3 process.

4 (1) Purpose. It is the purpose of this subsection to
5 empower the Agency and other State actors to remedy racial
6 discrimination in Illinois' clean energy economy as
7 effectively and expediently as possible, including through
8 the use of race-conscious remedies, such as race-conscious
9 contracting and hiring goals, as consistent with State and
10 federal law.

11 (2) Racial disparity and discrimination review
12 process.

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

24 (B) As soon as is practicable thereafter, the
25 Agency, in consultation with the Department of
26 Commerce and Economic Opportunity, Department of

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

25 (c-20) Program data collection.

26 (1) Purpose. Data collection, data analysis, and

1 reporting are critical to ensure that the benefits of the
2 clean energy economy provided to Illinois residents and
3 businesses are equitably distributed across the State. The
4 Agency shall collect data from program applicants in order
5 to track and improve equitable distribution of benefits
6 across Illinois communities for all procurements the
7 Agency conducts. The Agency shall use this data to, among
8 other things, measure any potential impact of racial
9 discrimination on the distribution of benefits and provide
10 information necessary to correct any discrimination
11 through methods consistent with State and federal law.

12 (2) Agency collection of program data. The Agency
13 shall collect demographic and geographic data for each
14 entity awarded contracts under any Agency-administered
15 program.

16 (3) Required information to be collected. The Agency
17 shall collect the following information from applicants
18 and program participants where applicable:

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

24 (B) geographic location of the residency of real
25 persons employed, contracted, or subcontracted through
26 the program and geographic location of the

1 headquarters of the business or entity that applies to
2 receive renewable energy credits from the Agency; and

3 (C) any other information the Agency determines is
4 necessary for the purpose of achieving the purpose of
5 this subsection.

6 (4) Publication of collected information. The Agency
7 shall publish, at least annually, information on the
8 demographics of program participants on an aggregate
9 basis.

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

14 (c-25) Energy Workforce Equity Database.

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

25 (A) publicly accessible;

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

- 1 (C) organized by company specialty or field;
- 2 (D) region-specific; and
- 3 (E) populated with information including, but not
- 4 limited to, contacts for suppliers, vendors, or
- 5 subcontractors who are minority and women-owned
- 6 business enterprise certified or who participate or
- 7 have participated in any of the programs described in
- 8 this Act.

9 (2) The Agency shall create an easily accessible,

10 public facing online tool using the database information

11 that includes, at a minimum, the following:

12 (A) a map of environmental justice and equity

13 investment eligible communities;

14 (B) job postings and recruiting opportunities;

15 (C) a means by which recruiting clean energy

16 companies can find and interact with current or former

17 participants of clean energy workforce training

18 programs;

19 (D) information on workforce training service

20 providers and training opportunities available to

21 prospective workers;

22 (E) renewable energy company diversity reporting;

23 (F) a list of equity eligible contractors with

24 their contact information, types of work performed,

25 and locations worked in;

26 (G) reporting on outcomes of the programs

1 described in the workforce programs of the Energy
2 Transition Act, including information such as, but not
3 limited to, retention rate, graduation rate, and
4 placement rates of trainees; and

5 (H) information about the Jobs and Environmental
6 Justice Grant Program, the Clean Energy Jobs and
7 Justice Fund, and other sources of capital.

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

17 (c-30) Enforcement of minimum equity standards. All
18 entities seeking renewable energy credits must submit an
19 annual report to demonstrate compliance with each of the
20 equity commitments required under subsection (c-10). If the
21 Agency concludes the entity has not met or maintained its
22 minimum equity standards required under the applicable
23 subparagraphs under subsection (c-10), the Agency shall deny
24 the entity's ability to participate in procurement programs in
25 subsection (c), including by withholding approved vendor or
26 designee status. The Agency may require the entity to enter

1 into a corrective action plan. An entity that is not
2 recertified for failing to meet required equity actions in
3 subparagraph (c-10) may reapply once they have a corrective
4 action plan and achieve compliance with the minimum equity
5 standards.

6 (d) Clean coal portfolio standard.

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

1 the initial clean coal facility, 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.

5 A utility party to a sourcing agreement shall
6 immediately retire any emission credits that it receives
7 in connection with the electricity covered by such
8 agreement.

9 Utilities shall maintain adequate records documenting
10 the purchases under the sourcing agreement to comply with
11 this subsection (d) and shall file an accounting with the
12 load forecast that must be filed with the Agency by July 15
13 of each year, in accordance with subsection (d) of Section
14 16-111.5 of the Public Utilities Act.

15 A utility shall be deemed to have complied with the
16 clean coal portfolio standard specified in this subsection
17 (d) if the utility enters into a sourcing agreement as
18 required by this subsection (d).

19 (2) For purposes of this subsection (d), the required
20 execution of sourcing agreements with the initial clean
21 coal facility for a particular year shall be measured as a
22 percentage of the actual amount of electricity
23 (megawatt-hours) supplied by the electric utility to
24 eligible retail customers in the planning year ending
25 immediately prior to the agreement's execution. For
26 purposes of this subsection (d), the amount paid per

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

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

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

18 (B) in 2011, the greater of an additional 0.5% of
19 the amount paid per kilowatthour by those customers
20 during the year ending May 31, 2010 or 1% of the amount
21 paid per kilowatthour by those customers during the
22 year ending May 31, 2009;

23 (C) in 2012, the greater of an additional 0.5% of
24 the amount paid per kilowatthour by those customers
25 during the year ending May 31, 2011 or 1.5% of the
26 amount paid per kilowatthour by those customers during

1 the year ending May 31, 2009;

2 (D) in 2013, the greater of an additional 0.5% of
3 the amount paid per kilowatthour by those customers
4 during the year ending May 31, 2012 or 2% of the amount
5 paid per kilowatthour by those customers during the
6 year ending May 31, 2009; and

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

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

1 sourcing agreements.

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

24 (A) a formula contractual price (the "contract
25 price") approved pursuant to paragraph (4) of this
26 subsection (d), which shall:

1 (i) be determined using a cost of service
2 methodology employing either a level or deferred
3 capital recovery component, based on a capital
4 structure consisting of 45% equity and 55% debt,
5 and a return on equity as may be approved by the
6 Federal Energy Regulatory Commission, which in any
7 case may not exceed the lower of 11.5% or the rate
8 of return approved by the General Assembly
9 pursuant to paragraph (4) of this subsection (d);
10 and

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

1 (B) power purchase provisions, which shall:

2 (i) provide that the utility party to such
3 sourcing agreement shall pay the contract price
4 for electricity delivered under such sourcing
5 agreement;

6 (ii) require delivery of electricity to the
7 regional transmission organization market of the
8 utility that is party to such sourcing agreement;

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

1 provided that the amount purchased by the utility
2 in any year will be limited by paragraph (2) of
3 this subsection (d); and

4 (iv) be considered pre-existing contracts in
5 such utility's procurement plans for eligible
6 retail customers;

7 (C) contract for differences provisions, which
8 shall:

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

1 of Section 16-115 of the Public Utilities Act,
2 provided that the amount paid by the utility in
3 any year will be limited by paragraph (2) of this
4 subsection (d);

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

23 (iii) not require the utility to take physical
24 delivery of the electricity produced by the
25 facility;

26 (D) general provisions, which shall:

1 (i) specify a term of no more than 30 years,
2 commencing on the commercial operation date of the
3 facility;

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

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

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

25 (v) require the owner of the initial clean
26 coal facility to provide documentation to the

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

1 associated with sequestration of carbon from the
2 facility must be permanently retired. The initial
3 clean coal facility shall not forfeit its
4 designation as a clean coal facility if the
5 facility fails to fully comply with the applicable
6 carbon sequestration requirements in any given
7 year, provided the requisite offsets are
8 purchased. However, the Attorney General, on
9 behalf of the People of the State of Illinois, may
10 specifically enforce the facility's sequestration
11 requirement and the other terms of this contract
12 provision. Compliance with the sequestration
13 requirements and offset purchase requirements
14 specified in paragraph (3) of this subsection (d)
15 shall be reviewed annually by an independent
16 expert retained by the owner of the initial clean
17 coal facility, with the advance written approval
18 of the Attorney General. The Commission may, in
19 the course of the review specified in item (vii),
20 reduce the allowable return on equity for the
21 facility if the facility willfully fails to comply
22 with the carbon capture and sequestration
23 requirements set forth in this item (v);

24 (vi) include limits on, and accordingly
25 provide for modification of, the amount the
26 utility is required to source under the sourcing

1 agreement consistent with paragraph (2) of this
2 subsection (d);

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

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

25 (ix) limit the utility's or alternative retail
26 electric supplier's obligation to incur any

1 liability until such time as the facility is in
2 commercial operation and generating power and
3 energy and such power and energy is being
4 delivered to the facility busbar;

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

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

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

25 (xiii) conform with customary lender
26 requirements in power purchase agreements used as

1 the basis for financing non-utility generators.

2 (4) Effective date of sourcing agreements with the
3 initial clean coal facility. Any proposed sourcing
4 agreement with the initial clean coal facility shall not
5 become effective unless the following reports are prepared
6 and submitted and authorizations and approvals obtained:

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

20 (ii) Commission report. Within 6 months following
21 receipt of the facility cost report, the Commission,
22 in consultation with the Agency, shall submit a report
23 to the General Assembly setting forth its analysis of
24 the facility cost report. Such report shall include,
25 but not be limited to, a comparison of the costs
26 associated with electricity generated by the initial

1 clean coal facility to the costs associated with
2 electricity generated by other types of generation
3 facilities, an analysis of the rate impacts on
4 residential and small business customers over the life
5 of the sourcing agreements, and an analysis of the
6 likelihood that the initial clean coal facility will
7 commence commercial operation by and be delivering
8 power to the facility's busbar by 2016. To assist in
9 the preparation of its report, the Commission, in
10 consultation with the Agency, may hire one or more
11 experts or consultants, the costs of which shall be
12 paid for by the owner of the initial clean coal
13 facility. The Commission and Agency may begin the
14 process of selecting such experts or consultants prior
15 to receipt of the facility cost report.

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

1 (iv) Commission review. If the General Assembly
2 enacts authorizing legislation pursuant to
3 subparagraph (iii) approving a sourcing agreement, the
4 Commission shall, within 90 days of such enactment,
5 complete a review of such sourcing agreement. During
6 such time period, the Commission shall implement any
7 directive of the General Assembly, resolve any
8 disputes between the parties to the sourcing agreement
9 concerning the terms of such agreement, approve the
10 form of such agreement, and issue an order finding
11 that the sourcing agreement is prudent and reasonable.
12 The facility cost report shall be prepared as follows:

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

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

1 systems.

2 (ii) an estimate of the capital cost of the
3 balance of the plant, including any capital costs
4 associated with sequestration of carbon dioxide
5 emissions and all interconnects and interfaces
6 required to operate the facility, such as
7 transmission of electricity, construction or
8 backfeed power supply, pipelines to transport
9 substitute natural gas or carbon dioxide, potable
10 water supply, natural gas supply, water supply,
11 water discharge, landfill, access roads, and coal
12 delivery.

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

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

1 (C) The facility cost report shall also include an
2 operating and maintenance cost quote that will provide
3 the estimated cost of delivered fuel, personnel,
4 maintenance contracts, chemicals, catalysts,
5 consumables, spares, and other fixed and variable
6 operations and maintenance costs. The delivered fuel
7 cost estimate will be provided by a recognized third
8 party expert or experts in the fuel and transportation
9 industries. The balance of the operating and
10 maintenance cost quote, excluding delivered fuel
11 costs, will be developed based on the inputs provided
12 by duly licensed engineering and construction firms
13 performing the construction cost quote, potential
14 vendors under long-term service agreements and plant
15 operating agreements, or recognized third party plant
16 operator or operators.

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

25 (D) The facility cost report shall also include an
26 analysis of the initial clean coal facility's ability

1 to deliver power and energy into the applicable
2 regional transmission organization markets and an
3 analysis of the expected capacity factor for the
4 initial clean coal facility.

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

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

1 agreements, the contract price for electricity sales shall
2 be established on a cost of service basis. In the case of
3 sourcing agreements that are contracts for differences,
4 the contract price from which the reference price is
5 subtracted shall be established on a cost of service
6 basis. The Agency and the Commission may approve any such
7 utility sourcing agreements that do not exceed cost-based
8 benchmarks developed by the procurement administrator, in
9 consultation with the Commission staff, Agency staff and
10 the procurement monitor, subject to Commission review and
11 approval. The Commission shall have authority to inspect
12 all books and records associated with these clean coal
13 facilities during the term of any such contract.

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

20 (d-5) Zero emission standard.

21 (1) Beginning with the delivery year commencing on
22 June 1, 2017, the Agency shall, for electric utilities
23 that serve at least 100,000 retail customers in this
24 State, procure contracts with zero emission facilities
25 that are reasonably capable of generating cost-effective
26 zero emission credits in an amount approximately equal to

1 16% of the actual amount of electricity delivered by each
2 electric utility to retail customers in the State during
3 calendar year 2014. For an electric utility serving fewer
4 than 100,000 retail customers in this State that
5 requested, under Section 16-111.5 of the Public Utilities
6 Act, that the Agency procure power and energy for all or a
7 portion of the utility's Illinois load for the delivery
8 year commencing June 1, 2016, the Agency shall procure
9 contracts with zero emission facilities that are
10 reasonably capable of generating cost-effective zero
11 emission credits in an amount approximately equal to 16%
12 of the portion of power and energy to be procured by the
13 Agency for the utility. The duration of the contracts
14 procured under this subsection (d-5) shall be for a term
15 of 10 years ending May 31, 2027. The quantity of zero
16 emission credits to be procured under the contracts shall
17 be all of the zero emission credits generated by the zero
18 emission facility in each delivery year; however, if the
19 zero emission facility is owned by more than one entity,
20 then the quantity of zero emission credits to be procured
21 under the contracts shall be the amount of zero emission
22 credits that are generated from the portion of the zero
23 emission facility that is owned by the winning supplier.

24 The 16% value identified in this paragraph (1) is the
25 average of the percentage targets in subparagraph (B) of
26 paragraph (1) of subsection (c) of this Section for the 5

1 delivery years beginning June 1, 2017.

2 The procurement process shall be subject to the
3 following provisions:

4 (A) Those zero emission facilities that intend to
5 participate in the procurement shall submit to the
6 Agency the following eligibility information for each
7 zero emission facility on or before the date
8 established by the Agency:

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

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

17 (iii) the annual zero emission facility cost
18 projections, expressed on a per megawatthour
19 basis, over the next 6 delivery years, which shall
20 include the following: operation and maintenance
21 expenses; fully allocated overhead costs, which
22 shall be allocated using the methodology developed
23 by the Institute for Nuclear Power Operations;
24 fuel expenditures; non-fuel capital expenditures;
25 spent fuel expenditures; a return on working
26 capital; the cost of operational and market risks

1 that could be avoided by ceasing operation; and
2 any other costs necessary for continued
3 operations, provided that "necessary" means, for
4 purposes of this item (iii), that the costs could
5 reasonably be avoided only by ceasing operations
6 of the zero emission facility; and

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

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

24 (B) The price for each zero emission credit
25 procured under this subsection (d-5) for each delivery
26 year shall be in an amount that equals the Social Cost

1 of Carbon, expressed on a price per megawatthour
2 basis. However, to ensure that the procurement remains
3 affordable to retail customers in this State if
4 electricity prices increase, the price in an
5 applicable delivery year shall be reduced below the
6 Social Cost of Carbon by the amount ("Price
7 Adjustment") by which the market price index for the
8 applicable delivery year exceeds the baseline market
9 price index for the consecutive 12-month period ending
10 May 31, 2016. If the Price Adjustment is greater than
11 or equal to the Social Cost of Carbon in an applicable
12 delivery year, then no payments shall be due in that
13 delivery year. The components of this calculation are
14 defined as follows:

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

1 (ii) Baseline market price index: The baseline
2 market price index for the consecutive 12-month
3 period ending May 31, 2016 is \$31.40 per
4 megawatthour, which is based on the sum of (aa)
5 the average day-ahead energy price across all
6 hours of such 12-month period at the PJM
7 Interconnection LLC Northern Illinois Hub, (bb)
8 50% multiplied by the Base Residual Auction, or
9 its successor, capacity price for the rest of the
10 RTO zone group determined by PJM Interconnection
11 LLC, divided by 24 hours per day, and (cc) 50%
12 multiplied by the Planning Resource Auction, or
13 its successor, capacity price for Zone 4
14 determined by the Midcontinent Independent System
15 Operator, Inc., divided by 24 hours per day.

16 (iii) Market price index: The market price
17 index for a delivery year shall be the sum of
18 projected energy prices and projected capacity
19 prices determined as follows:

20 (aa) Projected energy prices: the
21 projected energy prices for the applicable
22 delivery year shall be calculated once for the
23 year using the forward market price for the
24 PJM Interconnection, LLC Northern Illinois
25 Hub. The forward market price shall be
26 calculated as follows: the energy forward

1 prices for each month of the applicable
2 delivery year averaged for each trade date
3 during the calendar year immediately preceding
4 that delivery year to produce a single energy
5 forward price for the delivery year. The
6 forward market price calculation shall use
7 data published by the Intercontinental
8 Exchange, or its successor.

9 (bb) Projected capacity prices:

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

1 Inc.

2 (II) For the delivery year commencing
3 June 1, 2020, and each year thereafter,
4 the projected capacity price shall be
5 equal to the sum of (1) 50% multiplied by
6 the Base Residual Auction, or its
7 successor, price for the ComEd zone as
8 determined by PJM Interconnection LLC,
9 divided by 24 hours per day, and (2) 50%
10 multiplied by the resource auction price
11 determined in the resource auction
12 administered by the Midcontinent
13 Independent System Operator, Inc., in
14 which the largest percentage of load
15 cleared for Local Resource Zone 4, divided
16 by 24 hours per day, and where such price
17 is determined by the Midcontinent
18 Independent System Operator, Inc.

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

20 "Rest of the RTO" and "ComEd Zone" shall have
21 the meaning ascribed to them by PJM
22 Interconnection, LLC.

23 "RTO" means regional transmission
24 organization.

25 (C) No later than 45 days after June 1, 2017 (the
26 effective date of Public Act 99-906), the Agency shall

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

22 For purposes of developing the plan, the Agency
23 shall consider any reports issued by a State agency,
24 board, or commission under House Resolution 1146 of
25 the 98th General Assembly and paragraph (4) of
26 subsection (d) of this Section, as well as publicly

1 available analyses and studies performed by or for
2 regional transmission organizations that serve the
3 State and their independent market monitors.

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

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

26 (C-5) As part of the Commission's review and

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

4 (i) identify how the winning bids satisfy the
5 public interest criteria described in subparagraph
6 (C) of this paragraph (1) of minimizing carbon
7 dioxide emissions that result from electricity
8 consumed in Illinois and minimizing sulfur
9 dioxide, nitrogen oxide, and particulate matter
10 emissions that adversely affect the citizens of
11 this State;

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

21 (iii) quantify the environmental benefit of
22 preserving the resources identified in item (ii)
23 of this subparagraph (C-5), including the
24 following:

25 (aa) the value of avoided greenhouse gas
26 emissions measured as the product of the zero

1 emission facilities' output over the contract
2 term multiplied by the U.S. Environmental
3 Protection Agency eGrid subregion carbon
4 dioxide emission rate and the U.S. Interagency
5 Working Group on Social Cost of Carbon's price
6 in the August 2016 Technical Update using a 3%
7 discount rate, adjusted for inflation for each
8 delivery year; and

9 (bb) the costs of replacement with other
10 zero carbon dioxide resources, including wind
11 and photovoltaic, based upon the simple
12 average of the following:

13 (I) 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 wind projects in the
17 procurement events specified in item (i)
18 of subparagraph (G) of paragraph (1) of
19 subsection (c) of this Section; and

20 (II) the price, or if there is more
21 than one price, the average of the prices,
22 paid for renewable energy credits from new
23 utility-scale solar projects and
24 brownfield site photovoltaic projects in
25 the procurement events specified in item
26 (ii) of subparagraph (G) of paragraph (1)

1 of subsection (c) of this Section and,
2 after January 1, 2015, renewable energy
3 credits from photovoltaic distributed
4 generation projects in procurement events
5 held under subsection (c) of this Section.

6 Each utility shall enter into binding contractual
7 arrangements with the winning suppliers.

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

26 (D) Following the procurement event described in

1 this paragraph (1) and consistent with subparagraph
2 (B) of this paragraph (1), the Agency shall calculate
3 the payments to be made under each contract for the
4 next delivery year based on the market price index for
5 that delivery year. The Agency shall publish the
6 payment calculations no later than May 25, 2017 and
7 every May 25 thereafter.

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

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

1 could not reasonably have been expected to avoid,
2 and which, by the exercise of commercially
3 reasonable efforts, it has been unable to
4 overcome. In such event, the zero emission
5 facility shall be excused from performance for the
6 duration of the event, including, but not limited
7 to, delivery of zero emission credits, and no
8 payment shall be due to the zero emission facility
9 during the duration of the event.

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

23 (iii) A zero emission facility shall be
24 permitted to terminate the contract in the event
25 that the resource requires capital expenditures in
26 excess of \$40,000,000 that were neither known nor

1 reasonably foreseeable at the time it executed the
2 contract and that a prudent owner or operator of
3 such resource would not undertake.

4 (iv) A zero emission facility shall be
5 permitted to terminate the contract in the event
6 the Nuclear Regulatory Commission terminates the
7 resource's license.

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

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

24 Notwithstanding the requirements of this subsection
25 (d-5), the contracts executed under this subsection (d-5)
26 shall provide that the total of zero emission credits

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

1 determination as to the amount of zero emission credits to
2 be paid is made based on the calculations set forth in this
3 paragraph (2), no subsequent rate impact determinations
4 shall be made and no adjustments to those contract amounts
5 shall be allowed. All costs incurred under those contracts
6 and in implementing this subsection (d-5) shall be
7 recovered by the electric utility as provided in this
8 Section.

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

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

1 credited back to the utility under this paragraph (3). If
2 the Agency determines that the actual zero emission credit
3 payments received by the supplier over the relevant period
4 exceed the Average ZEC Payment, then the supplier shall
5 credit the difference back to the utility. The amount of
6 the credit shall be remitted to the applicable electric
7 utility no later than 120 days after the Agency's
8 determination, which the utility shall reflect as a credit
9 on its retail customer bills as soon as practicable;
10 however, the credit remitted to the utility shall not
11 exceed the total amount of payments received by the
12 facility under its contract.

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

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

24 (B) The average of the market price indices, as
25 defined in subparagraph (B) of paragraph (1) of this
26 subsection (d-5), during the term of the contract,

1 minus the baseline market price index, as defined in
2 subparagraph (B) of paragraph (1) of this subsection
3 (d-5).

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

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

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

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

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

24 (d-10) Nuclear Plant Assistance; carbon mitigation
25 credits.

26 (1) The General Assembly finds:

1 (A) The health, welfare, and prosperity of all
2 Illinois citizens require that the State of Illinois act
3 to avoid and not increase carbon emissions from electric
4 generation sources while continuing to ensure affordable,
5 stable, and reliable electricity to all citizens.

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

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

21 (D) The clean energy attributes of nuclear generation
22 facilities support the State in its efforts to achieve
23 100% clean energy.

24 (E) The State currently invests in various forms of
25 clean energy, including, but not limited to, renewable
26 energy, energy efficiency, and low-emission vehicles,

1 among others.

2 (F) The Environmental Protection Agency commissioned
3 an independent audit which provided a detailed assessment
4 of the financial condition of the Illinois nuclear fleet
5 to evaluate its financial viability and whether the
6 environmental benefits of such resources were at risk. The
7 report identified the risk of losing the environmental
8 benefits of several specific nuclear units. The report
9 also identified that the LaSalle County Generating Station
10 will continue to operate through 2026 and therefore is not
11 eligible to participate in the carbon mitigation credit
12 program.

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

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

24 (I) The General Assembly therefore finds it necessary
25 to establish carbon mitigation credits to ensure decreased
26 reliance on more carbon-intensive energy resources, for

1 transitioning to a fully decarbonized electricity sector,
2 and to help ensure health and welfare of the State's
3 residents.

4 (2) As used in this subsection:

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

19 "Carbon mitigation credit" means a tradable credit that
20 represents the carbon emission reduction attributes of one
21 megawatt-hour of energy produced from a carbon-free energy
22 resource.

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

26 (3) Procurement.

1 (A) Beginning with the delivery year commencing on
2 June 1, 2022, the Agency shall, for electric utilities
3 serving at least 3,000,000 retail customers in the State,
4 seek to procure contracts for no more than approximately
5 54,500,000 cost-effective carbon mitigation credits from
6 carbon-free energy resources because such credits are
7 necessary to support current levels of carbon-free energy
8 generation and ensure the State meets its carbon dioxide
9 emissions reduction goals. The Agency shall not make a
10 partial award of a contract for carbon mitigation credits
11 covering a fractional amount of a carbon-free energy
12 resource's projected output.

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

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

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

22 (iii) a commitment to be reflected in any contract
23 entered into pursuant to this subsection (d-10) to
24 continue operating the carbon-free energy resource at
25 a capacity factor of at least 88% annually on average
26 for the duration of the contract or contracts executed

1 under the procurement held under this subsection
2 (d-10), except in an instance described in
3 subparagraph (E) of paragraph (1) of subsection (d-5)
4 of this Section or made impracticable as a result of
5 compliance with law or regulation;

6 (iv) financial need and the risk of loss of the
7 environmental benefits of such resource, which shall
8 include the following information:

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

25 (II) the carbon-free energy resource's revenue
26 projections, including energy, capacity, ancillary

1 services, any other direct State support, known or
2 anticipated federal attribute credits, known or
3 anticipated tax credits, and any other direct
4 federal support.

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

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

22 (i) Contracts are for delivery of carbon
23 mitigation credits, and are not energy or capacity
24 sales contracts requiring physical delivery. Pursuant
25 to item (iii), contract payments shall fully deduct
26 the value of any monetized federal production tax

1 credits, credits issued pursuant to a federal clean
2 energy standard, and other federal credits if
3 applicable.

4 (ii) Contracts for carbon mitigation credits shall
5 commence with the delivery year beginning on June 1,
6 2022 and shall be for a term of 5 delivery years
7 concluding on May 31, 2027.

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

11 (I) one of the following energy price indices,
12 selected by the bidder at the time of the bid for
13 the term of the contract:

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

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

25 (II) the Base Residual Auction Capacity Price
26 for the ComEd zone as determined by PJM

1 Interconnection, LLC, divided by 24 hours per day,
2 for the applicable delivery year for the first 3
3 delivery years, and then any subsequent delivery
4 years unless the PJM Interconnection, LLC applies
5 the Minimum Offer Price Rule to participating
6 carbon-free energy resources because they supply
7 carbon mitigation credits pursuant to this Section
8 at which time, upon notice by the carbon-free
9 energy resource to the Commission and subject to
10 the Commission's confirmation, the value under
11 this subitem shall be zero, as further described
12 in the carbon mitigation credit procurement plan;
13 and

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

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

26 To protect retail customers from retail rate

1 impacts that may arise upon the initiation of carbon
2 policy changes, if the price-per-megawatt-hour
3 calculation performed under item (iii) of this
4 subparagraph (C) for a given delivery year results in
5 a net negative value, then the supplier counterparty
6 to the contract shall multiply such net value by the
7 applicable contract quantity and remit such amount to
8 the electric utility counterparty. The electric
9 utility shall reflect such amounts remitted by
10 suppliers as a credit on its retail customer bills as
11 soon as practicable.

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

19 The baseline costs for the applicable year shall
20 be the following:

21 (I) For the delivery year beginning June 1,
22 2022, the baseline costs shall be an amount equal
23 to \$30.30 per megawatt-hour.

24 (II) For the delivery year beginning June 1,
25 2023, the baseline costs shall be an amount equal
26 to \$32.50 per megawatt-hour.

1 (III) For the delivery year beginning June 1,
2 2024, the baseline costs shall be an amount equal
3 to \$33.43 per megawatt-hour.

4 (IV) For the delivery year beginning June 1,
5 2025, the baseline costs shall be an amount equal
6 to \$33.50 per megawatt-hour.

7 (V) For the delivery year beginning June 1,
8 2026, the baseline costs shall be an amount equal
9 to \$34.50 per megawatt-hour.

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

20 Although actual energy and capacity prices may
21 vary from year-to-year, the General Assembly finds
22 that this customer protection cap will help ensure
23 that the cost of carbon mitigation credits will be
24 less than its value, based upon the social cost of
25 carbon identified in the Technical Support Document
26 issued in February 2021 by the U.S. Interagency

1 Working Group on Social Cost of Greenhouse Gases and
2 the PJM Interconnection, LLC carbon dioxide marginal
3 emission rate for 2020, and that a carbon-free energy
4 resource receiving payment for carbon mitigation
5 credits receives no more than necessary to keep those
6 units in operation.

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

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

21 (E) If the Commission determines that the plan is
22 likely to result in the procurement of cost-effective
23 carbon mitigation credits, then the Commission shall,
24 after notice and hearing and opportunity for comment, but
25 no later than 42 days after the Agency filed the plan,
26 approve the plan or approve it with modification. For

1 purposes of this subsection (d-10), "cost-effective" means
2 carbon mitigation credits that are procured from
3 carbon-free energy resources at prices that are within the
4 limits specified in this paragraph (3). As part of the
5 Commission's review and acceptance or rejection of the
6 procurement results, the Commission shall, in its public
7 notice of successful bidders:

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

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

24 (iii) quantify the environmental benefit of
25 preserving the carbon-free energy resources procured
26 pursuant to this subsection (d-10), including the

1 following:

2 (I) an assessment value of avoided greenhouse
3 gas emissions measured as the product of the
4 carbon-free energy resources' output over the
5 contract term, using generally accepted
6 methodologies for the valuation of avoided
7 emissions; and

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

18 (F) The procurements described in this paragraph (3),
19 including, but not limited to, the execution of all
20 contracts procured, shall be completed no later than
21 December 3, 2021. The procurement and plan approval
22 processes required by this paragraph (3) shall be
23 conducted in conjunction with the procurement and plan
24 approval processes required by Section 16-111.5 of the
25 Public Utilities Act, to the extent practicable. However,
26 the Agency and Commission may, as appropriate, modify the

1 various dates and timelines under this subparagraph and
2 subparagraphs (D) and (E) of this paragraph (3) to meet
3 the December 3, 2021 contract execution deadline.
4 Following the completion of such procurements, and
5 consistent with this paragraph (3), the Agency shall
6 calculate the payments to be made under each contract in a
7 timely fashion.

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

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

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

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

23 (d-20) Energy storage system portfolio standard.

24 (1) The General Assembly finds that the deployment of
25 energy storage systems is necessary to successfully
26 integrate high levels of renewable energy, to avoid the

1 creation and increase of carbon emissions from electric
2 generation sources, and to ensure affordable, stable,
3 clean, reliable, and resilient electricity.

4 (2) The Agency shall develop an energy storage system
5 resources procurement plan that includes the competitive
6 procurement events, procurement programs, or both, as
7 necessary (i) to meet the goals set forth in this
8 subsection (d-20), (ii) to meet the planning requirements
9 established under Sections 16-201 and 16-202 of the Public
10 Utilities Act, (iii) to meet the clean energy policy
11 established by Public Act 102-662, and (iv) to cause
12 electric utilities serving more than 300,000 customers in
13 the State as of January 1, 2019 to contract for energy
14 storage resources. The energy storage system resources
15 procurement plan approval processes shall be conducted
16 consistent with the processes outlined in paragraph (6) of
17 subsection (b) of Section 16-111.5 of the Public Utilities
18 Act, with the initial energy storage system resources
19 procurement plan released for comment in calendar year
20 2027. The Agency shall review and may revise the energy
21 storage system resources procurement plan at least every 2
22 years. The Agency shall establish, and the Commission
23 shall approve or approve as modified, an energy storage
24 system resources procurement plan that includes:

25 (A) storage targets in addition to the initial
26 procurements specified in paragraph (3) of this

1 subsection (d-20) at levels identified through the
2 integrated resource planning process outlined in
3 Section 16-202 of the Public Utilities Act;

4 (B) a bid selection process that is based on the
5 bid price, when compared with an equal energy storage
6 duration and interconnected to the same independent
7 system operator (ISO) or regional transmission
8 organization (RTO), and that may provide for
9 consideration of the following:

10 (i) the project's viability and ability to
11 meet or exceed operational date targets;

12 (ii) the developer's experience;

13 (iii) requirements for demonstration of
14 binding site control that are sufficient for
15 proposed energy storage facilities;

16 (iv) the availability or dependence on any
17 transmission expansion or upgrades needed; and

18 (v) other resource adequacy and reliability
19 considerations;

20 (C) consideration of the need to ensure adequate,
21 reliable, affordable, efficient, and environmentally
22 sustainable electric service at the lowest total cost
23 over time;

24 (D) proposals for the financial support of energy
25 storage systems using contract models, which may
26 include, but are not limited to, the following:

1 (i) an indexed storage credit procurement,
2 including payments to energy storage system owners
3 or operators with any offsets and refunds for
4 potential energy and capacity revenues;

5 (ii) support for energy storage system
6 resources through contract structures that do not
7 create contractual obligations on utilities that
8 are not contingent on full and timely cost
9 recovery, that avoid negative financial impacts on
10 the utilities, and that are agreed upon by the
11 utilities; and

12 (iii) other approaches as deemed suitable by
13 the Agency and the Commission; and

14 (E) consideration that the Agency may include a
15 methodology that could prioritize procurement of
16 energy storage resources that are located in
17 communities eligible to receive Energy Transition
18 Community Grants pursuant to Section 10-20 of the
19 Energy Community Reinvestment Act.

20 In developing its procurement plan and conducting the
21 storage procurements outlined in this paragraph (2) and in
22 paragraph (3), the Agency may use the services of expert
23 consulting firms identified in paragraphs (1) and (2) of
24 subsection (a) of this Section.

25 (3) Notwithstanding whether an energy storage system
26 resources procurement plan has been approved, the

1 following provisions shall apply to the Agency's initial
2 procurement of energy storage system resources under this
3 subsection (d-20):

4 (A) The Agency shall conduct an initial energy
5 storage procurement on or before August 26, 2026 or 90
6 days after the effective date of this amendatory Act
7 of the 104th General Assembly, whichever is earlier.
8 For the purposes of this initial energy storage
9 procurement, the Agency shall conduct a procurement
10 that results in electric utilities that served more
11 than 300,000 customers in the State as of January 1,
12 2019 contracting for at least 1,038 megawatts of
13 cost-effective stand-alone energy storage systems that
14 can achieve commercial operation on or before December
15 31, 2029 or an alternative date proposed by the Agency
16 that is no later than December 31, 2030. The
17 procurement target shall be separated for projects
18 interconnected within Midcontinent Independent System
19 Operator Local Resource Zone 4 (MISO Zone 4) and for
20 projects interconnected within the PJM
21 Interconnection, LLC ComEd Locational Deliverability
22 Area (PJM ComEd Area) as follows:

23 (i) 450 megawatts in MISO Zone 4; and

24 (ii) 588 megawatts in the PJM ComEd Area.

25 For purposes of this subsection (d-20),
26 "stand-alone" means systems that are (i) separately

1 metered by a revenue-quality meter that satisfies the
2 requirements of the RTO; (ii) operate independently
3 without constraints or hindrances from other
4 generation units; and (iii) demonstrate the ability to
5 charge and discharge independent of any generation
6 unit output.

7 (B) The Agency shall conduct a series of
8 additional energy storage procurements that result in
9 electric utilities contracting for energy storage
10 resources in an amount of 3,000 megawatts of
11 cumulative energy storage capacity for projects
12 committed to reaching commercial operation on or
13 before December 31, 2030, or an alternative date
14 proposed by the Agency, subject to extension for a
15 delay due to interconnection of the energy storage
16 system, a delay in obtaining permits necessary to
17 build or operate the energy storage system, or other
18 circumstances at the discretion of the Agency.

19 The additional energy storage resources
20 procurements shall be conducted in calendar years 2027
21 and 2028 in a manner that ensures the quantities
22 listed in this subparagraph (B), and as updated in the
23 integrated resource plan approved by the Commission
24 pursuant to Section 16-201 of the Public Utilities
25 Act, are met in the specified timeframe. To the extent
26 the integrated resource planning process outlined in

1 Section 16-202 of the Public Utilities Act authorizes
2 energy storage system procurement amounts above the
3 amount identified in this subparagraph (B), the Agency
4 shall conduct additional energy storage procurements
5 in 2028, 2029, 2030, and thereafter that result in
6 electric utilities contracting for energy storage
7 resources at those additional identified levels. The
8 procurements shall be conducted in a manner that
9 maximizes projects available in the MISO and PJM
10 queues, ensures the likelihood of project development
11 through the development of project maturity
12 requirements, enables sufficient competition for price
13 competitiveness, and aligns to the extent practicable
14 with regional transmission organization study phases.
15 The procurements shall select projects interconnected
16 to MISO Zone 4 and the PJM ComEd Area and shall follow
17 either (i) a similar geographic split to the ratio of
18 quantities established in subparagraph (A) of this
19 paragraph (3), (ii) an alternative geographic split
20 proposed by the Agency based on project availability
21 in advanced stages of the MISO and PJM queues, or (iii)
22 that is informed by MISO and PJM planning activities,
23 auctions, or reports that indicate capacity resource
24 shortages or impending shortages and that reflect the
25 assessments made through the processes outlined in
26 subparagraph (A) of paragraph (2). The additional

1 energy storage capacity procurements may be adjusted
2 upward if determined necessary through the planning
3 process outlined in Section 16-201 of the Public
4 Utilities Act at times determined by the Commission.

5 (C) The initial energy storage resources
6 procurement under subparagraph (A) of this paragraph
7 (3) shall adopt a standard indexed storage credit
8 contract modeled after the contract and follow a
9 process modeled after the process included in the
10 staff report submitted to the Governor, General
11 Assembly, and Commission pursuant to subsection (g) of
12 Section 16-135 of the Public Utilities Act on May 1,
13 2025. In developing the procurement rules and
14 procurement process for the initial procurement, the
15 Agency shall provide an opportunity for comment on the
16 indexed storage credit contract included in the May 1,
17 2025 staff report and shall adopt modifications to the
18 contract consistent with the process outlined in
19 paragraph (2) of subsection (e) of Section 16-111.5 of
20 the Public Utilities Act.

21 (D) For the additional energy storage resources
22 procurements conducted in accordance with subparagraph
23 (B) of this paragraph (3), the Agency may, among other
24 considerations, consider other contract structures if
25 such contract structures and agreements do not create
26 contractual obligations on utilities that are not

1 contingent on full and timely cost recovery, avoid
2 negative financial impacts on the utilities, and are
3 agreed upon by the participating utility.

4 (E) The initial and additional energy storage
5 resources procurements under this paragraph (3) shall
6 solicit 20-year contracts.

7 (F) The Agency shall submit its proposed selection
8 of successful bids for each procurement event pursuant
9 to paragraphs (2) and (3) to the Commission for
10 approval consistent with the processes outlined in
11 Section 16-111.5 of the Public Utilities Act to the
12 extent practicable.

13 (4) The energy storage system resources procurement
14 plans developed by the Agency may consider alternatives to
15 the initial and additional procurement terms described in
16 paragraph (3) of this subsection (d-20), including, but
17 not limited to:

18 (A) alternatives to the standard indexed storage
19 credit contract used in the initial terms described in
20 subparagraph (C) of paragraph (3) of this subsection
21 (d-20);

22 (B) energy storage systems that are not
23 stand-alone;

24 (C) proportionate allocations between MISO Zone 4
25 and the PJM ComEd Area that are not based upon load
26 share, including allocations reflecting the

1 assessments made through the processes outlined in
2 subparagraph (A) of paragraph (2);

3 (D) contract lengths other than 20 years;

4 (E) energy storage system durations other than 4
5 hours; and

6 (F) energy storage systems connected to the
7 distribution systems of the electric utilities.

8 The Agency may propose specific timelines for energy
9 storage system resources procurements, which may differ
10 across RTO zones, that are based in part upon a
11 consideration of (i) the timing of the release of
12 interconnection cost information through both MISO and PJM
13 interconnection queue processes, (ii) factors that
14 maximize the likelihood of successful project development,
15 (iii) enabling sufficient competition for price
16 competitiveness, and (iv) aligning to the extent
17 practicable with RTO study phases.

18 (5) The Agency shall procure cost-effective energy
19 storage credits or other contract instruments intended to
20 facilitate the successful development of energy storage
21 projects. The procurement administrator shall establish
22 confidential price benchmarks based on publicly available
23 data on regional technology costs. Confidential price
24 benchmarks shall be developed by the procurement
25 administrator, in consultation with Commission staff,
26 Agency staff, and the procurement monitor, and shall be

1 subject to Commission review and approval. Price
2 benchmarks shall reflect development costs, financing
3 costs, and related costs resulting from requirements
4 imposed through other provisions of State law. As used in
5 this paragraph (5), "cost-effective" means a bidder's bid
6 price that does not exceed confidential price benchmarks.

7 (6) All procurements under this subsection (d-20)
8 shall comply with the geographic requirements in
9 subparagraph (I) of paragraph (1) of subsection (c) of
10 Section 1-75 and shall follow the procurement processes
11 and procedures described in this Section and Section
12 16-111.5 of the Public Utilities Act, to the extent
13 practicable. The processes and procedures may be expedited
14 to accommodate the schedule established by this Section.
15 The Agency shall require all bidders to pay to the Agency a
16 nonrefundable deposit determined by the Agency and no less
17 than \$10,000 per bid as practical. The Agency may also
18 assess bidder and supplier fees to cover the cost of
19 procurement events and develop collateral requirements to
20 maximize the likelihood of successful project development.
21 Bidders in the initial and additional procurements
22 described in paragraph (3) of this subsection (d-20) shall
23 also demonstrate experience in developing to commercial
24 readiness. As used in this paragraph (6), "developing to
25 commercial readiness" means having notice to proceed in
26 owning or operating energy facilities with a combined

1 nameplate capacity of at least 100 megawatts.

2 (7) In order to advance priority access to the clean
3 energy economy for businesses and workers from communities
4 that have been excluded from economic opportunities in the
5 energy sector, have been subject to disproportionate
6 levels of pollution, and have disproportionately
7 experienced negative public health outcomes, the Agency
8 shall apply its equity accountability system and minimum
9 equity standards established under subsections (c-10),
10 (c-15), (c-20), (c-25), and (c-30) of this Section to
11 energy storage procurement and programs and may include
12 any proposed modifications to the equity accountability
13 system and minimum equity standards that may be warranted
14 with respect to energy storage resources in its plan
15 submission to the Commission under Section 16-111.5 of the
16 Public Utilities Act.

17 (8) Projects shall be developed in compliance with the
18 prevailing wage and project labor agreement requirements
19 for renewable energy projects in subparagraph (Q) of
20 paragraph (1) of subsection (c) of Section 1-75.

21 (9) An entity operating an energy storage facility
22 shall demonstrate that it has entered into a labor peace
23 agreement with a bona fide labor organization that is
24 actively engaged in representing its employees. The labor
25 peace agreement shall apply to the employees necessary for
26 the ongoing maintenance and operation of the energy

1 storage facility. The existence of a labor peace agreement
2 shall be an ongoing material condition of an entity's
3 authorization to maintain and operate the energy storage
4 facility.

5 (10) In order to promote the competitive development
6 of energy storage systems in furtherance of the State's
7 interest in the health, safety, and welfare of its
8 residents, storage credits shall not be eligible to be
9 selected under this subsection (d-20) if the energy
10 storage resources are sourced from an energy storage
11 system whose costs were being recovered through rates
12 regulated by the State or any other state or states on or
13 after January 1, 2017. No entity shall be permitted to bid
14 unless it certifies to the Agency that it is not an
15 electric utility, as defined in Section 16-102 of the
16 Public Utilities Act, serving more than 10,000 customers
17 in the State.

18 (11) The Agency shall require, as a prerequisite to
19 payment for any storage credits, that the winning bidder
20 provide the Agency or its designee a copy of the
21 interconnection agreement under which the applicable
22 energy storage system is connected to the transmission or
23 distribution system.

24 (12) Contracts shall provide that, if the cost
25 recovery mechanism referenced in subsection (k) of Section
26 16-108 of the Public Utilities Act remains in full force

1 without amendment or the utility is otherwise authorized
2 or entitled to full, prompt, and uninterrupted recovery of
3 its costs through any other mechanism, then such seller
4 shall be entitled to full, prompt, and uninterrupted
5 payment under the applicable contract notwithstanding the
6 application of this paragraph (12).

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

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

14 (g) The Agency shall assess fees to each affected utility
15 to recover the costs incurred in preparation of procurement
16 plans and in the operation of programs.

17 (h) The Agency shall assess fees to each bidder to recover
18 the costs incurred in connection with a competitive
19 procurement process.

20 (i) A renewable energy credit, carbon emission credit,
21 zero emission credit, or carbon mitigation credit can only be
22 used once to comply with a single portfolio or other standard
23 as set forth in subsection (c), subsection (d), or subsection
24 (d-5) of this Section, respectively. A renewable energy
25 credit, carbon emission credit, zero emission credit, or
26 carbon mitigation credit cannot be used to satisfy the

1 requirements of more than one standard. If more than one type
2 of credit is issued for the same megawatt hour of energy, only
3 one credit can be used to satisfy the requirements of a single
4 standard. After such use, the credit must be retired together
5 with any other credits issued for the same megawatt hour of
6 energy.

7 (Source: P.A. 103-380, eff. 1-1-24; 103-580, eff. 12-8-23;
8 103-1066, eff. 2-20-25; 104-458, eff. 6-1-26.)

9 Section 10. The Public Utilities Act is amended by
10 changing Section 16-105.5 and by adding Section 4-620 as
11 follows:

12 (220 ILCS 5/4-620 new)

13 Sec. 4-620. Energy and water reporting requirements.

14 (a) The purpose of this Section is to ensure transparency
15 regarding the environmental impacts of data centers operating
16 within the State by requiring the disclosure of energy usage
17 data to the Commission and water usage data to the Department
18 of Natural Resources.

19 (b) For the purposes of this Section:

20 "Data center" means a facility, structure, group of
21 structures, or infrastructure within an existing structure:

22 (1) whose primary services are the storage,
23 management, transport, and processing of digital data; and

24 (2) that is used to house:

1 (A) computer and network systems, including
2 associated components such as servers, network
3 equipment and appliances, telecommunications, and data
4 storage systems;

5 (B) systems for monitoring and managing
6 infrastructure performance;

7 (C) Internet-related equipment and services;

8 (D) data communications connections;

9 (E) environmental controls;

10 (F) fire protection and cooling systems; and

11 (G) security systems and service.

12 "Data center" does not include an entity located within an
13 area approved by the Department of Commerce and Economic
14 Opportunity as a quantum computing campus enterprise zone
15 pursuant to Section 605-1115 of the Department of Commerce and
16 Economic Opportunity Law of the Civil Administrative Code of
17 Illinois as of May 1, 2025 or an entity owned and operated by a
18 federally funded research and development center, as defined
19 in 48 CFR 35.017, as of May 1, 2025.

20 "Data center operator" means the owner or operator of the
21 data center or the other person or entity who has comparable
22 rights of use over a data center.

23 (c) On or after January 1, 2027, at least 180 days prior to
24 commencing any construction activities, the data center
25 operator of a proposed data center shall submit a data center
26 disclosure to the Commission. The data center projection

1 disclosure must include, at a minimum:

2 (1) the host community or communities in which the
3 data center will be located;

4 (2) the organization of the data center as an
5 enterprise data center, managed data center, colocated
6 facility data center, hyperscale data center, micro data
7 center, cloud data center, edge data center, modular or
8 container data center, or another type of data center;

9 (3) demographic information about the types of
10 employees the data center intends to employ, including, at
11 a minimum:

12 (A) the number of full-time and part-time
13 employees;

14 (B) the number of contract, short-term, and
15 long-term employees;

16 (C) the education levels of employees, with
17 percentages for level of education achieved including
18 high school diploma, associate's degree, bachelor's
19 degree, and higher level of education;

20 (D) the types of positions and estimated number of
21 each position, including construction, security,
22 facility maintenance, technicians, engineers,
23 mechanical and electrical maintenance, management, and
24 administrative services; and

25 (E) the projected percentage of employees residing
26 in the host community or communities;

1 (4) projected water usage, including, at a minimum:

2 (A) the projected annual water consumption, broken
3 down by month; and

4 (B) the projected amount of water that will be
5 used monthly for cooling, such as to absorb and remove
6 heat from servers, storage systems, power supplies, or
7 other equipment; and

8 (5) projected energy usage and related information,
9 including, at a minimum:

10 (A) the projected annual energy consumption,
11 broken down by month;

12 (B) the projected amount of energy that will be
13 supplied through the interconnected utility grid, a
14 colocated generation source, or some combination of
15 both sources;

16 (C) the types of energy to be used, including
17 fossil fuel, nuclear energy, and renewable energy;

18 (D) the projected average amount of energy usage
19 per hour during peak load measured in kilowatthours
20 and anticipated frequency of peak load per week;

21 (E) the projected annual emissions of carbon
22 dioxide produced in powering the facility, whether
23 produced on-site or off-site;

24 (F) the projected annual amount of waste heat
25 produced on-site measured in British thermal units;

26 (G) the projected percentage of the annual amount

1 of recovered waste heat that will be transformed into
2 energy to power the data center; and

3 (H) the intended use for recovered waste heat,
4 including cooling systems and general building
5 heating.

6 (d) The Commission shall make the data center projection
7 disclosure available on a publicly accessible webpage within
8 14 days after receiving the report. The data center operator
9 shall hold at least 2 public meetings within 60 days after the
10 data center projection disclosure is available to the public.
11 The first public meeting shall be at least 30 days after the
12 data center projection disclosure is available to the public.
13 At least one of the public meetings must be held within the
14 host community where the data center is to be located. The data
15 center operator shall provide at least 30 days notice of any
16 planned public meeting to residents of host communities.
17 Notice shall include the time, place, and location of each
18 public meeting, a summary of the proposed data center project,
19 and the specific location of the planned data center. Methods
20 of providing notice to a host community shall include, but
21 shall not be limited to, coverage in any print or digital
22 publication produced by local, community, and statewide media.
23 During a public hearing conducted pursuant to this Section,
24 the data center operator must explicitly disclose and present
25 its findings under subsection (c) in clear and concise
26 language comprehensible for members of the public in general.

1 The data center operator shall also address the efforts it
2 will make to reduce any negative impacts to the host community
3 and its environment that the planned data center may cause.

4 (e) On and after January 1, 2027, all data centers
5 operating within the State shall maintain water consumption
6 data so as to submit annual disclosures of the data center's
7 water usage, which fulfill the requirements of this subsection
8 (e) to the Department of Natural Resources for the preceding
9 calendar year.

10 (1) On and after March 31, 2028, the data center's
11 water usage disclosures shall be submitted to the
12 Department of Natural Resources no later than March 31 of
13 each year.

14 (2) A data center's annual water usage disclosures
15 must include, at a minimum:

16 (A) the total water consumption for the previous
17 calendar year, broken down by month;

18 (B) an estimate of the amount of water used
19 monthly for cooling, such as to absorb and remove heat
20 from servers, storage systems, power supplies, or
21 other equipment; and

22 (C) measures the data center implemented in the
23 previous calendar year to reduce water usage.

24 (3) The data and information required to be disclosed
25 to the Department of Natural Resources under this Section
26 shall be treated and maintained by the Department of

1 Natural Resources as confidential and proprietary and
2 shall be exempt from disclosure under subparagraphs (a)
3 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 (f) The Department of Natural Resources shall make an
9 aggregated and anonymized form of data disclosed to it under
10 this Section available on a publicly accessible website. The
11 Department of Natural Resources shall update this website
12 annually, at a minimum, so that current aggregated and
13 anonymized data is accessible to the public.

14 (g) The Department of Natural Resources shall adopt any
15 rules necessary to implement this Section.

16 (h) On and after January 1, 2027, all data centers
17 operating within the State shall maintain energy consumption
18 data so as to submit annual disclosures of the data center's
19 energy usage, which fulfill the requirements of this
20 subsection (h) to the Commission for the preceding calendar
21 year.

22 (1) On and after March 31, 2028, the data center's
23 energy usage disclosures shall be submitted to the
24 Commission no later than March 31 of each year.

25 (2) A data center's annual energy usage disclosures
26 must include, at a minimum:

1 (A) the total energy consumption for the previous
2 calendar year, broken down by month;

3 (B) an estimate of the amount of energy consumed
4 monthly that was supplied through the interconnected
5 utility grid, a colocated generation source, or some
6 combination of both sources;

7 (C) the types of energy used, including fossil
8 fuel, nuclear energy, and renewable energy;

9 (D) the average amount of energy usage per hour
10 during peak load measured in kilowatthours and
11 frequency of peak load per week;

12 (E) the annual emissions of carbon dioxide
13 produced in powering the facility, whether produced
14 on-site or off-site;

15 (F) the annual amount of waste heat produced
16 on-site measured in British thermal units;

17 (G) the percentage of the annual amount of
18 recovered waste heat that was transformed into energy
19 to power the data center;

20 (H) how recovered waste heat was used, including
21 cooling systems and general building heating;

22 (I) measures the data center implemented in the
23 previous calendar year to improve energy efficiency;
24 and

25 (J) measures the data center implemented in the
26 previous calendar year to reduce or recover and use

1 waste heat.

2 (3) The data and information required to be disclosed
3 to the Commission under this Section shall be treated and
4 maintained by the Commission as confidential and
5 proprietary and shall be exempt from disclosure under
6 subparagraphs (a) and (g) of paragraph (1) of Section 7 of
7 the Freedom of Information Act. The Office of the Attorney
8 General shall have access to, and maintain the
9 confidentiality of, such information pursuant to Section
10 6.5 of the Attorney General Act.

11 (i) The Commission shall make an aggregated and anonymized
12 form of data disclosed to it under this Section available on a
13 publicly accessible webpage. The Commission shall update this
14 webpage, at a minimum, annually so that current aggregated and
15 anonymized data is accessible to the public.

16 (j) The Commission shall publish an annual report
17 summarizing statewide energy consumption trends of data
18 centers, including, but not limited to, legislative
19 recommendations to address identified issues.

20 (k) The Commission shall conduct a comprehensive study on
21 the impact that data centers in the State have on rate-paying
22 customers. The study shall include, but is not limited to, the
23 following:

24 (1) the energy consumption of data centers and the
25 facilities' effects on overall electricity demand in the
26 State;

1 (2) the extent to which data centers contribute to
2 electricity rate changes for residential, commercial, and
3 industrial customers;

4 (3) the environmental impact of data centers in the
5 State; and

6 (4) potential legislation to mitigate any negative
7 impacts of data centers on rate-paying customers.

8 (l) The Commission may hire consultants and experts to
9 conduct the study under subsection (k) and the retention of
10 the consultants and experts shall be exempt from the
11 requirements of Section 20-10 of the Illinois Procurement
12 Code.

13 (m) In conducting the study under subsection (k), the
14 Commission shall:

15 (1) consult with stakeholders, including, but not
16 limited to, public utilities, data center facility
17 operators, consumer advocacy groups, and environmental
18 organizations;

19 (2) analyze data from public utilities and other
20 relevant sources to assess the energy consumption and rate
21 impacts associated data centers; and

22 (3) consider best practices from other states in
23 managing the energy and rate impacts of data centers.

24 (n) The Commission shall submit a report detailing the
25 findings of the study under subsection (k) to the General
26 Assembly and the Governor no later than March 31, 2028.

1 (o) The Commission shall adopt any rules necessary to
2 implement this Section.

3 (p) Data centers that fail to comply with any disclosure
4 requirements under this Act may be subject to fines of up to
5 \$10,000 per violation. All funds collected under this
6 subsection (p) shall be deposited into the Energy Efficiency
7 Trust Fund.

8 (220 ILCS 5/16-105.5)

9 Sec. 16-105.5. Rate case filing and revenue-neutral rate
10 design.

11 (a) An electric utility that files a general rate case
12 pursuant to Section 9-201 of this Act or a Multi-Year Rate Plan
13 pursuant to Section 16-108.18 of this Act may omit the rate
14 design component of such filing and subsequently separately
15 file this component with the Commission, subject to the
16 requirements of subsections (b) and (c) of this Section.

17 (b) If the electric utility makes the election described
18 in this Section, then the filing shall be consistent with the
19 rate design and cost allocation across customer classes
20 approved in the Commission's most recent order regarding the
21 electric utility's request for a general adjustment to its
22 rates entered under Section 9-201, subsection (e) of Section
23 16-108.5, or Section 16-108.18 of this Act, as applicable.

24 (c) If the electric utility makes the election described
25 in this Section, then the following provisions apply to the

1 separate filing of the revenue-neutral rate design component:

2 (1) No later than one year after the tariffs
3 implementing the general rate case filing or Multi-year
4 Rate Plan filing, as described in subsection (b) of this
5 Section, are placed into effect, the electric utility
6 shall make a filing with the Commission that proposes
7 changes to the tariffs to incorporate the findings of any
8 final rate design orders of the Commission applicable to
9 the electric utility and entered subsequent to the
10 Commission's approval of the tariffs. If no such orders
11 have been entered, then the electric utility must submit
12 its separate revenue-neutral rate design filing no later
13 than 3 years after the date on which the Commission's most
14 recent final rate design order was entered for the
15 electric utility. The electric utility's separate
16 revenue-neutral rate design filing may either propose
17 revenue-neutral tariff changes or refile the existing
18 tariffs without change, which shall present the Commission
19 with an opportunity to suspend the tariffs and consider
20 revenue-neutral tariff changes related to rate design. The
21 Commission shall, after notice and hearing, enter its
22 order approving, or approving with modification, the
23 proposed changes to the tariffs within 240 days after the
24 electric utility's filing. Any changes ordered by the
25 Commission shall become effective at the commencement of
26 the first January monthly billing period that begins no

1 earlier than 30 days after the Commission issues its order
2 adopting such changes.

3 (2) Following Commission approval under paragraph (1)
4 of this subsection (c), the electric utility shall make a
5 filing with the Commission during each subsequent 3-year
6 period that either proposes revenue-neutral tariff changes
7 or refiles the existing tariffs without change, which
8 shall present the Commission with an opportunity to
9 suspend the tariffs and consider revenue-neutral tariff
10 changes related to rate design. The requirements of this
11 paragraph (2) shall terminate at the time that the
12 electric utility files a general rate case or Multi-Year
13 Rate Plan that includes the rate design component or when
14 the electric utility makes a filing with the Commission
15 proposing revenue-neutral tariff changes consistent with
16 paragraph (3) of this subsection (c).

17 (3) The electric utility shall, no later than 90 days
18 after the effective date of this amendatory Act of the
19 104th General Assembly, make a filing with the Commission
20 that proposes revenue-neutral tariff changes, which shall
21 present the Commission with an opportunity to suspend the
22 tariffs and consider revenue-neutral tariff changes
23 related to rate design. The electric utility's proposal
24 shall include, but is not limited to, proposed rates for
25 data centers as defined in Section 4-620 of this Act.

26 (d) To accommodate the resource needs of the State in

1 meeting the needs of rapidly emerging new loads without
2 negatively impact existing customers, the electric utility's
3 data center tariff shall include a requirement that, as a
4 condition of receiving electric service pursuant to the
5 tariff, any data center shall contribute to the renewable
6 portfolio standard pursuant to subsection (c) of Section 1-75
7 of the Illinois Power Agency Act at 3 times the per
8 kilowatthour rate applicable to all other retail customers as
9 established pursuant to subparagraph (E) of paragraph (1) of
10 subsection (c) of Section 1-75 of the Illinois Power Agency
11 Act, and contribute to the energy storage system portfolio
12 standard pursuant to subsection (d-20) of Section 1-75 of the
13 Illinois Power Agency Act at 3 times the per
14 kilowatthour/kilowatt rate applicable to all other retail
15 customers. A data center may reduce that charge through
16 participation in the Agency's self-direct renewable portfolio
17 standard program pursuant to subparagraph (R-5) of paragraph
18 (1) of subsection (c) of Section 1-75 of the Illinois Power
19 Agency Act and participation in the self-direct energy storage
20 system portfolio standard program pursuant to subsection
21 (d-20) of Section 1-75 of the Illinois Power Agency Act, with
22 the resulting crediting rate for both the renewable portfolio
23 standard charge and energy storage system portfolio standard
24 charge reduced based on the energy and capacity value of the
25 energy generation and storage facilitated by the customer
26 consistent with the crediting methodology outlined in

1 subparagraph (R-5) of paragraph (1) of subsection (c) of
2 Section 1-75 of the Illinois Power Agency Act.

3 (e) The electric utility's data center tariff shall ensure
4 that the utility recovers from the data center all
5 distribution and transmission costs that providing service to
6 the customer causes the utility to incur including costs that
7 may be outstanding if and when the data center's service is
8 terminated.

9 (Source: P.A. 102-662, eff. 9-15-21.)

10 Section 95. No acceleration or delay. Where this Act makes
11 changes in a statute that is represented in this Act by text
12 that is not yet or no longer in effect (for example, a Section
13 represented by multiple versions), the use of that text does
14 not accelerate or delay the taking effect of (i) the changes
15 made by this Act or (ii) provisions derived from any other
16 Public Act.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.