



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB4039

Introduced 2/6/2026, by Sen. Steve Stadelman

SYNOPSIS AS INTRODUCED:

20 ILCS 3855/1-75
20 ILCS 730/5-40

Amends the Illinois Power Agency Act. In provisions concerning colocation of photovoltaic community renewable generation projects, changes references from "community renewable generation project" to "photovoltaic community renewable generation project" and "community solar projects" to "photovoltaic community renewable generation projects". Requires a project labor agreement for the new construction of certain facilities related to community-driven community solar projects. In a provision applying prevailing wage requirements to facilities for which a renewable energy credit delivery contract is signed, removes an exception for multi-family residential buildings with aggregate geothermal system tonnage, including colocated projects, of no more than 29 tons. Amends the Energy Transition Act. Provides that the Department of Corrections and the Department of Commerce and Economic Opportunity shall jointly develop activities to support the recruitment of eligible candidates to the Illinois Climate Works Preapprenticeship Program. Provides that the activities shall include coordinating on sharing with community-based providers the contact information of persons preparing to be released into the community, including names, addresses, phone numbers, and email addresses, if the person preparing to be released consents to the person's contact information being shared. Makes other changes.

LRB104 19806 AAS 33256 b

1 AN ACT concerning State government.

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

4 Section 5. The Illinois Power Agency Act is amended by
5 changing Section 1-75 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 (c-5) Procurement of renewable energy credits from new

1 renewable energy facilities installed at or adjacent to the
2 sites of electric generating facilities that burn or burned
3 coal as their primary fuel source.

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

1 shall be funded solely by revenues collected from the Coal
2 to Solar and Energy Storage Initiative Charge provided for
3 in this subsection (c-5) and subsection (i-5) of Section
4 16-108 of the Public Utilities Act, shall not be funded by
5 revenues collected through any of the other funding
6 mechanisms provided for in subsection (c) of this Section,
7 and shall not be subject to the limitation imposed by
8 subsection (c) on charges to retail customers for costs to
9 procure renewable energy resources pursuant to subsection
10 (c), and shall not be subject to any other requirements or
11 limitations of subsection (c).

12 (2) The Agency shall conduct 2 procurement events to
13 select owners of electric generating facilities meeting
14 the eligibility criteria specified in this subsection
15 (c-5) to enter into long-term contracts to sell renewable
16 energy credits to electric utilities serving more than
17 300,000 retail customers in this State as of January 1,
18 2019. The first procurement event shall be conducted no
19 later than March 31, 2022, unless the Agency elects to
20 delay it, until no later than May 1, 2022, due to its
21 overall volume of work, and shall be to select owners of
22 electric generating facilities located in this State and
23 south of federal Interstate Highway 80 that meet the
24 eligibility criteria specified in this subsection (c-5).
25 The second procurement event shall be conducted no sooner
26 than September 30, 2022 and no later than October 31, 2022

1 and shall be to select owners of electric generating
2 facilities located anywhere in this State that meet the
3 eligibility criteria specified in this subsection (c-5).
4 The Agency shall establish and announce a time period,
5 which shall begin no later than 30 days prior to the
6 scheduled date for the procurement event, during which
7 applicants may submit applications to be selected as
8 suppliers of renewable energy credits pursuant to this
9 subsection (c-5). The eligibility criteria for selection
10 as a supplier of renewable energy credits pursuant to this
11 subsection (c-5) shall be as follows:

12 (A) The applicant owns an electric generating
13 facility located in this State that: (i) as of January
14 1, 2016, burned coal as its primary fuel to generate
15 electricity; and (ii) has, or had prior to retirement,
16 an electric generating capacity of at least 150
17 megawatts. The electric generating facility can be
18 either: (i) retired as of the date of the procurement
19 event; or (ii) still operating as of the date of the
20 procurement event.

21 (B) The applicant is not (i) an electric
22 cooperative as defined in Section 3-119 of the Public
23 Utilities Act, or (ii) an entity described in
24 subsection (b)(1) of Section 3-105 of the Public
25 Utilities Act, or an association or consortium of or
26 an entity owned by entities described in (i) or (ii);

1 and the coal-fueled electric generating facility was
2 at one time owned, in whole or in part, by a public
3 utility as defined in Section 3-105 of the Public
4 Utilities Act.

5 (C) If participating in the first procurement
6 event, the applicant proposes and commits to construct
7 and operate, at the site, and if necessary for
8 sufficient space on property adjacent to the existing
9 property, at which the electric generating facility
10 identified in paragraph (A) is located: (i) a new
11 renewable energy facility of at least 20 megawatts but
12 no more than 100 megawatts of electric generating
13 capacity, and (ii) an energy storage facility having a
14 storage capacity equal to at least 2 megawatts and at
15 most 10 megawatts. If participating in the second
16 procurement event, the applicant proposes and commits
17 to construct and operate, at the site, and if
18 necessary for sufficient space on property adjacent to
19 the existing property, at which the electric
20 generating facility identified in paragraph (A) is
21 located: (i) a new renewable energy facility of at
22 least 5 megawatts but no more than 20 megawatts of
23 electric generating capacity, and (ii) an energy
24 storage facility having a storage capacity equal to at
25 least 0.5 megawatts and at most one megawatt.

26 (D) The applicant agrees that the new renewable

1 energy facility and the energy storage facility will
2 be constructed or installed by a qualified entity or
3 entities in compliance with the requirements of
4 subsection (g) of Section 16-128A of the Public
5 Utilities Act and any rules adopted thereunder.

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

20 (F) The applicant commits that not less than the
21 prevailing wage, as determined pursuant to the
22 Prevailing Wage Act, will be paid to the applicant's
23 employees engaged in construction activities
24 associated with the new renewable energy facility and
25 the new energy storage facility and to the employees
26 of applicant's contractors engaged in construction

1 activities associated with the new renewable energy
2 facility and the new energy storage facility, and
3 that, on or before the commercial operation date of
4 the new renewable energy facility, the applicant shall
5 file a report with the Agency certifying that the
6 requirements of this subparagraph (F) have been met.

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

18 (H) The applicant commits to enter into a contract
19 or contracts for the applicable duration to provide
20 specified numbers of renewable energy credits each
21 year from the new renewable energy facility to
22 electric utilities that served more than 300,000
23 retail customers in this State as of January 1, 2019,
24 at a price of \$30 per renewable energy credit. The
25 price per renewable energy credit shall be fixed at
26 \$30 for the applicable duration and the renewable

1 energy credits shall not be indexed renewable energy
2 credits as provided for in item (v) of subparagraph
3 (G) of paragraph (1) of subsection (c) of Section 1-75
4 of this Act. The applicable duration of each contract
5 shall be 20 years, unless the applicant is physically
6 interconnected to the PJM Interconnection, LLC
7 transmission grid and had a generating capacity of at
8 least 1,200 megawatts as of January 1, 2021, in which
9 case the applicable duration of the contract shall be
10 15 years.

11 (I) The applicant's application is certified by an
12 officer of the applicant and by an officer of the
13 applicant's ultimate parent company, if any.

14 (3) An applicant may submit applications to contract
15 to supply renewable energy credits from more than one new
16 renewable energy facility to be constructed at or adjacent
17 to one or more qualifying electric generating facilities
18 owned by the applicant. The Agency may select new
19 renewable energy facilities to be located at or adjacent
20 to the sites of more than one qualifying electric
21 generation facility owned by an applicant to contract with
22 electric utilities to supply renewable energy credits from
23 such facilities.

24 (4) The Agency shall assess fees to each applicant to
25 recover the Agency's costs incurred in receiving and
26 evaluating applications, conducting the procurement event,

1 developing contracts for sale, delivery and purchase of
2 renewable energy credits, and monitoring the
3 administration of such contracts, as provided for in this
4 subsection (c-5), including fees paid to a procurement
5 administrator retained by the Agency for one or more of
6 these purposes.

7 (5) The Agency shall select the applicants and the new
8 renewable energy facilities to contract with electric
9 utilities to supply renewable energy credits in accordance
10 with this subsection (c-5). In the first procurement
11 event, the Agency shall select applicants and new
12 renewable energy facilities to supply renewable energy
13 credits, at a price of \$30 per renewable energy credit,
14 aggregating to no less than 400,000 renewable energy
15 credits per year for the applicable duration, assuming
16 sufficient qualifying applications to supply, in the
17 aggregate, at least that amount of renewable energy
18 credits per year; and not more than 580,000 renewable
19 energy credits per year for the applicable duration. In
20 the second procurement event, the Agency shall select
21 applicants and new renewable energy facilities to supply
22 renewable energy credits, at a price of \$30 per renewable
23 energy credit, aggregating to no more than 625,000
24 renewable energy credits per year less the amount of
25 renewable energy credits each year contracted for as a
26 result of the first procurement event, for the applicable

1 durations. The number of renewable energy credits to be
2 procured as specified in this paragraph (5) shall not be
3 reduced based on renewable energy credits procured in the
4 self-direct renewable energy credit compliance program
5 established pursuant to subparagraph (R) of paragraph (1)
6 of subsection (c) of Section 1-75.

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

25 (7) The Agency shall submit its proposed selection of
26 applicants, new renewable energy facilities to be

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

13 (8) The Agency, in conjunction with its procurement
14 administrator if one is retained, the electric utilities,
15 and potential applicants for contracts to produce and
16 supply renewable energy credits pursuant to this
17 subsection (c-5), shall develop a standard form contract
18 for the sale, delivery and purchase of renewable energy
19 credits pursuant to this subsection (c-5). Each contract
20 resulting from the first procurement event shall allow for
21 a commercial operation date for the new renewable energy
22 facility of either June 1, 2023 or June 1, 2024, with such
23 dates subject to adjustment as provided in this paragraph.
24 Each contract resulting from the second procurement event
25 shall provide for a commercial operation date on June 1
26 next occurring up to 48 months after execution of the

1 contract. Each contract shall provide that the owner shall
2 receive payments for renewable energy credits for the
3 applicable durations beginning with the commercial
4 operation date of the new renewable energy facility. The
5 form contract shall provide for adjustments to the
6 commercial operation and payment start dates as needed due
7 to any delays in completing the procurement and
8 contracting processes, in finalizing interconnection
9 agreements and installing interconnection facilities, and
10 in obtaining other necessary governmental permits and
11 approvals. The form contract shall be, to the maximum
12 extent possible, consistent with standard electric
13 industry contracts for sale, delivery, and purchase of
14 renewable energy credits while taking into account the
15 specific requirements of this subsection (c-5). The form
16 contract shall provide for over-delivery and
17 under-delivery of renewable energy credits within
18 reasonable ranges during each 12-month period and penalty,
19 default, and enforcement provisions for failure of the
20 selling party to deliver renewable energy credits as
21 specified in the contract and to comply with the
22 requirements of this subsection (c-5). The standard form
23 contract shall specify that all renewable energy credits
24 delivered to the electric utility pursuant to the contract
25 shall be retired. The Agency shall make the proposed
26 contracts available for a reasonable period for comment by

1 potential applicants, and shall publish the final form
2 contract at least 30 days before the date of the first
3 procurement event.

4 (9) Coal to Solar and Energy Storage Initiative
5 Charge.

6 (A) By no later than July 1, 2022, each electric
7 utility that served more than 300,000 retail customers
8 in this State as of January 1, 2019 shall file a tariff
9 with the Commission for the billing and collection of
10 a Coal to Solar and Energy Storage Initiative Charge
11 in accordance with subsection (i-5) of Section 16-108
12 of the Public Utilities Act, with such tariff to be
13 effective, following review and approval or
14 modification by the Commission, beginning January 1,
15 2023. The tariff shall provide for the calculation and
16 setting of the electric utility's Coal to Solar and
17 Energy Storage Initiative Charge to collect revenues
18 estimated to be sufficient, in the aggregate, (i) to
19 enable the electric utility to pay for the renewable
20 energy credits it has contracted to purchase in the
21 delivery year beginning June 1, 2023 and each delivery
22 year thereafter from new renewable energy facilities
23 located at the sites of qualifying electric generating
24 facilities, and (ii) to fund the grant payments to be
25 made in each delivery year by the Department of
26 Commerce and Economic Opportunity, or any successor

1 department or agency, which shall be referred to in
2 this subsection (c-5) as the Department, pursuant to
3 paragraph (10) of this subsection (c-5). The electric
4 utility's tariff shall provide for the billing and
5 collection of the Coal to Solar and Energy Storage
6 Initiative Charge on each kilowatthour of electricity
7 delivered to its delivery services customers within
8 its service territory and shall provide for an annual
9 reconciliation of revenues collected with actual
10 costs, in accordance with subsection (i-5) of Section
11 16-108 of the Public Utilities Act.

12 (B) Each electric utility shall remit on a monthly
13 basis to the State Treasurer, for deposit in the Coal
14 to Solar and Energy Storage Initiative Fund provided
15 for in this subsection (c-5), the electric utility's
16 collections of the Coal to Solar and Energy Storage
17 Initiative Charge in the amount estimated to be needed
18 by the Department for grant payments pursuant to grant
19 contracts entered into by the Department pursuant to
20 paragraph (10) of this subsection (c-5).

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

22 (A) The Coal to Solar and Energy Storage
23 Initiative Fund is established as a special fund in
24 the State treasury. The Coal to Solar and Energy
25 Storage Initiative Fund is authorized to receive, by
26 statutory deposit, that portion specified in item (B)

1 of paragraph (9) of this subsection (c-5) of moneys
2 collected by electric utilities through imposition of
3 the Coal to Solar and Energy Storage Initiative Charge
4 required by this subsection (c-5). The Coal to Solar
5 and Energy Storage Initiative Fund shall be
6 administered by the Department to provide grants to
7 support the installation and operation of energy
8 storage facilities at the sites of qualifying electric
9 generating facilities meeting the criteria specified
10 in this paragraph (10).

11 (B) The Coal to Solar and Energy Storage
12 Initiative Fund shall not be subject to sweeps,
13 administrative charges, or chargebacks, including, but
14 not limited to, those authorized under Section 8h of
15 the State Finance Act, that would in any way result in
16 the transfer of those funds from the Coal to Solar and
17 Energy Storage Initiative Fund to any other fund of
18 this State or in having any such funds utilized for any
19 purpose other than the express purposes set forth in
20 this paragraph (10).

21 (C) The Department shall utilize up to
22 \$280,500,000 in the Coal to Solar and Energy Storage
23 Initiative Fund for grants, assuming sufficient
24 qualifying applicants, to support installation of
25 energy storage facilities at the sites of up to 3
26 qualifying electric generating facilities located in

1 the Midcontinent Independent System Operator, Inc.,
2 region in Illinois and the sites of up to 2 qualifying
3 electric generating facilities located in the PJM
4 Interconnection, LLC region in Illinois that meet the
5 criteria set forth in this subparagraph (C). The
6 criteria for receipt of a grant pursuant to this
7 subparagraph (C) are as follows:

8 (1) the electric generating facility at the
9 site has, or had prior to retirement, an electric
10 generating capacity of at least 150 megawatts;

11 (2) the electric generating facility burns (or
12 burned prior to retirement) coal as its primary
13 source of fuel;

14 (3) if the electric generating facility is
15 retired, it was retired subsequent to January 1,
16 2016;

17 (4) the owner of the electric generating
18 facility has not been selected by the Agency
19 pursuant to this subsection (c-5) of this Section
20 to enter into a contract to sell renewable energy
21 credits to one or more electric utilities from a
22 new renewable energy facility located or to be
23 located at or adjacent to the site at which the
24 electric generating facility is located;

25 (5) the electric generating facility located
26 at the site was at one time owned, in whole or in

1 part, by a public utility as defined in Section
2 3-105 of the Public Utilities Act;

3 (6) the electric generating facility at the
4 site is not owned by (i) an electric cooperative
5 as defined in Section 3-119 of the Public
6 Utilities Act, or (ii) an entity described in
7 subsection (b)(1) of Section 3-105 of the Public
8 Utilities Act, or an association or consortium of
9 or an entity owned by entities described in items
10 (i) or (ii);

11 (7) the proposed energy storage facility at
12 the site will have energy storage capacity of at
13 least 37 megawatts;

14 (8) the owner commits to place the energy
15 storage facility into commercial operation on
16 either June 1, 2023, June 1, 2024, or June 1, 2025,
17 with such date subject to adjustment as needed due
18 to any delays in completing the grant contracting
19 process, in finalizing interconnection agreements
20 and in installing interconnection facilities, and
21 in obtaining necessary governmental permits and
22 approvals;

23 (9) the owner agrees that the new energy
24 storage facility will be constructed or installed
25 by a qualified entity or entities consistent with
26 the requirements of subsection (g) of Section

1 16-128A of the Public Utilities Act and any rules
2 adopted under that Section;

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

17 (11) the owner commits that not less than the
18 prevailing wage, as determined pursuant to the
19 Prevailing Wage Act, will be paid to the owner's
20 employees engaged in construction activities
21 associated with the new energy storage facility
22 and to the employees of the owner's contractors
23 engaged in construction activities associated with
24 the new energy storage facility, and that, on or
25 before the commercial operation date of the new
26 energy storage facility, the owner shall file a

1 report with the Department certifying that the
2 requirements of this subparagraph (11) have been
3 met; and

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

15 The Department shall accept applications for this
16 grant program until March 31, 2022 and shall announce
17 the award of grants no later than June 1, 2022. The
18 Department shall make the grant payments to a
19 recipient in equal annual amounts for 10 years
20 following the date the energy storage facility is
21 placed into commercial operation. The annual grant
22 payments to a qualifying energy storage facility shall
23 be \$110,000 per megawatt of energy storage capacity,
24 with total annual grant payments pursuant to this
25 subparagraph (C) for qualifying energy storage
26 facilities not to exceed \$28,050,000 in any year.

1 (D) Grants of funding for energy storage
2 facilities pursuant to subparagraph (C) of this
3 paragraph (10), from the Coal to Solar and Energy
4 Storage Initiative Fund, shall be memorialized in
5 grant contracts between the Department and the
6 recipient. The grant contracts shall specify the date
7 or dates in each year on which the annual grant
8 payments shall be paid.

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

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

21 (A) Each applicant selected in a procurement event
22 to contract to supply renewable energy credits in
23 accordance with this subsection (c-5) and each owner
24 selected by the Department to receive a grant or
25 grants to support the construction and operation of a
26 new energy storage facility or facilities in

1 accordance with this subsection (c-5) shall, within 60
2 days following the Commission's approval of the
3 applicant to contract to supply renewable energy
4 credits or within 60 days following execution of a
5 grant contract with the Department, as applicable,
6 submit to the Commission a diversity, equity, and
7 inclusion plan setting forth the applicant's or
8 owner's numeric goals for the diversity composition of
9 its supplier entities for the new renewable energy
10 facility or new energy storage facility, as
11 applicable, which shall be referred to for purposes of
12 this paragraph (11) as the project, and the
13 applicant's or owner's action plan and schedule for
14 achieving those goals.

15 (B) For purposes of this paragraph (11), diversity
16 composition shall be based on the percentage, which
17 shall be a minimum of 25%, of eligible expenditures
18 for contract awards for materials and services (which
19 shall be defined in the plan) to business enterprises
20 owned by minority persons, women, or persons with
21 disabilities as defined in Section 2 of the Business
22 Enterprise for Minorities, Women, and Persons with
23 Disabilities Act, to LGBTQ business enterprises, to
24 veteran-owned business enterprises, and to business
25 enterprises located in environmental justice
26 communities. The diversity composition goals of the

1 plan may include eligible expenditures in areas for
2 vendor or supplier opportunities in addition to
3 development and construction of the project, and may
4 exclude from eligible expenditures materials and
5 services with limited market availability, limited
6 production and availability from suppliers in the
7 United States, such as solar panels and storage
8 batteries, and material and services that are subject
9 to critical energy infrastructure or cybersecurity
10 requirements or restrictions. The plan may provide
11 that the diversity composition goals may be met
12 through Tier 1 Direct or Tier 2 subcontracting
13 expenditures or a combination thereof for the project.

14 (C) The plan shall provide for, but not be limited
15 to: (i) internal initiatives, including multi-tier
16 initiatives, by the applicant or owner, or by its
17 engineering, procurement and construction contractor
18 if one is used for the project, which for purposes of
19 this paragraph (11) shall be referred to as the EPC
20 contractor, to enable diverse businesses to be
21 considered fairly for selection to provide materials
22 and services; (ii) requirements for the applicant or
23 owner or its EPC contractor to proactively solicit and
24 utilize diverse businesses to provide materials and
25 services; and (iii) requirements for the applicant or
26 owner or its EPC contractor to hire a diverse

1 workforce for the project. The plan shall include a
2 description of the applicant's or owner's diversity
3 recruiting efforts both for the project and for other
4 areas of the applicant's or owner's business
5 operations. The plan shall provide for the imposition
6 of financial penalties on the applicant's or owner's
7 EPC contractor for failure to exercise best efforts to
8 comply with and execute the EPC contractor's diversity
9 obligations under the plan. The plan may provide for
10 the applicant or owner to set aside a portion of the
11 work on the project to serve as an incubation program
12 for qualified businesses, as specified in the plan,
13 owned by minority persons, women, persons with
14 disabilities, LGBTQ persons, and veterans, and
15 businesses located in environmental justice
16 communities, seeking to enter the renewable energy
17 industry.

18 (D) The applicant or owner may submit a revised or
19 updated plan to the Commission from time to time as
20 circumstances warrant. The applicant or owner shall
21 file annual reports with the Commission detailing the
22 applicant's or owner's progress in implementing its
23 plan and achieving its goals and any modifications the
24 applicant or owner has made to its plan to better
25 achieve its diversity, equity and inclusion goals. The
26 applicant or owner shall file a final report on the

1 fifth June 1 following the commercial operation date
2 of the new renewable energy resource or new energy
3 storage facility, but the applicant or owner shall
4 thereafter continue to be subject to applicable
5 reporting requirements of Section 5-117 of the Public
6 Utilities Act.

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

1 (1) Minimum equity standards. The Agency shall create
2 programs with the purpose of increasing access to and
3 development of equity eligible contractors, who are prime
4 contractors and subcontractors, across all of the programs
5 it manages. All applications for renewable energy credit
6 procurements shall comply with specific minimum equity
7 commitments. Starting in the delivery year immediately
8 following the next long-term renewable resources
9 procurement plan, at least 10% of the project workforce
10 for each entity participating in a procurement program
11 outlined in this subsection (c-10) must be done by equity
12 eligible persons or equity eligible contractors. The
13 Agency shall increase the minimum percentage each delivery
14 year thereafter by increments that ensure a statewide
15 average of 30% of the project workforce for each entity
16 participating in a procurement program is done by equity
17 eligible persons or equity eligible contractors by 2030.
18 The Agency shall propose a schedule of percentage
19 increases to the minimum equity standards in its draft
20 revised renewable energy resources procurement plan
21 submitted to the Commission for approval pursuant to
22 paragraph (5) of subsection (b) of Section 16-111.5 of the
23 Public Utilities Act. In determining these annual
24 increases, the Agency shall have the discretion to
25 establish different minimum equity standards for different
26 types of procurements and different regions of the State

1 if the Agency finds that doing so will further the
2 purposes of this subsection (c-10). The proposed schedule
3 of annual increases shall be revisited and updated on an
4 annual basis. Revisions shall be developed with
5 stakeholder input, including from equity eligible persons,
6 equity eligible contractors, clean energy industry
7 representatives, and community-based organizations that
8 work with such persons and contractors.

9 (A) At the start of each delivery year, the Agency
10 shall require a compliance plan from each entity
11 participating in a procurement program of subsection
12 (c) of this Section that demonstrates how they will
13 achieve compliance with the minimum equity standard
14 percentage for work completed in that delivery year.
15 If an entity applies for its approved vendor or
16 designee status between delivery years, the Agency
17 shall require a compliance plan at the time of
18 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 (6) The Agency shall keep confidential all information
10 and communication that provides private or personal
11 information.

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

1 equity eligible contractors; (B) definitions for equity
2 investment eligible persons and equity investment eligible
3 community; and (C) such other modifications necessary to
4 advance the goals of this amendatory Act of the 102nd
5 General Assembly effectively. Such revised criteria may
6 also establish distinct equity accountability systems for
7 different types of procurements or different regions of
8 the State if the Agency finds that doing so will further
9 the purposes of such programs. Revisions shall be
10 developed with stakeholder input, including from equity
11 eligible persons, equity eligible contractors, and
12 community-based organizations that work with such persons
13 and contractors.

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

16 (1) Purpose. It is the purpose of this subsection to
17 empower the Agency and other State actors to remedy racial
18 discrimination in Illinois' clean energy economy as
19 effectively and expediently as possible, including through
20 the use of race-conscious remedies, such as race-conscious
21 contracting and hiring goals, as consistent with State and
22 federal law.

23 (2) Racial disparity and discrimination review
24 process.

25 (A) Within one year after awarding contracts using
26 the equity actions processes established in this

1 Section, the Agency shall publish a report evaluating
2 the effectiveness of the equity actions point criteria
3 of this Section in increasing participation of equity
4 eligible persons and equity eligible contractors. The
5 report shall disaggregate participating workers and
6 contractors by race and ethnicity. The report shall be
7 forwarded to the Governor, the General Assembly, and
8 the Illinois Commerce Commission and be made available
9 to the public.

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

1 discrimination in Illinois' clean energy economy, the
2 Agency, Department of Commerce and Economic
3 Opportunity, Department of Labor, Department of
4 Corrections, and other appropriate agencies shall take
5 appropriate remedial actions, including race-conscious
6 remedial actions as consistent with State and federal
7 law, to effectively remedy this discrimination. Such
8 remedies may include modification of the equity
9 accountability system as described in subsection
10 (c-10).

11 (c-20) Program data collection.

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

24 (2) Agency collection of program data. The Agency
25 shall collect demographic and geographic data for each
26 entity awarded contracts under any Agency-administered

1 program.

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

5 (A) demographic information, including racial or
6 ethnic identity for real persons employed, contracted,
7 or subcontracted through the program and owners of
8 businesses or entities that apply to receive renewable
9 energy credits from the Agency;

10 (B) geographic location of the residency of real
11 persons employed, contracted, or subcontracted through
12 the program and geographic location of the
13 headquarters of the business or entity that applies to
14 receive renewable energy credits from the Agency; and

15 (C) any other information the Agency determines is
16 necessary for the purpose of achieving the purpose of
17 this subsection.

18 (4) Publication of collected information. The Agency
19 shall publish, at least annually, information on the
20 demographics of program participants on an aggregate
21 basis.

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

26 (c-25) Energy Workforce Equity Database.

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

11 (A) publicly accessible;

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

13 (C) organized by company specialty or field;

14 (D) region-specific; and

15 (E) populated with information including, but not
16 limited to, contacts for suppliers, vendors, or
17 subcontractors who are minority and women-owned
18 business enterprise certified or who participate or
19 have participated in any of the programs described in
20 this Act.

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

24 (A) a map of environmental justice and equity
25 investment eligible communities;

26 (B) job postings and recruiting opportunities;

1 (C) a means by which recruiting clean energy
2 companies can find and interact with current or former
3 participants of clean energy workforce training
4 programs;

5 (D) information on workforce training service
6 providers and training opportunities available to
7 prospective workers;

8 (E) renewable energy company diversity reporting;

9 (F) a list of equity eligible contractors with
10 their contact information, types of work performed,
11 and locations worked in;

12 (G) reporting on outcomes of the programs
13 described in the workforce programs of the Energy
14 Transition Act, including information such as, but not
15 limited to, retention rate, graduation rate, and
16 placement rates of trainees; and

17 (H) information about the Jobs and Environmental
18 Justice Grant Program, the Clean Energy Jobs and
19 Justice Fund, and other sources of capital.

20 (3) The Agency shall ensure the database is regularly
21 updated to ensure information is current and shall
22 coordinate with the Department of Commerce and Economic
23 Opportunity to ensure that it includes information on
24 individuals and entities that are or have participated in
25 the Clean Jobs Workforce Network Program, Clean Energy
26 Contractor Incubator Program, Returning Residents Clean

1 Jobs Training Program, or Clean Energy Primes Contractor
2 Accelerator Program.

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

18 (d) Clean coal portfolio standard.

19 (1) The procurement plans shall include electricity
20 generated using clean coal. Each utility shall enter into
21 one or more sourcing agreements with the initial clean
22 coal facility, as provided in paragraph (3) of this
23 subsection (d), covering electricity generated by the
24 initial clean coal facility representing at least 5% of
25 each utility's total supply to serve the load of eligible
26 retail customers in 2015 and each year thereafter, as

1 described in paragraph (3) of this subsection (d), subject
2 to the limits specified in paragraph (2) of this
3 subsection (d). It is the goal of the State that by January
4 1, 2025, 25% of the electricity used in the State shall be
5 generated by cost-effective clean coal facilities. For
6 purposes of this subsection (d), "cost-effective" means
7 that the expenditures pursuant to such sourcing agreements
8 do not cause the limit stated in paragraph (2) of this
9 subsection (d) to be exceeded and do not exceed cost-based
10 benchmarks, which shall be developed to assess all
11 expenditures pursuant to such sourcing agreements covering
12 electricity generated by clean coal facilities, other than
13 the initial clean coal facility, 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.

17 A utility party to a sourcing agreement shall
18 immediately retire any emission credits that it receives
19 in connection with the electricity covered by such
20 agreement.

21 Utilities shall maintain adequate records documenting
22 the purchases under the sourcing agreement to comply with
23 this subsection (d) and shall file an accounting with the
24 load forecast that must be filed with the Agency by July 15
25 of each year, in accordance with subsection (d) of Section
26 16-111.5 of the Public Utilities Act.

1 A utility shall be deemed to have complied with the
2 clean coal portfolio standard specified in this subsection
3 (d) if the utility enters into a sourcing agreement as
4 required by this subsection (d).

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

19 Notwithstanding the requirements of this subsection
20 (d), the total amount paid under sourcing agreements with
21 clean coal facilities pursuant to the procurement plan for
22 any given year shall be reduced by an amount necessary to
23 limit the annual estimated average net increase due to the
24 costs of these resources included in the amounts paid by
25 eligible retail customers in connection with electric
26 service to:

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

4 (B) in 2011, the greater of an additional 0.5% of
5 the amount paid per kilowatthour by those customers
6 during the year ending May 31, 2010 or 1% of the amount
7 paid per kilowatthour by those customers during the
8 year ending May 31, 2009;

9 (C) in 2012, the greater of an additional 0.5% of
10 the amount paid per kilowatthour by those customers
11 during the year ending May 31, 2011 or 1.5% of the
12 amount paid per kilowatthour by those customers during
13 the year ending May 31, 2009;

14 (D) in 2013, the greater of an additional 0.5% of
15 the amount paid per kilowatthour by those customers
16 during the year ending May 31, 2012 or 2% of the amount
17 paid per kilowatthour by those customers during the
18 year ending May 31, 2009; and

19 (E) thereafter, the total amount paid under
20 sourcing agreements with clean coal facilities
21 pursuant to the procurement plan for any single year
22 shall be reduced by an amount necessary to limit the
23 estimated average net increase due to the cost of
24 these resources included in the amounts paid by
25 eligible retail customers in connection with electric
26 service to no more than the greater of (i) 2.015% of

1 the amount paid per kilowatthour by those customers
2 during the year ending May 31, 2009 or (ii) the
3 incremental amount per kilowatthour paid for these
4 resources in 2013. These requirements may be altered
5 only as provided by statute.

6 No later than June 30, 2015, the Commission shall
7 review the limitation on the total amount paid under
8 sourcing agreements, if any, with clean coal facilities
9 pursuant to this subsection (d) and report to the General
10 Assembly its findings as to whether that limitation unduly
11 constrains the amount of electricity generated by
12 cost-effective clean coal facilities that is covered by
13 sourcing agreements.

14 (3) Initial clean coal facility. In order to promote
15 development of clean coal facilities in Illinois, each
16 electric utility subject to this Section shall execute a
17 sourcing agreement to source electricity from a proposed
18 clean coal facility in Illinois (the "initial clean coal
19 facility") that will have a nameplate capacity of at least
20 500 MW when commercial operation commences, that has a
21 final Clean Air Act permit on June 1, 2009 (the effective
22 date of Public Act 95-1027), and that will meet the
23 definition of clean coal facility in Section 1-10 of this
24 Act when commercial operation commences. The sourcing
25 agreements with this initial clean coal facility shall be
26 subject to both approval of the initial clean coal

1 facility by the General Assembly and satisfaction of the
2 requirements of paragraph (4) of this subsection (d) and
3 shall be executed within 90 days after any such approval
4 by the General Assembly. The Agency and the Commission
5 shall have authority to inspect all books and records
6 associated with the initial clean coal facility during the
7 term of such a sourcing agreement. A utility's sourcing
8 agreement for electricity produced by the initial clean
9 coal facility shall include:

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

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

23 (ii) provide that all miscellaneous net
24 revenue, including but not limited to net revenue
25 from the sale of emission allowances, if any,
26 substitute natural gas, if any, grants or other

1 support provided by the State of Illinois or the
2 United States Government, firm transmission
3 rights, if any, by-products produced by the
4 facility, energy or capacity derived from the
5 facility and not covered by a sourcing agreement
6 pursuant to paragraph (3) of this subsection (d)
7 or item (5) of subsection (d) of Section 16-115 of
8 the Public Utilities Act, whether generated from
9 the synthesis gas derived from coal, from SNG, or
10 from natural gas, shall be credited against the
11 revenue requirement for this initial clean coal
12 facility;

13 (B) power purchase provisions, which shall:

14 (i) provide that the utility party to such
15 sourcing agreement shall pay the contract price
16 for electricity delivered under such sourcing
17 agreement;

18 (ii) require delivery of electricity to the
19 regional transmission organization market of the
20 utility that is party to such sourcing agreement;

21 (iii) require the utility party to such
22 sourcing agreement to buy from the initial clean
23 coal facility in each hour an amount of energy
24 equal to all clean coal energy made available from
25 the initial clean coal facility during such hour
26 times a fraction, the numerator of which is such

1 utility's retail market sales of electricity
2 (expressed in kilowatthours sold) in the State
3 during the prior calendar month and the
4 denominator of which is the total retail market
5 sales of electricity (expressed in kilowatthours
6 sold) in the State by utilities during such prior
7 month and the sales of electricity (expressed in
8 kilowatthours sold) in the State by alternative
9 retail electric suppliers during such prior month
10 that are subject to the requirements of this
11 subsection (d) and paragraph (5) of subsection (d)
12 of Section 16-115 of the Public Utilities Act,
13 provided that the amount purchased by the utility
14 in any year will be limited by paragraph (2) of
15 this subsection (d); and

16 (iv) be considered pre-existing contracts in
17 such utility's procurement plans for eligible
18 retail customers;

19 (C) contract for differences provisions, which
20 shall:

21 (i) require the utility party to such sourcing
22 agreement to contract with the initial clean coal
23 facility in each hour with respect to an amount of
24 energy equal to all clean coal energy made
25 available from the initial clean coal facility
26 during such hour times a fraction, the numerator

1 of which is such utility's retail market sales of
2 electricity (expressed in kilowatthours sold) in
3 the utility's service territory in the State
4 during the prior calendar month and the
5 denominator of which is the total retail market
6 sales of electricity (expressed in kilowatthours
7 sold) in the State by utilities during such prior
8 month and the sales of electricity (expressed in
9 kilowatthours sold) in the State by alternative
10 retail electric suppliers during such prior month
11 that are subject to the requirements of this
12 subsection (d) and paragraph (5) of subsection (d)
13 of Section 16-115 of the Public Utilities Act,
14 provided that the amount paid by the utility in
15 any year will be limited by paragraph (2) of this
16 subsection (d);

17 (ii) provide that the utility's payment
18 obligation in respect of the quantity of
19 electricity determined pursuant to the preceding
20 clause (i) shall be limited to an amount equal to
21 (1) the difference between the contract price
22 determined pursuant to subparagraph (A) of
23 paragraph (3) of this subsection (d) and the
24 day-ahead price for electricity delivered to the
25 regional transmission organization market of the
26 utility that is party to such sourcing agreement

1 (or any successor delivery point at which such
2 utility's supply obligations are financially
3 settled on an hourly basis) (the "reference
4 price") on the day preceding the day on which the
5 electricity is delivered to the initial clean coal
6 facility busbar, multiplied by (2) the quantity of
7 electricity determined pursuant to the preceding
8 clause (i); and

9 (iii) not require the utility to take physical
10 delivery of the electricity produced by the
11 facility;

12 (D) general provisions, which shall:

13 (i) specify a term of no more than 30 years,
14 commencing on the commercial operation date of the
15 facility;

16 (ii) provide that utilities shall maintain
17 adequate records documenting purchases under the
18 sourcing agreements entered into to comply with
19 this subsection (d) and shall file an accounting
20 with the load forecast that must be filed with the
21 Agency by July 15 of each year, in accordance with
22 subsection (d) of Section 16-111.5 of the Public
23 Utilities Act;

24 (iii) provide that all costs associated with
25 the initial clean coal facility will be
26 periodically reported to the Federal Energy

1 Regulatory Commission and to purchasers in
2 accordance with applicable laws governing
3 cost-based wholesale power contracts;

4 (iv) permit the Illinois Power Agency to
5 assume ownership of the initial clean coal
6 facility, without monetary consideration and
7 otherwise on reasonable terms acceptable to the
8 Agency, if the Agency so requests no less than 3
9 years prior to the end of the stated contract
10 term;

11 (v) require the owner of the initial clean
12 coal facility to provide documentation to the
13 Commission each year, starting in the facility's
14 first year of commercial operation, accurately
15 reporting the quantity of carbon emissions from
16 the facility that have been captured and
17 sequestered and report any quantities of carbon
18 released from the site or sites at which carbon
19 emissions were sequestered in prior years, based
20 on continuous monitoring of such sites. If, in any
21 year after the first year of commercial operation,
22 the owner of the facility fails to demonstrate
23 that the initial clean coal facility captured and
24 sequestered at least 50% of the total carbon
25 emissions that the facility would otherwise emit
26 or that sequestration of emissions from prior

1 years has failed, resulting in the release of
2 carbon dioxide into the atmosphere, the owner of
3 the facility must offset excess emissions. Any
4 such carbon offsets must be permanent, additional,
5 verifiable, real, located within the State of
6 Illinois, and legally and practicably enforceable.
7 The cost of such offsets for the facility that are
8 not recoverable shall not exceed \$15 million in
9 any given year. No costs of any such purchases of
10 carbon offsets may be recovered from a utility or
11 its customers. All carbon offsets purchased for
12 this purpose and any carbon emission credits
13 associated with sequestration of carbon from the
14 facility must be permanently retired. The initial
15 clean coal facility shall not forfeit its
16 designation as a clean coal facility if the
17 facility fails to fully comply with the applicable
18 carbon sequestration requirements in any given
19 year, provided the requisite offsets are
20 purchased. However, the Attorney General, on
21 behalf of the People of the State of Illinois, may
22 specifically enforce the facility's sequestration
23 requirement and the other terms of this contract
24 provision. Compliance with the sequestration
25 requirements and offset purchase requirements
26 specified in paragraph (3) of this subsection (d)

1 shall be reviewed annually by an independent
2 expert retained by the owner of the initial clean
3 coal facility, with the advance written approval
4 of the Attorney General. The Commission may, in
5 the course of the review specified in item (vii),
6 reduce the allowable return on equity for the
7 facility if the facility willfully fails to comply
8 with the carbon capture and sequestration
9 requirements set forth in this item (v);

10 (vi) include limits on, and accordingly
11 provide for modification of, the amount the
12 utility is required to source under the sourcing
13 agreement consistent with paragraph (2) of this
14 subsection (d);

15 (vii) require Commission review: (1) to
16 determine the justness, reasonableness, and
17 prudence of the inputs to the formula referenced
18 in subparagraphs (A)(i) through (A)(iii) of
19 paragraph (3) of this subsection (d), prior to an
20 adjustment in those inputs including, without
21 limitation, the capital structure and return on
22 equity, fuel costs, and other operations and
23 maintenance costs and (2) to approve the costs to
24 be passed through to customers under the sourcing
25 agreement by which the utility satisfies its
26 statutory obligations. Commission review shall

1 occur no less than every 3 years, regardless of
2 whether any adjustments have been proposed, and
3 shall be completed within 9 months;

4 (viii) limit the utility's obligation to such
5 amount as the utility is allowed to recover
6 through tariffs filed with the Commission,
7 provided that neither the clean coal facility nor
8 the utility waives any right to assert federal
9 pre-emption or any other argument in response to a
10 purported disallowance of recovery costs;

11 (ix) limit the utility's or alternative retail
12 electric supplier's obligation to incur any
13 liability until such time as the facility is in
14 commercial operation and generating power and
15 energy and such power and energy is being
16 delivered to the facility busbar;

17 (x) provide that the owner or owners of the
18 initial clean coal facility, which is the
19 counterparty to such sourcing agreement, shall
20 have the right from time to time to elect whether
21 the obligations of the utility party thereto shall
22 be governed by the power purchase provisions or
23 the contract for differences provisions;

24 (xi) append documentation showing that the
25 formula rate and contract, insofar as they relate
26 to the power purchase provisions, have been

1 approved by the Federal Energy Regulatory
2 Commission pursuant to Section 205 of the Federal
3 Power Act;

4 (xii) provide that any changes to the terms of
5 the contract, insofar as such changes relate to
6 the power purchase provisions, are subject to
7 review under the public interest standard applied
8 by the Federal Energy Regulatory Commission
9 pursuant to Sections 205 and 206 of the Federal
10 Power Act; and

11 (xiii) conform with customary lender
12 requirements in power purchase agreements used as
13 the basis for financing non-utility generators.

14 (4) Effective date of sourcing agreements with the
15 initial clean coal facility. Any proposed sourcing
16 agreement with the initial clean coal facility shall not
17 become effective unless the following reports are prepared
18 and submitted and authorizations and approvals obtained:

19 (i) Facility cost report. The owner of the initial
20 clean coal facility shall submit to the Commission,
21 the Agency, and the General Assembly a front-end
22 engineering and design study, a facility cost report,
23 method of financing (including but not limited to
24 structure and associated costs), and an operating and
25 maintenance cost quote for the facility (collectively
26 "facility cost report"), which shall be prepared in

1 accordance with the requirements of this paragraph (4)
2 of subsection (d) of this Section, and shall provide
3 the Commission and the Agency access to the work
4 papers, relied upon documents, and any other backup
5 documentation related to the facility cost report.

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

1 to receipt of the facility cost report.

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

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

25 (A) The facility cost report shall be prepared by
26 duly licensed engineering and construction firms

1 detailing the estimated capital costs payable to one
2 or more contractors or suppliers for the engineering,
3 procurement and construction of the components
4 comprising the initial clean coal facility and the
5 estimated costs of operation and maintenance of the
6 facility. The facility cost report shall include:

7 (i) an estimate of the capital cost of the
8 core plant based on one or more front end
9 engineering and design studies for the
10 gasification island and related facilities. The
11 core plant shall include all civil, structural,
12 mechanical, electrical, control, and safety
13 systems.

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

25 The quoted construction costs shall be expressed
26 in nominal dollars as of the date that the quote is

1 prepared and shall include capitalized financing costs
2 during construction, taxes, insurance, and other
3 owner's costs, and an assumed escalation in materials
4 and labor beyond the date as of which the construction
5 cost quote is expressed.

6 (B) The front end engineering and design study for
7 the gasification island and the cost study for the
8 balance of plant shall include sufficient design work
9 to permit quantification of major categories of
10 materials, commodities and labor hours, and receipt of
11 quotes from vendors of major equipment required to
12 construct and operate the clean coal facility.

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

1 operating agreements, or recognized third party plant
2 operator or operators.

3 The operating and maintenance cost quote
4 (including the cost of the front end engineering and
5 design study) shall be expressed in nominal dollars as
6 of the date that the quote is prepared and shall
7 include taxes, insurance, and other owner's costs, and
8 an assumed escalation in materials and labor beyond
9 the date as of which the operating and maintenance
10 cost quote is expressed.

11 (D) The facility cost report shall also include an
12 analysis of the initial clean coal facility's ability
13 to deliver power and energy into the applicable
14 regional transmission organization markets and an
15 analysis of the expected capacity factor for the
16 initial clean coal facility.

17 (E) Amounts paid to third parties unrelated to the
18 owner or owners of the initial clean coal facility to
19 prepare the core plant construction cost quote,
20 including the front end engineering and design study,
21 and the operating and maintenance cost quote will be
22 reimbursed through Coal Development Bonds.

23 (5) Re-powering and retrofitting coal-fired power
24 plants previously owned by Illinois utilities to qualify
25 as clean coal facilities. During the 2009 procurement
26 planning process and thereafter, the Agency and the

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

26 (6) Costs incurred under this subsection (d) or

1 pursuant to a contract entered into under this subsection
2 (d) shall be deemed prudently incurred and reasonable in
3 amount and the electric utility shall be entitled to full
4 cost recovery pursuant to the tariffs filed with the
5 Commission.

6 (d-5) Zero emission standard.

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

1 of 10 years ending May 31, 2027. The quantity of zero
2 emission credits to be procured under the contracts shall
3 be all of the zero emission credits generated by the zero
4 emission facility in each delivery year; however, if the
5 zero emission facility is owned by more than one entity,
6 then the quantity of zero emission credits to be procured
7 under the contracts shall be the amount of zero emission
8 credits that are generated from the portion of the zero
9 emission facility that is owned by the winning supplier.

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

14 The procurement process shall be subject to the
15 following provisions:

16 (A) Those zero emission facilities that intend to
17 participate in the procurement shall submit to the
18 Agency the following eligibility information for each
19 zero emission facility on or before the date
20 established by the Agency:

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

23 (ii) the amount of power generated annually
24 for each of the years 2005 through 2015, and the
25 projected zero emission credits to be generated
26 over the remaining useful life of the zero

1 emission facility, which shall be used to
2 determine the capability of each facility;

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

19 (iv) a commitment to continue operating, for
20 the duration of the contract or contracts executed
21 under the procurement held under this subsection
22 (d-5), the zero emission facility that produces
23 the zero emission credits to be procured in the
24 procurement.

25 The information described in item (iii) of this
26 subparagraph (A) may be submitted on a confidential

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

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

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

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

1 Operator, Inc., divided by 24 hours per day.

2 (iii) Market price index: The market price
3 index for a delivery year shall be the sum of
4 projected energy prices and projected capacity
5 prices determined as follows:

6 (aa) Projected energy prices: the
7 projected energy prices for the applicable
8 delivery year shall be calculated once for the
9 year using the forward market price for the
10 PJM Interconnection, LLC Northern Illinois
11 Hub. The forward market price shall be
12 calculated as follows: the energy forward
13 prices for each month of the applicable
14 delivery year averaged for each trade date
15 during the calendar year immediately preceding
16 that delivery year to produce a single energy
17 forward price for the delivery year. The
18 forward market price calculation shall use
19 data published by the Intercontinental
20 Exchange, or its successor.

21 (bb) Projected capacity prices:

22 (I) For the delivery years commencing
23 June 1, 2017, June 1, 2018, and June 1,
24 2019, the projected capacity price shall
25 be equal to the sum of (1) 50% multiplied
26 by the Base Residual Auction, or its

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

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

1 cleared for Local Resource Zone 4, divided
2 by 24 hours per day, and where such price
3 is determined by the Midcontinent
4 Independent System Operator, Inc.

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

6 "Rest of the RTO" and "ComEd Zone" shall have
7 the meaning ascribed to them by PJM
8 Interconnection, LLC.

9 "RTO" means regional transmission
10 organization.

11 (C) No later than 45 days after June 1, 2017 (the
12 effective date of Public Act 99-906), the Agency shall
13 publish its proposed zero emission standard
14 procurement plan. The plan shall be consistent with
15 the provisions of this paragraph (1) and shall provide
16 that winning bids shall be selected based on public
17 interest criteria that include, but are not limited
18 to, minimizing carbon dioxide emissions that result
19 from electricity consumed in Illinois and minimizing
20 sulfur dioxide, nitrogen oxide, and particulate matter
21 emissions that adversely affect the citizens of this
22 State. In particular, the selection of winning bids
23 shall take into account the incremental environmental
24 benefits resulting from the procurement, such as any
25 existing environmental benefits that are preserved by
26 the procurements held under Public Act 99-906 and

1 would cease to exist if the procurements were not
2 held, including the preservation of zero emission
3 facilities. The plan shall also describe in detail how
4 each public interest factor shall be considered and
5 weighted in the bid selection process to ensure that
6 the public interest criteria are applied to the
7 procurement and given full effect.

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

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

1 procurement plan with the Commission.

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

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

16 (i) identify how the winning bids satisfy the
17 public interest criteria described in subparagraph
18 (C) of this paragraph (1) of minimizing carbon
19 dioxide emissions that result from electricity
20 consumed in Illinois and minimizing sulfur
21 dioxide, nitrogen oxide, and particulate matter
22 emissions that adversely affect the citizens of
23 this State;

24 (ii) specifically address how the selection of
25 winning bids takes into account the incremental
26 environmental benefits resulting from the

1 procurement, including any existing environmental
2 benefits that are preserved by the procurements
3 held under Public Act 99-906 and would have ceased
4 to exist if the procurements had not been held,
5 such as the preservation of zero emission
6 facilities;

7 (iii) quantify the environmental benefit of
8 preserving the resources identified in item (ii)
9 of this subparagraph (C-5), including the
10 following:

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

21 (bb) the costs of replacement with other
22 zero carbon dioxide resources, including wind
23 and photovoltaic, based upon the simple
24 average of the following:

25 (I) 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 wind projects in the
3 procurement events specified in item (i)
4 of subparagraph (G) of paragraph (1) of
5 subsection (c) of this Section; and

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

18 Each utility shall enter into binding contractual
19 arrangements with the winning suppliers.

20 The procurement described in this subsection
21 (d-5), including, but not limited to, the execution of
22 all contracts procured, shall be completed no later
23 than May 10, 2017. Based on the effective date of
24 Public Act 99-906, the Agency and Commission may, as
25 appropriate, modify the various dates and timelines
26 under this subparagraph and subparagraphs (C) and (D)

1 of this paragraph (1). The procurement and plan
2 approval processes required by this subsection (d-5)
3 shall be conducted in conjunction with the procurement
4 and plan approval processes required by subsection (c)
5 of this Section and Section 16-111.5 of the Public
6 Utilities Act, to the extent practicable.
7 Notwithstanding whether a procurement event is
8 conducted under Section 16-111.5 of the Public
9 Utilities Act, the Agency shall immediately initiate a
10 procurement process on June 1, 2017 (the effective
11 date of Public Act 99-906).

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

20 (E) Notwithstanding the requirements of this
21 subsection (d-5), the contracts executed under this
22 subsection (d-5) shall provide that the zero emission
23 facility may, as applicable, suspend or terminate
24 performance under the contracts in the following
25 instances:

26 (i) A zero emission facility shall be excused

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

22 (ii) A zero emission facility shall be
23 permitted to terminate the contract if legislation
24 is enacted into law by the General Assembly that
25 imposes or authorizes a new tax, special
26 assessment, or fee on the generation of

1 electricity, the ownership or leasehold of a
2 generating unit, or the privilege or occupation of
3 such generation, ownership, or leasehold of
4 generation units by a zero emission facility.
5 However, the provisions of this item (ii) do not
6 apply to any generally applicable tax, special
7 assessment or fee, or requirements imposed by
8 federal law.

9 (iii) A zero emission facility shall be
10 permitted to terminate the contract in the event
11 that the resource requires capital expenditures in
12 excess of \$40,000,000 that were neither known nor
13 reasonably foreseeable at the time it executed the
14 contract and that a prudent owner or operator of
15 such resource would not undertake.

16 (iv) A zero emission facility shall be
17 permitted to terminate the contract in the event
18 the Nuclear Regulatory Commission terminates the
19 resource's license.

20 (F) If the zero emission facility elects to
21 terminate a contract under subparagraph (E) of this
22 paragraph (1), then the Commission shall reopen the
23 docket in which the Commission approved the zero
24 emission standard procurement plan under subparagraph
25 (C) of this paragraph (1) and, after notice and
26 hearing, enter an order acknowledging the contract

1 termination election if such termination is consistent
2 with the provisions of this subsection (d-5).

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

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

1 Act. To arrive at a maximum dollar amount of zero emission
2 credits to be paid for the particular delivery year, the
3 resulting per kilowatthour amount shall be applied to the
4 actual amount of kilowatthours of electricity delivered by
5 the electric utility in the delivery year immediately
6 prior to the procurement, to all retail customers in its
7 service territory. Unpaid contractual volume for any
8 delivery year shall be paid in any subsequent delivery
9 year in which such payments can be made without exceeding
10 the amount specified in this paragraph (2). The
11 calculations required by this paragraph (2) shall be made
12 only once for each procurement plan year. Once the
13 determination as to the amount of zero emission credits to
14 be paid is made based on the calculations set forth in this
15 paragraph (2), no subsequent rate impact determinations
16 shall be made and no adjustments to those contract amounts
17 shall be allowed. All costs incurred under those contracts
18 and in implementing this subsection (d-5) shall be
19 recovered by the electric utility as provided in this
20 Section.

21 No later than June 30, 2019, the Commission shall
22 review the limitation on the amount of zero emission
23 credits procured under this subsection (d-5) and report to
24 the General Assembly its findings as to whether that
25 limitation unduly constrains the procurement of
26 cost-effective zero emission credits.

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

25 For purposes of this Section, the Average ZEC Payment
26 shall be calculated by multiplying the quantity of zero

1 emission credits delivered under the contract times the
2 average contract price. The average contract price shall
3 be determined by subtracting the amount calculated under
4 subparagraph (B) of this paragraph (3) from the amount
5 calculated under subparagraph (A) of this paragraph (3),
6 as follows:

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

10 (B) The average of the market price indices, as
11 defined in subparagraph (B) of paragraph (1) of this
12 subsection (d-5), during the term of the contract,
13 minus the baseline market price index, as defined in
14 subparagraph (B) of paragraph (1) of this subsection
15 (d-5).

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

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

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

24 (6) Electric utilities shall be entitled to recover
25 all of the costs associated with the procurement of zero
26 emission credits through an automatic adjustment clause

1 tariff in accordance with subsection (k) and (m) of
2 Section 16-108 of the Public Utilities Act, and the
3 contracts executed under this subsection (d-5) shall
4 provide that the utilities' payment obligations under such
5 contracts shall be reduced if an adjustment is required
6 under subsection (m) of Section 16-108 of the Public
7 Utilities Act.

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

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

12 (1) The General Assembly finds:

13 (A) The health, welfare, and prosperity of all
14 Illinois citizens require that the State of Illinois act
15 to avoid and not increase carbon emissions from electric
16 generation sources while continuing to ensure affordable,
17 stable, and reliable electricity to all citizens.

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

26 (C) The General Assembly finds that nuclear power

1 generation is necessary for the State's transition to 100%
2 clean energy, and ensuring continued operation of nuclear
3 plants advances environmental and public health interests
4 through providing carbon-free electricity while reducing
5 the air pollution profile of the Illinois energy
6 generation fleet.

7 (D) The clean energy attributes of nuclear generation
8 facilities support the State in its efforts to achieve
9 100% clean energy.

10 (E) The State currently invests in various forms of
11 clean energy, including, but not limited to, renewable
12 energy, energy efficiency, and low-emission vehicles,
13 among others.

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

25 (G) Nuclear plants provide carbon-free energy, which
26 helps to avoid many health-related negative impacts for

1 Illinois residents.

2 (H) The procurement of carbon mitigation credits
3 representing the environmental benefits of carbon-free
4 generation will further the State's efforts at achieving
5 100% clean energy and decarbonizing the electricity sector
6 in a safe, reliable, and affordable manner. Further, the
7 procurement of carbon emission credits will enhance the
8 health and welfare of Illinois residents through decreased
9 reliance on more highly polluting generation.

10 (I) The General Assembly therefore finds it necessary
11 to establish carbon mitigation credits to ensure decreased
12 reliance on more carbon-intensive energy resources, for
13 transitioning to a fully decarbonized electricity sector,
14 and to help ensure health and welfare of the State's
15 residents.

16 (2) As used in this subsection:

17 "Baseline costs" means costs used to establish a customer
18 protection cap that have been evaluated through an independent
19 audit of a carbon-free energy resource conducted by the
20 Environmental Protection Agency that evaluated projected
21 annual costs for operation and maintenance expenses; fully
22 allocated overhead costs, which shall be allocated using the
23 methodology developed by the Institute for Nuclear Power
24 Operations; fuel expenditures; nonfuel capital expenditures;
25 spent fuel expenditures; a return on working capital; the cost
26 of operational and market risks that could be avoided by

1 ceasing operation; and any other costs necessary for continued
2 operations, provided that "necessary" means, for purposes of
3 this definition, that the costs could reasonably be avoided
4 only by ceasing operations of the carbon-free energy resource.

5 "Carbon mitigation credit" means a tradable credit that
6 represents the carbon emission reduction attributes of one
7 megawatt-hour of energy produced from a carbon-free energy
8 resource.

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

12 (3) Procurement.

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

25 (B) Each carbon-free energy resource that intends to
26 participate in a procurement shall be required to submit

1 to the Agency the following information for the resource
2 on or before the date established by the Agency:

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

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

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

18 (iv) financial need and the risk of loss of the
19 environmental benefits of such resource, which shall
20 include the following information:

21 (I) the carbon-free energy resource's cost
22 projections, expressed on a per megawatt-hour
23 basis, over the next 5 delivery years, which shall
24 include the following: operation and maintenance
25 expenses; fully allocated overhead costs, which
26 shall be allocated using the methodology developed

1 by the Institute for Nuclear Power Operations;
2 fuel expenditures; nonfuel capital expenditures;
3 spent fuel expenditures; a return on working
4 capital; the cost of operational and market risks
5 that could be avoided by ceasing operation; and
6 any other costs necessary for continued
7 operations, provided that "necessary" means, for
8 purposes of this subitem (I), that the costs could
9 reasonably be avoided only by ceasing operations
10 of the carbon-free energy resource; and

11 (II) the carbon-free energy resource's revenue
12 projections, including energy, capacity, ancillary
13 services, any other direct State support, known or
14 anticipated federal attribute credits, known or
15 anticipated tax credits, and any other direct
16 federal support.

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

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

8 (i) Contracts are for delivery of carbon
9 mitigation credits, and are not energy or capacity
10 sales contracts requiring physical delivery. Pursuant
11 to item (iii), contract payments shall fully deduct
12 the value of any monetized federal production tax
13 credits, credits issued pursuant to a federal clean
14 energy standard, and other federal credits if
15 applicable.

16 (ii) Contracts for carbon mitigation credits shall
17 commence with the delivery year beginning on June 1,
18 2022 and shall be for a term of 5 delivery years
19 concluding on May 31, 2027.

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

23 (I) one of the following energy price indices,
24 selected by the bidder at the time of the bid for
25 the term of the contract:

26 (aa) the weighted-average hourly day-ahead

1 price for the applicable delivery year at the
2 busbar of all resources procured pursuant to
3 this subsection (d-10), weighted by actual
4 production from the resources; or

5 (bb) the projected energy price for the
6 PJM Interconnection, LLC Northern Illinois Hub
7 for the applicable delivery year determined
8 according to subitem (aa) of item (iii) of
9 subparagraph (B) of paragraph (1) of
10 subsection (d-5).

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

26 (III) any value of monetized federal tax

1 credits, direct payments, or similar subsidy
2 provided to the carbon-free energy resource from
3 any unit of government that is not already
4 reflected in energy prices.

5 If the price-per-megawatt-hour calculation
6 performed under item (iii) of this subparagraph (C)
7 for a given delivery year results in a net positive
8 value, then the electric utility counterparty to the
9 contract shall multiply such net value by the
10 applicable contract quantity and remit the amount to
11 the supplier.

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

24 (iv) To ensure that retail customers in Northern
25 Illinois do not pay more for carbon mitigation credits
26 than the value such credits provide, and

1 notwithstanding the provisions of this subsection
2 (d-10), the Agency shall not accept bids for contracts
3 that exceed a customer protection cap equal to the
4 baseline costs of carbon-free energy resources.

5 The baseline costs for the applicable year shall
6 be the following:

7 (I) For the delivery year beginning June 1,
8 2022, the baseline costs shall be an amount equal
9 to \$30.30 per megawatt-hour.

10 (II) For the delivery year beginning June 1,
11 2023, the baseline costs shall be an amount equal
12 to \$32.50 per megawatt-hour.

13 (III) For the delivery year beginning June 1,
14 2024, the baseline costs shall be an amount equal
15 to \$33.43 per megawatt-hour.

16 (IV) For the delivery year beginning June 1,
17 2025, the baseline costs shall be an amount equal
18 to \$33.50 per megawatt-hour.

19 (V) For the delivery year beginning June 1,
20 2026, the baseline costs shall be an amount equal
21 to \$34.50 per megawatt-hour.

22 An Environmental Protection Agency consultant
23 forecast, included in a report issued April 14, 2021,
24 projects that a carbon-free energy resource has the
25 opportunity to earn on average approximately \$30.28
26 per megawatt-hour, for the sale of energy and capacity

1 during the time period between 2022 and 2027.
2 Therefore, the sale of carbon mitigation credits
3 provides the opportunity to receive an additional
4 amount per megawatt-hour in addition to the projected
5 prices for energy and capacity.

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

19 (D) No later than 7 days after the effective date of
20 this amendatory Act of the 102nd General Assembly, the
21 Agency shall publish its proposed carbon mitigation credit
22 procurement plan. The Plan shall provide that winning bids
23 shall be selected by taking into consideration which
24 resources best match public interest criteria that
25 include, but are not limited to, minimizing carbon dioxide
26 emissions that result from electricity consumed in

1 Illinois and minimizing sulfur dioxide, nitrogen oxide,
2 and particulate matter emissions that adversely affect the
3 citizens of this State. The selection of winning bids
4 shall also take into account the incremental environmental
5 benefits resulting from the procurement or procurements,
6 such as any existing environmental benefits that are
7 preserved by a procurement held under this subsection
8 (d-10) and would cease to exist if the procurement were
9 not held, including the preservation of carbon-free energy
10 resources. For those bidders having the same public
11 interest criteria score, the relative ranking of such
12 bidders shall be determined by price. The Plan shall
13 describe in detail how each public interest factor shall
14 be considered and weighted in the bid selection process to
15 ensure that the public interest criteria are applied to
16 the procurement. The Plan shall, to the extent practical
17 and permissible by federal law, ensure that successful
18 bidders make commercially reasonable efforts to apply for
19 federal tax credits, direct payments, or similar subsidy
20 programs that support carbon-free generation and for which
21 the successful bidder is eligible. Upon publishing of the
22 carbon mitigation credit procurement plan, copies of the
23 plan shall be posted and made publicly available on the
24 Agency's website. All interested parties shall have 7 days
25 following the date of posting to provide comment to the
26 Agency on the plan. All comments shall be posted to the

1 Agency's website. Following the end of the comment period,
2 but no more than 19 days later than the effective date of
3 this amendatory Act of the 102nd General Assembly, the
4 Agency shall revise the plan as necessary based on the
5 comments received and file its carbon mitigation credit
6 procurement plan with the Commission.

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

20 (i) identify how the selected carbon-free energy
21 resources satisfy the public interest criteria
22 described in this paragraph (3) of minimizing carbon
23 dioxide emissions that result from electricity
24 consumed in Illinois and minimizing sulfur dioxide,
25 nitrogen oxide, and particulate matter emissions that
26 adversely affect the citizens of this State;

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

10 (iii) quantify the environmental benefit of
11 preserving the carbon-free energy resources procured
12 pursuant to this subsection (d-10), including the
13 following:

14 (I) an assessment value of avoided greenhouse
15 gas emissions measured as the product of the
16 carbon-free energy resources' output over the
17 contract term, using generally accepted
18 methodologies for the valuation of avoided
19 emissions; and

20 (II) an assessment of costs of replacement
21 with other carbon-free energy resources and
22 renewable energy resources, including wind and
23 photovoltaic generation, based upon an assessment
24 of the prices paid for renewable energy credits
25 through programs and procurements conducted
26 pursuant to subsection (c) of Section 1-75 of this

1 Act, and the additional storage necessary to
2 produce the same or similar capability of matching
3 customer usage patterns.

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

20 (F-1) Costs incurred by the electric utility pursuant
21 to a contract authorized by this subsection (d-10) shall
22 be deemed prudently incurred and reasonable in amount, and
23 the electric utility shall be entitled to full cost
24 recovery pursuant to a tariff or tariffs filed with the
25 Commission.

26 (G) The counterparty electric utility shall retire all

1 carbon mitigation credits used to comply with the
2 requirements of this subsection (d-10).

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

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

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

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

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

19 (h) The Agency shall assess fees to each bidder to recover
20 the costs incurred in connection with a competitive
21 procurement process.

22 (i) A renewable energy credit, carbon emission credit,
23 zero emission credit, or carbon mitigation credit can only be
24 used once to comply with a single portfolio or other standard
25 as set forth in subsection (c), subsection (d), or subsection
26 (d-5) of this Section, respectively. A renewable energy

1 credit, carbon emission credit, zero emission credit, or
2 carbon mitigation credit cannot be used to satisfy the
3 requirements of more than one standard. If more than one type
4 of credit is issued for the same megawatt hour of energy, only
5 one credit can be used to satisfy the requirements of a single
6 standard. After such use, the credit must be retired together
7 with any other credits issued for the same megawatt hour of
8 energy.

9 (Source: P.A. 102-662, eff. 9-15-21; 103-380, eff. 1-1-24;
10 103-580, eff. 12-8-23; 103-1066, eff. 2-20-25.)

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

12 Sec. 1-75. Planning and Procurement Bureau. The Planning
13 and Procurement Bureau has the following duties and
14 responsibilities:

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

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

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

1 resources procurement plan in accordance with subsection (c)
2 of this Section and Section 16-111.5 of the Public Utilities
3 Act.

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

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

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

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

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

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

5 (E) expertise in credit protocols and familiarity
6 with contract protocols;

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

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

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

18 (A) direct previous experience administering a
19 large-scale competitive procurement process;

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

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

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

1 organizations;

2 (E) expertise in credit and contract protocols;

3 (F) adequate resources to perform and fulfill the
4 required functions and responsibilities; and

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

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

23 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

1 Commission approval.

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

16 (c) Renewable portfolio standard.

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

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

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

1 determine the annual increase between delivery year 2030
2 and delivery year 2040, if any, taking into account energy
3 demand, other energy resources, and other public policy
4 goals. In the event of a conflict between these goals and
5 the new wind, new photovoltaic, new geothermal heating and
6 cooling, and hydropower procurement requirements described
7 in items (i) through (iii) of subparagraph (C) of this
8 paragraph (1), the long-term plan shall prioritize
9 compliance with the new wind, new photovoltaic, new
10 geothermal heating and cooling, and hydropower procurement
11 requirements described in items (i) through (iii) of
12 subparagraph (C) of this paragraph (1) over the annual
13 percentage targets described in this subparagraph (B). The
14 Agency shall not comply with the annual percentage targets
15 described in this subparagraph (B) by procuring renewable
16 energy credits that are unlikely to lead to the
17 development of new renewable resources or new, modernized,
18 or retooled hydropower facilities.

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

1 of the utility's load for retail customers who are not
2 eligible retail customers on February 28, 2017.

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

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

1 energy demand, other energy resources, and other public
2 policy goals.

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

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

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

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

25 In developing the long-term renewable resources
26 procurement plan, the Agency shall consider other

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

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

1 credits until that budget is exhausted in the manner
2 outlined in item (i) of this subparagraph (C).

3 (iii) For purposes of this Section:

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

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

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

23 "Geothermal heating and cooling system" means a
24 system located in this State that meets all of the
25 following requirements:

26 (I) the system exchanges thermal energy from

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

13 (II) the system meets or exceeds federal
14 Energy Star product specification standards for
15 Geothermal Heat Pumps established on January 1,
16 2012, as clarified by the Environmental Protection
17 Agency guidance document released on February 28,
18 2012 entitled "Clarification to the Geothermal
19 Heat Pump Verification Testing Requirements and
20 Basic Model Group Definition", or any successor
21 standards that meet or exceed these standards;

22 (III) the system replaces or displaces less
23 efficient space or water heating systems,
24 regardless of fuel type;

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

1 (V) the system does not feed electricity back
2 to the grid, as defined at the level of the
3 geothermal heat pump; and

4 (VI) the system became operational on or after
5 the effective date of this amendatory Act of the
6 104th General Assembly.

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

19 (iv) The Agency may implement additional measures,
20 including eligibility requirements, to ensure that new
21 wind projects and new photovoltaic projects supported
22 through renewable energy credit contract awards are a
23 result of a contract award and are otherwise developed
24 pursuant to the financial certainty provided through a
25 contract award.

26 (D) Renewable energy credits shall be cost effective.

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

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

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

1 surcharges, and add-on taxes.

2 Notwithstanding the requirements of this subsection
3 (c), and except as provided in subparagraph (E-5) of
4 paragraph (1) of this subsection (c) or except as
5 otherwise authorized by the Commission in its approval of
6 the integrated resource plan under Section 16-202 of the
7 Public Utilities Act, the total of renewable energy
8 resources procured under the procurement plan for any
9 single year shall be subject to the limitations of this
10 subparagraph (E). Such procurement shall be reduced for
11 all retail customers based on the amount necessary to
12 limit the annual estimated average net increase due to the
13 costs of these resources included in the amounts paid by
14 eligible retail customers in connection with electric
15 service to no more than 4.25% of the amount paid per
16 kilowatthour by those customers during the year ending May
17 31, 2009, adjusted annually for inflation starting with
18 the first adjustment in the delivery year commencing June
19 1, 2026. For the purposes of this Section, the inflation
20 adjustment shall not be accrued or applied retroactively
21 prior to the effective date of this amendatory Act of the
22 104th General Assembly and shall apply prospectively
23 starting in 2025. The limitation shall be increased by an
24 additional 1.65 percentage points of the amount paid per
25 kilowatthour by eligible retail customers during the year
26 ending May 31, 2009 starting with the delivery year

1 commencing June 1, 2027. To arrive at a maximum dollar
2 amount of renewable energy resources to be procured for
3 the particular delivery year, the resulting per
4 kilowatthour amount shall be applied to the actual amount
5 of kilowatthours of electricity delivered, or applicable
6 portion of such amount as specified in paragraph (1) of
7 this subsection (c), as applicable, by the electric
8 utility in the delivery year immediately prior to the
9 procurement to all retail customers in its service
10 territory. The calculations required by this subparagraph
11 (E) shall be made only once for each delivery year at the
12 time that the renewable energy resources are procured.
13 Once the determination as to the amount of renewable
14 energy resources to procure is made based on the
15 calculations set forth in this subparagraph (E) and the
16 contracts procuring those amounts are executed between the
17 seller and applicable electric utility, no subsequent rate
18 impact determinations shall be made and no adjustments to
19 those contract amounts shall be allowed. As provided in
20 subparagraph (E-5) of paragraph (1) of this subsection
21 (c), the seller shall be entitled to full, prompt, and
22 uninterrupted payment under the applicable contract
23 notwithstanding the application of this subparagraph (E),
24 and all costs incurred under such contracts shall be fully
25 recoverable by the electric utility as provided in this
26 Section.

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

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

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

26 (iii) The Agency shall promptly notify the

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

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

1 this Act, and expected collections authorized under
2 subparagraph (E) to determine whether and to what
3 extent the limitations of subparagraph (E) would be
4 exceeded by additional renewable energy credit
5 procurement contract awards.

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

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

22 (cc) Agency determinations made under this
23 item (iv) shall be detailed and comprehensive and,
24 if not made through the Agency's Long-Term
25 Renewable Resources Procurement Plan, shall be
26 filed as a compliance filing in the most recent

1 docketed proceeding approving the Agency's
2 Long-Term Renewable Resources Procurement Plan.

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

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

1 (F) If the limitation on the amount of renewable
2 energy resources procured in subparagraph (E) of this
3 paragraph (1) prevents the Agency from meeting all of the
4 goals in this subsection (c), the Agency's long-term plan
5 shall prioritize compliance with the requirements of this
6 subsection (c) regarding renewable energy credits in the
7 following order:

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

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

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

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

19 (G) The following provisions shall apply to the
20 Agency's procurement of renewable energy credits under
21 this subsection (c):

22 (i) Notwithstanding whether a long-term renewable
23 resources procurement plan has been approved, the
24 Agency shall conduct an initial forward procurement
25 for renewable energy credits from new utility-scale
26 wind projects within 160 days after June 1, 2017 (the

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

19 (ii) Notwithstanding whether a long-term renewable
20 resources procurement plan has been approved, the
21 Agency shall conduct an initial forward procurement
22 for renewable energy credits from new utility-scale
23 solar projects and brownfield site photovoltaic
24 projects within one year after June 1, 2017 (the
25 effective date of Public Act 99-906). For the purposes
26 of this initial forward procurement, the Agency shall

1 solicit 15-year contracts for delivery of 1,000,000
2 renewable energy credits delivered annually from new
3 utility-scale solar projects and brownfield site
4 photovoltaic projects to begin delivery on June 1,
5 2019, if available, but not later than June 1, 2021,
6 unless the project has delays in the establishment of
7 an operating interconnection with the applicable
8 transmission or distribution system as a result of the
9 actions or inactions of the transmission or
10 distribution provider, or other causes for force
11 majeure as outlined in the procurement contract, in
12 which case, not later than June 1, 2022. The Agency may
13 structure this initial procurement in one or more
14 discrete procurement events. Payments to suppliers of
15 renewable energy credits shall commence upon delivery.
16 Renewable energy credits procured under this initial
17 procurement shall be included in the Agency's
18 long-term plan and shall apply to all renewable energy
19 goals in this subsection (c).

20 (iii) Notwithstanding whether the Commission has
21 approved the periodic long-term renewable resources
22 procurement plan revision described in Section
23 16-111.5 of the Public Utilities Act, the Agency shall
24 conduct at least one subsequent forward procurement
25 for renewable energy credits from new utility-scale
26 wind projects, new utility-scale solar projects, and

1 new brownfield site photovoltaic projects within 240
2 days after the effective date of this amendatory Act
3 of the 102nd General Assembly in quantities necessary
4 to meet the requirements of subparagraph (C) of this
5 paragraph (1) through the delivery year beginning June
6 1, 2021.

7 (iv) Notwithstanding whether the Commission has
8 approved the periodic long-term renewable resources
9 procurement plan revision described in Section
10 16-111.5 of the Public Utilities Act, the Agency shall
11 open capacity for each category in the Adjustable
12 Block program within 90 days after the effective date
13 of this amendatory Act of the 102nd General Assembly
14 manner:

15 (1) The Agency shall open the first block of
16 annual capacity for the category described in item
17 (i) of subparagraph (K) of this paragraph (1). The
18 first block of annual capacity for item (i) shall
19 be for at least 75 megawatts of total nameplate
20 capacity. The price of the renewable energy credit
21 for this block of capacity shall be 4% less than
22 the price of the last open block in this category.
23 Projects on a waitlist shall be awarded contracts
24 first in the order in which they appear on the
25 waitlist. Notwithstanding anything to the
26 contrary, for those renewable energy credits that

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

17 (2) The Agency shall open the first block of
18 annual capacity for the category described in item
19 (ii) of subparagraph (K) of this paragraph (1).
20 The first block of annual capacity for item (ii)
21 shall be for at least 75 megawatts of total
22 nameplate capacity.

23 (A) The price of the renewable energy
24 credit for any project on a waitlist for this
25 category before the opening of this block
26 shall be 4% less than the price of the last

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

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

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

24 (3) For opening the first 2 blocks of annual
25 capacity for projects participating in item (iii)
26 of subparagraph (K) of paragraph (1) of subsection

1 (c), projects shall be selected exclusively from
2 those projects on the ordinal waitlists of
3 community renewable generation projects
4 established by the Agency based on the status of
5 those ordinal waitlists as of December 31, 2020,
6 and only those projects previously determined to
7 be eligible for the Agency's April 2019 community
8 solar project selection process.

9 The first 2 blocks of annual capacity for item
10 (iii) shall be for 250 megawatts of total
11 nameplate capacity, with both blocks opening
12 simultaneously under the schedule outlined in the
13 paragraphs below. Projects shall be selected as
14 follows:

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

22 (B) Contract awards for waitlisted
23 projects shall be allocated proportionate to
24 the total nameplate capacity amount across
25 both ordinal waitlists associated with that
26 applicant firm or its affiliates, subject to

1 the following conditions.

2 (i) Each applicant firm having a
3 waitlisted project eligible for selection
4 shall receive no less than 500 kilowatts
5 in awarded capacity across all groups, and
6 no approved vendor may receive more than
7 20% of each Group's waitlist allocation.

8 (ii) Each applicant firm, upon
9 receiving an award of program capacity
10 proportionate to its waitlisted capacity,
11 may then determine which waitlisted
12 projects it chooses to be selected for a
13 contract award up to that capacity amount.

14 (iii) Assuming all other program
15 requirements are met, applicant firms may
16 adjust the nameplate capacity of applicant
17 projects without losing waitlist
18 eligibility, so long as no project is
19 greater than 2,000 kilowatts in size.

20 (iv) Assuming all other program
21 requirements are met, applicant firms may
22 adjust the expected production associated
23 with applicant projects, subject to
24 verification by the Program Administrator.

25 (C) After a review of affiliate
26 information and the current ordinal waitlists,

1 the Agency shall announce the nameplate
2 capacity award amounts associated with
3 applicant firms no later than 90 days after
4 the effective date of this amendatory Act of
5 the 102nd General Assembly.

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

25 (E) The renewable energy credit delivery
26 contract shall be subject to the contract and

1 payment terms outlined in item (iv) of
2 subparagraph (L) of this subsection (c).
3 Contract instruments used for this
4 subparagraph shall contain the following
5 terms:

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

17 (ii) A requirement that a minimum of
18 50% of subscribers to the project's
19 nameplate capacity be residential or small
20 commercial customers with subscriptions of
21 below 25 kilowatts in size;

22 (iii) Permission for the ability of a
23 contract holder to substitute projects
24 with other waitlisted projects without
25 penalty should a project receive a
26 non-binding estimate of costs to construct

1 the interconnection facilities and any
2 required distribution upgrades associated
3 with that project of greater than 30 cents
4 per watt AC of that project's nameplate
5 capacity. In developing the applicable
6 contract instrument, the Agency may
7 consider whether other circumstances
8 outside of the control of the applicant
9 firm should also warrant project
10 substitution rights.

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

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

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

1 The first block of annual capacity for item (iv)
2 shall be for at least 50 megawatts of total
3 nameplate capacity. Renewable energy credit prices
4 shall be fixed, without further adjustment under
5 any other provision of this Act or for any other
6 reason, at the price in the last open block in the
7 category described in item (ii) of subparagraph
8 (K) of this paragraph (1). Pricing for future
9 blocks of annual capacity for this category may be
10 adjusted in the Agency's second revision to its
11 Long-Term Renewable Resources Procurement Plan.
12 Projects in this category shall be subject to the
13 contract terms outlined in item (iv) of
14 subparagraph (L) of this paragraph (1).

15 (5) The Agency shall open the equivalent of 2
16 years of annual capacity for the category
17 described in item (v) of subparagraph (K) of this
18 paragraph (1). The first block of annual capacity
19 for item (v) shall be for at least 10 megawatts of
20 total nameplate capacity. Notwithstanding the
21 provisions of item (v) of subparagraph (K) of this
22 paragraph (1), for the purpose of this initial
23 block, the agency shall accept new project
24 applications intended to increase the diversity of
25 areas hosting community solar projects, the
26 business models of projects, and the size of

1 projects, as described by the Agency in its
2 long-term renewable resources procurement plan
3 that is approved as of the effective date of this
4 amendatory Act of the 102nd General Assembly.
5 Projects in this category shall be subject to the
6 contract terms outlined in item (iii) of
7 subsection (L) of this paragraph (1).

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

1 contract terms outlined in items (ii) and (iii) of
2 subparagraph (L) of this paragraph (1).

3 (v) Upon the effective date of this amendatory Act
4 of the 102nd General Assembly, for all competitive
5 procurements and any procurements of renewable energy
6 credit from new utility-scale wind and new
7 utility-scale photovoltaic projects, the Agency shall
8 procure indexed renewable energy credits and direct
9 respondents to offer a strike price.

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

25 (2) Parties shall cash settle every month,
26 summing up all settlements (both positive and

1 negative, if applicable) for the prior month.

2 (3) To ensure funding in the annual budget
3 established under subparagraph (E) for indexed
4 renewable energy credit procurements for each year
5 of the term of such contracts, which must have a
6 minimum tenure of 20 calendar years, the
7 procurement administrator, Agency, Commission
8 staff, and procurement monitor shall quantify the
9 annual cost of the contract by utilizing one or
10 more industry-standard, third-party forward price
11 curves for energy at the appropriate hub or load
12 zone, including the estimated magnitude and timing
13 of the price effects related to federal carbon
14 controls. Each forward price curve shall contain a
15 specific value of the forecasted market price of
16 electricity for each annual delivery year of the
17 contract. For procurement planning purposes, the
18 impact on the annual budget for the cost of
19 indexed renewable energy credits for each delivery
20 year shall be determined as the expected annual
21 contract expenditure for that year, equaling the
22 difference between (i) the sum across all relevant
23 contracts of the applicable strike price
24 multiplied by contract quantity and (ii) the sum
25 across all relevant contracts of the forward price
26 curve for the applicable load zone for that year

1 multiplied by contract quantity. The contracting
2 utility shall not assume an obligation in excess
3 of the estimated annual cost of the contracts for
4 indexed renewable energy credits. Forward curves
5 shall be revised on an annual basis as updated
6 forward price curves are released and filed with
7 the Commission in the proceeding approving the
8 Agency's most recent long-term renewable resources
9 procurement plan. If the expected contract spend
10 is higher or lower than the total quantity of
11 contracts multiplied by the forward price curve
12 value for that year, the forward price curve shall
13 be updated by the procurement administrator, in
14 consultation with the Agency, Commission staff,
15 and procurement monitors, using then-currently
16 available price forecast data and additional
17 budget dollars shall be obligated or reobligated
18 as appropriate.

19 (4) To ensure that indexed renewable energy
20 credit prices remain predictable and affordable,
21 the Agency may consider the institution of a price
22 collar on REC prices paid under indexed renewable
23 energy credit procurements establishing floor and
24 ceiling REC prices applicable to indexed REC
25 contract prices. Any price collars applicable to
26 indexed REC procurements shall be proposed by the

1 Agency through its long-term renewable resources
2 procurement plan.

3 (vi) All procurements under this subparagraph (G),
4 including the procurement of renewable energy credits
5 from hydropower facilities, shall comply with the
6 geographic requirements in subparagraph (I) of this
7 paragraph (1) and shall follow the procurement
8 processes and procedures described in this Section and
9 Section 16-111.5 of the Public Utilities Act to the
10 extent practicable, and these processes and procedures
11 may be expedited to accommodate the schedule
12 established by this subparagraph (G). To ensure the
13 successful development of new renewable energy
14 projects supported through competitive procurements,
15 for any procurements conducted under items (i), (ii),
16 (iii), and (v) of this subparagraph (G) and any other
17 procurement of new utility-scale wind or utility-scale
18 solar projects that were entered into prior to January
19 1, 2025, the Agency shall allow, upon a demonstration
20 of need to ensure the commercial viability of a
21 project, for a one-time, post-award renegotiation of
22 select contract terms prior to the project's
23 commercial operation date through bilateral
24 negotiation between the Agency, the buyer, and a
25 winning bidder. Contract terms subject to
26 renegotiation may include the project map, as defined

1 under the applicable competitive solicitation, the
2 real estate footprint or any limitations thereof, the
3 location of the generators, or a potential reduction
4 in the quantity of renewable energy credits to be
5 delivered. Provisions related to a renewable energy
6 credit delivery shortfall and the event of default may
7 be replaced with similar provisions approved by the
8 Agency in subsequent years or subsequent to a
9 successful bid. Post-award renegotiation of
10 competitively bid renewable energy credit contracts
11 entered into prior to January 1, 2025 shall not be
12 permitted to the extent such renegotiation would
13 result in (1) the point of interconnection being
14 within the service area of a different state, a
15 different regional transmission organization zone, or
16 a different regional transmission organization, (2)
17 the generator no longer meeting the definition of the
18 resource category for which the winning bidder was
19 originally awarded a contract, (3) the generator no
20 longer meeting the Agency's public interest criteria
21 as established in the long-term renewable resources
22 plan in effect at the time of the contract award, or
23 (4) a change to material terms of the renewable energy
24 credit contract unrelated to project land or footprint
25 or the number of renewable energy credits to be
26 delivered, including the applicable bid price or

1 strike price. If the Agency, the buyer, and the
2 winning bidder reach an agreement on amended terms,
3 then, upon petition by the winning bidder or current
4 seller, the Commission shall issue an order directing
5 the utility counterparty to execute an amendment
6 drafted by the Agency with the revised terms to the
7 renewable energy credit contract, the product order,
8 or both. The Agency shall provide the amendment to the
9 utility within 15 business days after the Commission's
10 order, and the utility shall execute the amendment no
11 more than 7 calendar days after delivery by the
12 Agency.

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

1 (H) The procurement of renewable energy resources for
2 a given delivery year shall be reduced as described in
3 this subparagraph (H) if an alternative retail electric
4 supplier meets the requirements described in this
5 subparagraph (H).

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

18 The informational filing shall identify each
19 facility that was eligible to satisfy the alternative
20 retail electric supplier's obligations under Section
21 16-115D of the Public Utilities Act as described in
22 this item (i).

23 (ii) For a given delivery year, the alternative
24 retail electric supplier may elect to supply its
25 retail customers with renewable energy credits from
26 the facility or facilities described in item (i) of

1 this subparagraph (H) that continue to be owned by the
2 alternative retail electric supplier.

3 (iii) The alternative retail electric supplier
4 shall notify the Agency and the applicable utility, no
5 later than February 28 of the year preceding the
6 applicable delivery year or 15 days after June 1, 2017
7 (the effective date of Public Act 99-906), whichever
8 is later, of its election under item (ii) of this
9 subparagraph (H) to supply renewable energy credits to
10 retail customers of the utility. Such election shall
11 identify the amount of renewable energy credits to be
12 supplied by the alternative retail electric supplier
13 to the utility's retail customers and the source of
14 the renewable energy credits identified in the
15 informational filing as described in item (i) of this
16 subparagraph (H), subject to the following
17 limitations:

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

1 2016.

2 For delivery years beginning June 1, 2019 and
3 each year thereafter, the maximum amount of
4 renewable energy credits to be supplied by an
5 alternative retail electric supplier under this
6 subparagraph (H) shall be 68% multiplied by 50%
7 multiplied by 16% multiplied by the amount of
8 metered electricity (megawatt-hours) delivered by
9 the alternative retail electric supplier to
10 Illinois retail customers during the delivery year
11 ending May 31, 2016, provided that the 16% value
12 shall increase by 1.5% each delivery year
13 thereafter to 25% by the delivery year beginning
14 June 1, 2025, and thereafter the 25% value shall
15 apply to each delivery year.

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

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

3 If the requirements set forth in items (i) through
4 (iii) of this subparagraph (H) are met, the charges
5 that would otherwise be applicable to the retail
6 customers of the alternative retail electric supplier
7 under paragraph (6) of this subsection (c) for the
8 applicable delivery year shall be reduced by the ratio
9 of the quantity of renewable energy credits supplied
10 by the alternative retail electric supplier compared
11 to that supplier's target renewable energy credit
12 quantity. The supplier's target renewable energy
13 credit quantity for the delivery year beginning June
14 1, 2018 is 14.5% multiplied by the total amount of
15 metered electricity (megawatt-hours) delivered by the
16 alternative retail supplier in that delivery year,
17 provided that the 14.5% shall increase by 1.5% each
18 delivery year thereafter to 25% by the delivery year
19 beginning June 1, 2025, and thereafter the 25% value
20 shall apply to each delivery year.

21 On or before April 1 of each year, the Agency shall
22 annually publish a report on its website that
23 identifies the aggregate amount of renewable energy
24 credits supplied by alternative retail electric
25 suppliers under this subparagraph (H).

26 (I) The Agency shall design its long-term renewable

1 energy procurement plan to maximize the State's interest
2 in the health, safety, and welfare of its residents,
3 including but not limited to minimizing sulfur dioxide,
4 nitrogen oxide, particulate matter and other pollution
5 that adversely affects public health in this State,
6 increasing fuel and resource diversity in this State,
7 enhancing the reliability and resiliency of the
8 electricity distribution system in this State, meeting
9 goals to limit carbon dioxide emissions under federal or
10 State law, and contributing to a cleaner and healthier
11 environment for the citizens of this State. In order to
12 further these legislative purposes, renewable energy
13 credits shall be eligible to be counted toward the
14 renewable energy requirements of this subsection (c) if
15 they are generated from facilities located in this State.
16 The Agency may qualify renewable energy credits from
17 facilities located in states adjacent to Illinois or
18 renewable energy credits associated with the electricity
19 generated by a utility-scale wind energy facility or
20 utility-scale photovoltaic facility and transmitted by a
21 qualifying direct current project described in subsection
22 (b-5) of Section 8-406 of the Public Utilities Act to a
23 delivery point on the electric transmission grid located
24 in this State or a state adjacent to Illinois, if the
25 generator demonstrates and the Agency determines that the
26 operation of such facility or facilities will help promote

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

23 (J) In order to promote the competitive development of
24 renewable energy resources in furtherance of the State's
25 interest in the health, safety, and welfare of its
26 residents, renewable energy credits shall not be eligible

1 to be counted toward the renewable energy requirements of
2 this subsection (c) if they are sourced from a generating
3 unit whose costs were being recovered through rates
4 regulated by this State or any other state or states on or
5 after January 1, 2017. Each contract executed to purchase
6 renewable energy credits under this subsection (c) shall
7 provide for the contract's termination if the costs of the
8 generating unit supplying the renewable energy credits
9 subsequently begin to be recovered through rates regulated
10 by this State or any other state or states; and each
11 contract shall further provide that, in that event, the
12 supplier of the credits must return 110% of all payments
13 received under the contract. Amounts returned under the
14 requirements of this subparagraph (J) shall be retained by
15 the utility and all of these amounts shall be used for the
16 procurement of additional renewable energy credits from
17 new wind or new photovoltaic resources as defined in this
18 subsection (c). The long-term plan shall provide that
19 these renewable energy credits shall be procured in the
20 next procurement event.

21 Notwithstanding the limitations of this subparagraph
22 (J), renewable energy credits sourced from generating
23 units that are constructed, purchased, owned, or leased by
24 an electric utility as part of an approved project,
25 program, or pilot under Section 1-56 of this Act shall be
26 eligible to be counted toward the renewable energy

1 requirements of this subsection (c), regardless of how the
2 costs of these units are recovered. As long as a
3 generating unit or an identifiable portion of a generating
4 unit has not had and does not have its costs recovered
5 through rates regulated by this State or any other state,
6 HVDC renewable energy credits associated with that
7 generating unit or identifiable portion thereof shall be
8 eligible to be counted toward the renewable energy
9 requirements of this subsection (c).

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

1 The Adjustable Block program shall include for each
2 category of eligible projects for each delivery year: a
3 single block of nameplate capacity, a price for renewable
4 energy credits within that block, and the terms and
5 conditions for securing a spot on a waitlist once the
6 block is fully committed or reserved. Except as outlined
7 below, the waitlist of projects in a given year will carry
8 over to apply to the subsequent year when another block is
9 opened. Only projects energized on or after June 1, 2017
10 shall be eligible for the Adjustable Block program. For
11 each category for each delivery year the Agency shall
12 determine the amount of generation capacity in each block,
13 and the purchase price for each block, provided that the
14 purchase price provided and the total amount of generation
15 in all blocks for all categories shall be sufficient to
16 meet the goals in this subsection (c). The Agency shall
17 strive to issue a single block sized to provide for
18 stability and market growth. The Agency shall establish
19 program eligibility requirements that ensure that projects
20 that enter the program are sufficiently mature to indicate
21 a demonstrable path to completion. The Agency may
22 periodically review its prior decisions establishing the
23 amount of generation capacity in each block, and the
24 purchase price for each block, and may propose, on an
25 expedited basis, changes to these previously set values,
26 including but not limited to redistributing these amounts

1 and the available funds as necessary and appropriate,
2 subject to Commission approval as part of the periodic
3 plan revision process described in Section 16-111.5 of the
4 Public Utilities Act. The Agency may define different
5 block sizes, purchase prices, or other distinct terms and
6 conditions for projects located in different utility
7 service territories if the Agency deems it necessary to
8 meet the goals in this subsection (c).

9 The Adjustable Block program shall include the
10 following categories in at least the following amounts:

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

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

1 originate from the same developer or an affiliated
2 developer and the projects serve affiliated loads, the
3 projects shall be colocated if the projects are
4 located on adjacent parcels. If 2 or more projects are
5 developed, owned, or controlled by or originate from
6 the same developer and the projects serve unaffiliated
7 loads, the projects may be colocated if documentation
8 indicates affiliated management and ownership in the
9 pre-development, development, construction, and
10 management of the projects and the projects are
11 located on a single or adjacent parcels.
12 Notwithstanding any subsequent transfer, assignment,
13 or conveyance of ownership or development rights to
14 separate legal entities, the Agency shall consider, in
15 its determination of whether projects are affiliated,
16 evidence that the projects were pre-developed by the
17 same legal entity or an affiliated entity. If the
18 Agency determines the projects are affiliated, the
19 projects shall be treated as colocated for purposes of
20 aggregate nameplate capacity limitations and renewable
21 energy credit pricing adjustments. The Agency shall
22 make exceptions on a case-by-case basis if it is
23 demonstrated that projects on one parcel or projects
24 on adjacent parcels are unaffiliated. For purposes of
25 determining colocation, an approved vendor who submits
26 an application for a distributed renewable energy

1 generation project shall be required to submit an
2 affidavit attesting that the project is not affiliated
3 with any other distributed renewable energy generation
4 project such that, if the 2 projects were deemed
5 colocated, the projects would exceed the 5,000
6 kilowatts nameplate capacity limitation. The receipt
7 of an affidavit shall not restrict the Agency's
8 ability to investigate and determine whether the
9 project is, in fact, colocated.

10 For purposes of this item (ii):

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

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

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

21 (iii) At least 30% from photovoltaic community
22 renewable generation projects. Capacity for this
23 category for the first 2 delivery years after the
24 effective date of this amendatory Act of the 102nd
25 General Assembly shall be allocated to waitlist
26 projects as provided in paragraph (3) of item (iv) of

1 subparagraph (G). Starting in the third delivery year
2 after the effective date of this amendatory Act of the
3 102nd General Assembly or earlier if the Agency
4 determines there is additional capacity needed for to
5 meet previous delivery year requirements, the
6 following shall apply:

7 (1) the Agency shall select projects on a
8 first-come, first-serve basis, however the Agency
9 may suggest additional methods to prioritize
10 projects that are submitted at the same time;

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

15 (3) projects shall not be colocated with one
16 or more other photovoltaic community renewable
17 generation projects such that the aggregate
18 nameplate capacity exceeds 10,000 kilowatts. The
19 total nameplate capacity of colocated projects
20 shall be the sum of the nameplate capacities of
21 the individual projects. For purposes of this
22 subitem (3), separate legal formation of approved
23 vendors, owners, or developers shall not preclude
24 a finding of affiliation by the Agency. Evidence
25 of affiliation may include, but is not limited to,
26 shared personnel, common contractual or financing

1 arrangements, a shared interconnection agreement,
2 distinct interconnection agreements obtained by
3 the same pre-development entity that are
4 subsequently sold to distinct legal entities,
5 familial relationships, or any demonstrable
6 pattern of coordinated action in the
7 pre-development, development, construction, or
8 management of photovoltaic community renewable
9 generation projects.

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

1 projects on adjacent parcels are unaffiliated.

2 A parcel shall not be divided into multiple
3 parcels within the 5 years before the submission
4 of a project application. If a parcel is divided
5 within the preceding 5 years, a colocation
6 determination shall be made based on the
7 boundaries of the previous undivided parcel.

8 For purposes of determining colocation, an
9 approved vendor who submits an application for a
10 photovoltaic community renewable generation
11 project shall be required to submit an affidavit
12 attesting that (i) the parcel on which the project
13 is sited has not been subdivided within the 5
14 years preceding the project application and (ii)
15 the project is not affiliated with any other
16 photovoltaic community renewable generation energy
17 project in a manner that would cause the 2
18 projects, if deemed colocated, to exceed the
19 10,000 kilowatt nameplate capacity limitation. The
20 receipt of an affidavit shall not restrict the
21 Agency's ability to investigate and determine
22 whether the project is colocated.

23 Multiple photovoltaic community renewable
24 generation ~~community solar~~ projects sited on
25 distinct structures located on a single parcel
26 shall be considered colocated and must demonstrate

1 that the projects are unaffiliated in order to not
2 be considered colocated. Each colocated project
3 shall receive the renewable energy credit price
4 corresponding to the total, aggregated nameplate
5 capacity of the colocated systems, as determined
6 at the time the second project's application is
7 submitted to the Agency. If the second colocated
8 project has been constructed and placed in service
9 prior to application, and was placed in service
10 more than 2 years after Commission approval of the
11 original project, the colocation pricing
12 adjustment shall not apply, and each project shall
13 receive the standalone renewable energy credit
14 price for its individual capacity.

15 For purposes of this subitem (3):

16 "Affiliate" means any other entity that,
17 directly or indirectly through one or more
18 intermediaries, is controlled by or is under
19 common control of the primary entity or a third
20 entity. "Affiliate" includes family members for
21 the purposes of colocation between projects.
22 "Affiliate" does not include entities that have
23 shared sales or revenue-sharing arrangements or
24 common debt and equity financing arrangements.

25 "Colocated" means 2 or more photovoltaic
26 community renewable generation projects located on

1 a single parcel or adjacent parcels, unless it is
2 demonstrated that the projects are developed by
3 unaffiliated entities.

4 "Control" means the possession, directly or
5 indirectly, of the power to direct the management
6 and policies of an entity; and

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

12 (iv) At least 15% from distributed renewable
13 generation devices or photovoltaic community renewable
14 generation projects installed on public school land.
15 The Agency may create subcategories within this
16 category to account for the differences between
17 project size or location. Projects located within
18 environmental justice communities or within
19 Organizational Units that fall within Tier 1 or Tier 2
20 shall be given priority. Each of the Agency's periodic
21 updates to its long-term renewable resources
22 procurement plan to incorporate the procurement
23 described in this subparagraph (iv) shall also include
24 the proposed quantities or blocks, pricing, and
25 contract terms applicable to the procurement as
26 indicated herein. In each such update and procurement,

1 the Agency shall set the renewable energy credit price
2 and establish payment terms for the renewable energy
3 credits procured pursuant to this subparagraph (iv)
4 that make it feasible and affordable for public
5 schools to install photovoltaic distributed renewable
6 energy devices on their premises, including, but not
7 limited to, those public schools subject to the
8 prioritization provisions of this subparagraph. For
9 the purposes of this item (iv):

10 "Environmental Justice Community" shall have the
11 same meaning set forth in the Agency's long-term
12 renewable resources procurement plan;

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

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

20 (v) At least 5% from community-driven community
21 solar projects intended to provide more direct and
22 tangible connection and benefits to the communities
23 which they serve or in which they operate and,
24 additionally, to increase the variety of community
25 solar locations, models, and options in Illinois. As
26 part of its long-term renewable resources procurement

1 plan, the Agency shall develop selection criteria for
2 projects participating in this category. Nothing in
3 this Section shall preclude the Agency from creating a
4 selection process that maximizes community ownership
5 and community benefits in selecting projects to
6 receive renewable energy credits. Selection criteria
7 shall include:

8 (1) community ownership or community
9 wealth-building;

10 (2) additional direct and indirect community
11 benefit, beyond project participation as a
12 subscriber, including, but not limited to,
13 economic, environmental, social, cultural, and
14 physical benefits;

15 (3) meaningful involvement in project
16 organization and development by community members
17 or nonprofit organizations or public entities
18 located in or serving the community;

19 (4) engagement in project operations and
20 management by nonprofit organizations, public
21 entities, or community members; and

22 (5) whether a project is developed in response
23 to a site-specific RFP developed by community
24 members or a nonprofit organization or public
25 entity located in or serving the community.

26 Selection criteria may also prioritize projects

1 that:

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

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

13 (3) are located in Equity Investment Eligible
14 Communities;

15 (4) are not greenfield projects;

16 (5) serve only local subscribers;

17 (6) have a nameplate capacity that does not
18 exceed 500 kW;

19 (7) are developed by an equity eligible
20 contractor; or

21 (8) otherwise meaningfully advance the goals
22 of providing more direct and tangible connection
23 and benefits to the communities which they serve
24 or in which they operate and increasing the
25 variety of community solar locations, models, and
26 options in Illinois.

1 For the purposes of this item (v):

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

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

18 "Community ownership" means an arrangement in
19 which an electric generating facility is, or over time
20 will be, in significant part, owned collectively by
21 members of the community to which an electric
22 generating facility provides benefits; members of that
23 community participate in decisions regarding the
24 governance, operation, maintenance, and upgrades of
25 and to that facility; and members of that community
26 benefit from regular use of that facility.

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

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

24 The Agency shall propose a payment structure for
25 contracts executed pursuant to this paragraph under
26 which, upon a demonstration of qualification or need

1 under criteria established by the Agency that is
2 focused on supporting small and emerging businesses
3 and businesses that most acutely face barriers to the
4 access of capital, applicant firms are advanced
5 capital disbursed after contract execution but before
6 the contracted project's energization. The amount or
7 percentage of capital advanced prior to project
8 energization shall be sufficient to both cover any
9 increase in development costs resulting from
10 prevailing wage requirements or project-labor
11 agreements, and designed to overcome barriers in
12 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 and any application requirements or
20 evaluation criteria developed pursuant to the Plan.

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

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

15 For projects developed under this item (vi), the
16 Agency shall take steps to encourage higher portions
17 of contract value to be provided to equity eligible
18 contractors and to support equity eligible persons who
19 participate in this Program and who exercise control
20 and actively manage their businesses and their
21 businesses' contractual projects. These steps may
22 include, but are not limited to, differentiated REC
23 prices, exceptions or exemptions, and other mechanisms
24 and requirements for nonnominal contract value to be
25 provided to equity eligible contractors and equity
26 eligible persons as a prerequisite to Program

1 participation. Any steps taken shall aim to encourage
2 and grow the meaningful participation of equity
3 eligible contractors in this State's clean energy
4 economy. All entities participating under this item
5 (vi) shall comply with the minimum equity standard set
6 forth under Section 1-75.

7 (vii) The remaining capacity shall be allocated by
8 the Agency in order to respond to market demand. The
9 Agency shall allocate any discretionary capacity prior
10 to the beginning of each delivery year.

11 (viii) The Agency, through its long-term renewable
12 resources procurement plan, may implement solutions to
13 maintain stable and consistent REC offerings allocated
14 to systems described in item (i) of this subparagraph
15 (K) to avoid gaps in availability during a delivery
16 year, including, but not limited to, creating a
17 floating block of REC capacity in a given delivery
18 year.

19 To the extent there is uncontracted capacity from any
20 block in any of categories (i) through (vi) at the end of a
21 delivery year, the Agency shall redistribute that capacity
22 to one or more other categories giving priority to
23 categories with projects on a waitlist. The redistributed
24 capacity shall be added to the annual capacity in the
25 subsequent delivery year, and the price for renewable
26 energy credits shall be the price for the new delivery

1 year. Redistributed capacity shall not be considered
2 redistributed when determining whether the goals in this
3 subsection (K) have been met.

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

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

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

20 (i) (Blank).

21 (ii) Unless otherwise provided for in the Agency's
22 approved long-term plan, for those renewable energy
23 credits that qualify and are procured under item (i)
24 of subparagraph (K) of this paragraph (1), and any
25 similar category projects that are procured under item
26 (vi) of subparagraph (K) of this paragraph (1) that

1 qualify and are procured under item (vi), the contract
2 length shall be 15 years. Beginning on the effective
3 date of this amendatory Act of the 104th General
4 Assembly, and including the remainder of program year
5 2026-2027, 50% of the renewable energy credit delivery
6 contract value, based on the estimated generation
7 during the first 15 years of operation, shall be paid
8 by the contracting utilities at the time that the
9 facility producing the renewable energy credits is
10 interconnected at the distribution system level of the
11 utility and verified as energized and compliant by the
12 Program Administrator. The remaining portion of the
13 renewable energy credit delivery contract value shall
14 be paid ratably over the subsequent 6-year period.
15 Relative to a contract structure under which the full
16 renewable energy credit delivery contract value shall
17 be paid in full at the time of interconnection and
18 verification of energization, the Agency shall
19 consider the impact of deferred payments across the
20 subsequent payment period when establishing renewable
21 energy credit prices. The electric utility shall
22 receive and retire all renewable energy credits
23 generated by the project for the first 15 years of
24 operation. Renewable energy credits generated by the
25 project thereafter shall not be transferred under the
26 renewable energy credit delivery contract with the

1 counterparty electric utility.

2 (iii) Unless otherwise provided for in the
3 Agency's approved long-term plan, for those renewable
4 energy credits that qualify and are procured under
5 item (ii) and (v) of subparagraph (K) of this
6 paragraph (1) and any like projects that qualify and
7 are procured under items (iv) and (vi), the contract
8 length shall be 15 years. 15% of the renewable energy
9 credit delivery contract value, based on the estimated
10 generation during the first 15 years of operation,
11 shall be paid by the contracting utilities at the time
12 that the facility producing the renewable energy
13 credits is interconnected at the distribution system
14 level of the utility and verified as energized and
15 compliant by the Program Administrator. The remaining
16 portion shall be paid ratably over the subsequent
17 6-year period. The electric utility shall receive and
18 retire all renewable energy credits generated by the
19 project for the first 15 years of operation. Renewable
20 energy credits generated by the project thereafter
21 shall not be transferred under the renewable energy
22 credit delivery contract with the counterparty
23 electric utility.

24 (iv) Unless otherwise provided for in the Agency's
25 approved long-term plan, for those renewable energy
26 credits that qualify and are procured under item (iii)

1 of subparagraph (K) of this paragraph (1), and any
2 like projects that qualify and are procured under
3 items (iv) and (vi), the renewable energy credit
4 delivery contract length shall be 20 years and shall
5 be paid over the delivery term, not to exceed during
6 each delivery year the contract price multiplied by
7 the estimated annual renewable energy credit
8 generation amount. If generation of renewable energy
9 credits during a delivery year exceeds the estimated
10 annual generation amount, the excess renewable energy
11 credits shall be carried forward to future delivery
12 years and shall not expire during the delivery term.
13 If generation of renewable energy credits during a
14 delivery year, including carried forward excess
15 renewable energy credits, if any, is less than the
16 estimated annual generation amount, payments during
17 such delivery year will not exceed the quantity
18 generated plus the quantity carried forward multiplied
19 by the contract price. The electric utility shall
20 receive all renewable energy credits generated by the
21 project during the first 20 years of operation and
22 retire all renewable energy credits paid for under
23 this item (iv) and return at the end of the delivery
24 term all renewable energy credits that were not paid
25 for. Renewable energy credits generated by the project
26 thereafter shall not be transferred under the

1 renewable energy credit delivery contract with the
2 counterparty electric utility. Notwithstanding the
3 preceding, for those projects participating under item
4 (iii) of subparagraph (K), the contract price for a
5 delivery year shall be based on subscription levels as
6 measured on the higher of the first business day of the
7 delivery year or the first business day 6 months after
8 the first business day of the delivery year.
9 Subscription of 90% of nameplate capacity or greater
10 shall be deemed to be fully subscribed for the
11 purposes of this item (iv). For projects receiving a
12 20-year delivery contract, REC prices shall be
13 adjusted downward for consistency with the incentive
14 levels previously determined to be necessary to
15 support projects under 15-year delivery contracts,
16 taking into consideration any additional new
17 requirements placed on the projects, including, but
18 not limited to, labor standards.

19 (v) Each contract shall include provisions to
20 ensure the delivery of the estimated quantity of
21 renewable energy credits and ongoing collateral
22 requirements and other provisions deemed appropriate
23 by the Agency.

24 (vi) The utility shall be the counterparty to the
25 contracts executed under this subparagraph (L) that
26 are approved by the Commission under the process

1 described in Section 16-111.5 of the Public Utilities
2 Act. No contract shall be executed for an amount that
3 is less than one renewable energy credit per year.

4 (vii) If, at any time, approved applications for
5 the Adjustable Block program exceed funds collected by
6 the electric utility or would cause the Agency to
7 exceed the limitation described in subparagraph (E) of
8 this paragraph (1) on the amount of renewable energy
9 resources that may be procured, then the Agency may
10 consider future uncommitted funds to be reserved for
11 these contracts on a first-come, first-served basis.

12 (viii) Nothing in this Section shall require the
13 utility to advance any payment or pay any amounts that
14 exceed the actual amount of revenues anticipated to be
15 collected by the utility under paragraph (6) of this
16 subsection (c) and subsection (k) of Section 16-108 of
17 the Public Utilities Act inclusive of eligible funds
18 collected in prior years and alternative compliance
19 payments for use by the utility.

20 (ix) Notwithstanding other requirements of this
21 subparagraph (L), no modification shall be required to
22 Adjustable Block program contracts if they were
23 already executed prior to the establishment, approval,
24 and implementation of new contract forms as a result
25 of this amendatory Act of the 102nd General Assembly.

26 (x) Contracts may be assignable, but only to

1 entities first deemed by the Agency to have met
2 program terms and requirements applicable to direct
3 program participation. In developing contracts for the
4 delivery of renewable energy credits, the Agency shall
5 be permitted to establish fees applicable to each
6 contract assignment.

7 (M) The Agency shall be authorized to retain one or
8 more experts or expert consulting firms to develop,
9 administer, implement, operate, and evaluate the
10 Adjustable Block program described in subparagraph (K) of
11 this paragraph (1), as well as the Geothermal Homes and
12 Businesses Program described in subparagraph (S) of this
13 paragraph (1), and the Agency shall retain the consultant
14 or consultants in the same manner, to the extent
15 practicable, as the Agency retains others to administer
16 provisions of this Act, including, but not limited to, the
17 procurement administrator. The selection of experts and
18 expert consulting firms and the procurement process
19 described in this subparagraph (M) are exempt from the
20 requirements of Section 20-10 of the Illinois Procurement
21 Code, under Section 20-10 of that Code. The Agency shall
22 strive to minimize administrative expenses in the
23 implementation of the Adjustable Block program.

24 The Program Administrator may charge application fees
25 to participating firms to cover the cost of program
26 administration. Any application fee amounts shall

1 initially be determined through the long-term renewable
2 resources procurement plan, and modifications to any
3 application fee that deviate more than 25% from the
4 Commission's approved value must be approved by the
5 Commission as a long-term plan revision under Section
6 16-111.5 of the Public Utilities Act. The Agency shall
7 consider stakeholder feedback when making adjustments to
8 application fees and shall notify stakeholders in advance
9 of any planned changes.

10 In addition to covering the costs of program
11 administration, the Agency, in conjunction with its
12 Program Administrator, may also use the proceeds of such
13 fees charged to participating firms to support public
14 education and ongoing regional and national coordination
15 with nonprofit organizations, public bodies, and others
16 engaged in the implementation of renewable energy
17 incentive programs or similar initiatives. This work may
18 include developing papers and reports, hosting regional
19 and national conferences, and other work deemed necessary
20 by the Agency to position the State of Illinois as a
21 national leader in renewable energy incentive program
22 development and administration.

23 The Agency and its consultant or consultants shall
24 monitor block activity, share program activity with
25 stakeholders and conduct quarterly meetings to discuss
26 program activity and market conditions. If necessary, the

1 Agency may make prospective administrative adjustments to
2 the Adjustable Block program and the Geothermal Homes and
3 Businesses Program design, such as making adjustments to
4 purchase prices as necessary to achieve the goals of this
5 subsection (c). Program modifications to any block price
6 that do not deviate from the Commission's approved value
7 by more than 10% shall take effect immediately and are not
8 subject to Commission review and approval. Program
9 modifications to any block price that deviate more than
10 10% from the Commission's approved value must be approved
11 by the Commission as a long-term plan amendment under
12 Section 16-111.5 of the Public Utilities Act. The Agency
13 shall consider stakeholder feedback when making
14 adjustments to the Adjustable Block and the Geothermal
15 Homes and Businesses Program design and shall notify
16 stakeholders in advance of any planned changes.

17 The Agency and its program administrators for the
18 Adjustable Block program, the Illinois Solar for All
19 Program, and the Geothermal Homes and Businesses Program
20 consistent with the requirements of this subsection (c)
21 and subsection (b) of Section 1-56 of this Act, shall
22 propose the Adjustable Block program terms, conditions,
23 and requirements, including the prices to be paid for
24 renewable energy credits, where applicable, and
25 requirements applicable to participating entities and
26 project applications, through the development, review, and

1 approval of the Agency's long-term renewable resources
2 procurement plan described in this subsection (c) and
3 paragraph (5) of subsection (b) of Section 16-111.5 of the
4 Public Utilities Act. Terms, conditions, and requirements
5 for program participation shall include the following:

6 (i) The Agency shall establish a registration
7 process for entities seeking to qualify for
8 program-administered incentive funding and establish
9 baseline qualifications for vendor approval. The
10 Agency shall also establish program requirements and
11 minimum contract terms for vendors and others involved
12 in the marketing, sale, installation, and financing of
13 distributed generation systems and community solar
14 subscriptions to prevent misleading marketing and
15 abusive practices and to otherwise protect customers.
16 The Agency must maintain a list of approved entities
17 on 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, a subscription to a
15 community solar project, or the development of a
16 geothermal heating and cooling system.

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

25 (v) Through a filing in the proceeding for the
26 approval of its long-term renewable energy resources

1 procurement plan, the Agency shall provide an annual
2 written report to the Illinois Commerce Commission
3 documenting the frequency and nature of complaints and
4 any enforcement actions taken in response to those
5 complaints.

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

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

19 (viii) The Agency may, at its discretion,
20 establish a registration process for entities, or a
21 subset of entities, that provide financing for
22 consumers for the purchase of distributed renewable
23 generation devices. The Agency may establish baseline
24 qualifications for financing entity approval,
25 including defining the circumstances under which
26 financing entities may be subject to registration. The

1 Agency may also establish program requirements for
2 entities that provide financing for the purchase of
3 distributed renewable generation devices, which may
4 include marketing and disclosure requirements, other
5 requirements as further defined by the Agency through
6 its long-term plan, and any consumer protection
7 requirements developed or modified thereto. If the
8 Agency establishes a registration process for
9 financing entities, the Agency may revoke a financing
10 entity's approval in a program upon a determination
11 that the financing entity failed to comply with
12 contract terms, the law, or other program
13 requirements. The Agency may also establish program
14 requirements that prohibit distributed renewable
15 generation devices intending to apply for
16 program-administered incentive funding from receiving
17 program funding if the consumer's purchase of the
18 device was financed by an entity whose approval status
19 in the program has been revoked. These registration
20 requirements may apply to entities that finance
21 projects intended to apply for program-administered
22 incentive funding even if those entities do not
23 receive any portion of the program-administered
24 incentive funding.

25 (ix) The Agency, at its discretion, may require
26 that vendors, as part of the application and annual

1 recertification process, present the Agency or its
2 designee with a security bond equal to an amount
3 determined to be reasonable by the Agency. The bond
4 shall be for the benefit of customers harmed by the
5 vendor's violation of Agency requirements or other
6 applicable laws or regulations. The Agency may
7 determine that it is reasonable to have no bond
8 requirement for some categories of vendors or enhanced
9 bond requirements for vendors that the Agency has
10 deemed to pose more acute risks.

11 (x) For distributed renewable generation devices,
12 the Agency may, in its discretion, establish
13 provisions that restrict, prohibit, or create
14 additional requirements for distributed renewable
15 generation device sales or financing offers through
16 which the customer is promised the pass-through of a
17 portion or all of the payments received by the
18 approved vendor for the delivery of renewable energy
19 credits only after the receipt of such payment by the
20 approved vendor. The requirements may include the use
21 of an escrow process developed by the Agency through
22 which renewable energy credit payments are made to an
23 escrow agent who then disburses the promised amount to
24 the customer and the remainder to the vendor. The
25 requirements in this item (x) shall in no way prohibit
26 the upfront discounting of the purchase price, lease

1 payment, or power purchase agreement rate based on the
2 anticipated receipt of renewable energy credit
3 contract payments by the approved vendor.

4 (xi) To the extent that distributed renewable
5 generation device sales or financing offers through
6 which the customer is promised the pass-through of a
7 portion or all of the payments received by the vendor
8 for the delivery of renewable energy credits after the
9 receipt of such payment by the vendor are permitted,
10 the following requirements may be implemented, at the
11 Agency's discretion, in a time and manner determined
12 by the Agency:

13 (I) the vendor shall submit proof of customer
14 payments to the Agency as the Agency deems
15 necessary; and

16 (II) the vendor shall represent and warrant on
17 a form developed by the Agency that the vendor is
18 not insolvent, has not voluntarily filed for
19 bankruptcy, and has not been subject to or
20 threatened with involuntary insolvency.

21 (xii) To ensure that customers receive full and
22 uninterrupted benefits and services promised by
23 vendors, the Agency may propose additional solutions
24 through its long-term renewable resources procurement
25 plan described in this subsection (c) and paragraph
26 (5) of subsection (b) of Section 16-111.5 of the

1 Public Utilities Act. The solutions may allow for
2 collections made pursuant to subsection (k) of Section
3 16-108 of the Public Utilities Act to support the
4 programs and procurements outlined in paragraph (1) of
5 subsection (c) of this Section to be leveraged to (1)
6 ensure that a vendor's promised payments are received
7 by customers, (2) incentivize vendors to establish
8 service agreements with customers whose original
9 vendor has become nonresponsive, (3) ensure that
10 customers receive restitution for financial harm
11 proven to be caused by a program vendor or its
12 designee, or (4) otherwise ensure that customers do
13 not suffer loss or harm through activities supported
14 by the Adjustable Block program and the Illinois Solar
15 for All Program.

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

1 "portable" means that subscriptions may be retained by the
2 subscriber even if the subscriber relocates or changes its
3 address within the same utility service territory; and
4 "transferable" means that a subscriber may assign or sell
5 subscriptions to another person within the same utility
6 service territory.

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

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

18 The Agency shall purchase renewable energy credits
19 from subscribed shares of photovoltaic community renewable
20 generation projects through the Adjustable Block program
21 described in subparagraph (K) of this paragraph (1) or
22 through the Illinois Solar for All Program described in
23 Section 1-56 of this Act. The electric utility shall
24 purchase any unsubscribed energy from community renewable
25 generation projects that are Qualifying Facilities ("QF")
26 under the electric utility's tariff for purchasing the

1 output from QFs under Public Utilities Regulatory Policies
2 Act of 1978.

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

12 (O) For the delivery year beginning June 1, 2018, the
13 long-term renewable resources procurement plan required by
14 this subsection (c) shall provide for the Agency to
15 procure contracts to continue offering the Illinois Solar
16 for All Program described in subsection (b) of Section
17 1-56 of this Act, and the contracts approved by the
18 Commission shall be executed by the utilities that are
19 subject to this subsection (c). The long-term renewable
20 resources procurement plan shall allocate up to
21 \$50,000,000 per delivery year to fund the programs, and
22 the plan shall determine the amount of funding to be
23 apportioned to the programs identified in subsection (b)
24 of Section 1-56 of this Act; provided that for the
25 delivery years beginning June 1, 2021, June 1, 2022, and
26 June 1, 2023, the long-term renewable resources

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

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

22 The Agency shall develop a method to optimize
23 procurement of renewable energy credits from proposed
24 utility-scale projects that are located in communities
25 eligible to receive Energy Transition Community Grants
26 pursuant to Section 10-20 of the Energy Community

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

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

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

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

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

11 (ii) all new utility-scale photovoltaic
12 projects and repowered wind projects;

13 (iii) all new brownfield photovoltaic
14 projects;

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

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

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

24 (vii) all new photovoltaic distributed
25 renewable energy generation devices that (1)
26 qualify for item (i) of subparagraph (K) of this

1 paragraph (1); (2) are not projects that serve
2 single-family or multi-family residential
3 buildings; and (3) are not houses of worship where
4 the aggregate capacity including colocated
5 projects would not exceed 100 kilowatts;

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

14 (ix) all new, modernized, or retooled
15 hydropower facilities;

16 (x) all new geothermal heating and cooling
17 systems awarded through the Geothermal Homes and
18 Businesses Program under subparagraph (S) of this
19 paragraph (1) that do not serve (1) single-family
20 residential buildings or, (2) ~~multi-family~~
21 ~~residential buildings with aggregate geothermal~~
22 ~~system tonnage, including colocated projects, of~~
23 ~~no more than 29 tons, or (3) houses of worship with~~
24 aggregate geothermal system tonnage, including
25 colocated projects, of no more than 29 tons.

26 (2) Renewable energy credits procured from new

1 utility-scale wind projects, new utility-scale solar
2 projects, new brownfield solar projects, repowered
3 wind projects, and retooled hydropower facilities
4 pursuant to Agency procurement events occurring after
5 the effective date of this amendatory Act of the 102nd
6 General Assembly and community-driven community solar
7 projects or photovoltaic community renewable
8 generation projects where the aggregate capacity,
9 including colocated projects, exceeds 3,000 kilowatts
10 pursuant to a renewable energy credit delivery
11 contract approved by the Illinois Commerce Commission
12 under the Adjustable Block Program after the effective
13 date of this amendatory Act of the 104th General
14 Assembly must be from facilities built by general
15 contractors that must enter into a project labor
16 agreement, as defined by this Act, prior to
17 construction. Photovoltaic community renewable
18 generation projects on a program waitlist as of the
19 effective date of this amendatory Act of the 104th
20 General Assembly awarded capacity for the program year
21 commencing June 1, 2026 or any program year thereafter
22 shall not be exempt from the project labor agreement
23 requirements of this item (2). The project labor
24 agreement shall be filed with the Director in
25 accordance with procedures established by the Agency
26 through its long-term renewable resources procurement

1 plan. Any information submitted to the Agency in this
2 item (2) shall be considered commercially sensitive
3 information. At a minimum, the project labor agreement
4 must provide the names, addresses, and occupations of
5 the owner of the plant and the individuals
6 representing the labor organization employees
7 participating in the project labor agreement
8 consistent with the Project Labor Agreements Act. The
9 agreement must also specify the terms and conditions
10 as defined by this Act.

11 (2.5) Energy storage credits procured from battery
12 storage projects pursuant to Agency procurement events
13 and additional energy storage resources procured in
14 accordance with subparagraph (B) of paragraph (3) of
15 subsection (d-20) of this Section pursuant to Agency
16 procurement events occurring after the effective date
17 of this amendatory Act of the 104th General Assembly
18 must be from facilities built by general contractors
19 that must enter into a project labor agreement prior
20 to construction. The project labor agreement shall be
21 filed with the Director in accordance with procedures
22 established by the Agency through its long-term
23 renewable resources procurement plan. Any information
24 submitted to the Agency pursuant to this item (2.5)
25 shall be considered commercially sensitive
26 information. At a minimum, the project labor agreement

1 must provide the names, addresses, and occupations of
2 the owner of the plant and the individuals
3 representing the labor organization employees
4 participating in the project labor agreement
5 consistent with the Project Labor Agreements Act. The
6 agreement must also specify the terms and conditions,
7 as defined by this Act.

8 (3) It is the intent of this Section to ensure that
9 economic development occurs across Illinois
10 communities, that emerging businesses may grow, and
11 that there is improved access to the clean energy
12 economy by persons who have greater economic burdens
13 to success. The Agency shall take into consideration
14 the unique cost of compliance of this subparagraph (Q)
15 that might be borne by equity eligible contractors,
16 shall include such costs when determining the price of
17 renewable energy credits in the Adjustable Block
18 program and the Geothermal Homes and Businesses
19 Program, and shall take such costs into consideration
20 in a nondiscriminatory manner when comparing bids for
21 competitive procurements. The Agency shall consider
22 costs associated with compliance whether in the
23 development, financing, or construction of projects.
24 The Agency shall periodically review the assumptions
25 in these costs and may adjust prices, in compliance
26 with subparagraph (M) of this paragraph (1).

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

14 (1) For the purposes of this subparagraph:

15 "Eligible self-direct customer" means any retail
16 customers of an electric utility that serves 3,000,000
17 or more retail customers in the State and whose total
18 highest 30-minute demand was more than 10,000
19 kilowatts, or any retail customers of an electric
20 utility that serves less than 3,000,000 retail
21 customers but more than 500,000 retail customers in
22 the State and whose total highest 15-minute demand was
23 more than 10,000 kilowatts.

24 "Retail customer" has the meaning set forth in
25 Section 16-102 of the Public Utilities Act and
26 multiple retail customer accounts under the same

1 corporate parent may aggregate their account demands
2 to meet the 10,000 kilowatt threshold. The criteria
3 for determining whether this subparagraph is
4 applicable to a retail customer shall be based on the
5 12 consecutive billing periods prior to the start of
6 the year in which the application is filed.

7 (2) For renewable energy credits to count toward
8 the self-direct renewable portfolio standard
9 compliance program, they must:

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

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

23 (iii) be procured through long-term contracts
24 with term lengths of at least 10 years either
25 directly with the renewable energy generating
26 facility or through a bundled power purchase

1 agreement, a virtual power purchase agreement, an
2 agreement between the renewable generating
3 facility, an alternative retail electric supplier,
4 and the customer, or such other structure as is
5 permissible under this subparagraph (R);

6 (iv) be equivalent in volume to at least 40%
7 of the eligible self-direct customer's usage,
8 determined annually by the eligible self-direct
9 customer's usage during the previous delivery
10 year, measured to the nearest megawatt-hour;

11 (v) be retired by or on behalf of the large
12 energy customer;

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

15 (vii) if the contracts for renewable energy
16 credits are entered into after the effective date
17 of this amendatory Act of the 102nd General
18 Assembly, the new utility-scale wind projects or
19 new utility-scale solar projects must comply with
20 the requirements established in subparagraphs (P)
21 and (Q) of paragraph (1) of this subsection (c)
22 and subsection (c-10).

23 (3) The self-direct renewable portfolio standard
24 compliance program shall be designed to allow eligible
25 self-direct customers to procure new renewable energy
26 credits from new utility-scale wind projects or new

1 utility-scale photovoltaic projects. The Agency shall
2 annually determine the amount of utility-scale
3 renewable energy credits it will include each year
4 from the self-direct renewable portfolio standard
5 compliance program, subject to receiving qualifying
6 applications. In making this determination, the Agency
7 shall evaluate publicly available analyses and studies
8 of the potential market size for utility-scale
9 renewable energy long-term purchase agreements by
10 commercial and industrial energy customers and make
11 that report publicly available. If demand for
12 participation in the self-direct renewable portfolio
13 standard compliance program exceeds availability, the
14 Agency shall ensure participation is evenly split
15 between commercial and industrial users to the extent
16 there is sufficient demand from both customer classes.
17 Each renewable energy credit procured pursuant to this
18 subparagraph (R) by a self-direct customer shall
19 reduce the total volume of renewable energy credits
20 the Agency is otherwise required to procure from new
21 utility-scale projects pursuant to subparagraph (C) of
22 paragraph (1) of this subsection (c) on behalf of
23 contracting utilities where the eligible self-direct
24 customer is located. The self-direct customer shall
25 file an annual compliance report with the Agency
26 pursuant to terms established by the Agency through

1 its long-term renewable resources procurement plan to
2 be eligible for participation in this program.
3 Customers must provide the Agency with their most
4 recent electricity billing statements or other
5 information deemed necessary by the Agency to
6 demonstrate they are an eligible self-direct customer.

7 (4) The Commission shall approve a reduction in
8 the volumetric charges collected pursuant to Section
9 16-108 of the Public Utilities Act for approved
10 eligible self-direct customers equivalent to the
11 anticipated cost of renewable energy credit deliveries
12 under contracts for new utility-scale wind and new
13 utility-scale solar entered for each delivery year
14 after the large energy customer begins retiring
15 eligible new utility-scale renewable energy credits
16 for self-compliance. The self-direct credit amount
17 shall be determined annually and is equal to the
18 estimated portion of the cost authorized by
19 subparagraph (E) of paragraph (1) of this subsection
20 (c) that supported the annual procurement of
21 utility-scale renewable energy credits in the prior
22 delivery year using a methodology described in the
23 long-term renewable resources procurement plan,
24 expressed on a per kilowatthour basis, and does not
25 include (i) costs associated with any contracts
26 entered into before the delivery year in which the

1 customer files the initial compliance report to be
2 eligible for participation in the self-direct program,
3 and (ii) costs associated with procuring renewable
4 energy credits through existing and future contracts
5 through the Adjustable Block Program, subsection (c-5)
6 of this Section 1-75, and the Solar for All Program.
7 The Agency shall assist the Commission in determining
8 the current and future costs. The Agency must
9 determine the self-direct credit amount for new and
10 existing eligible self-direct customers and submit
11 this to the Commission in an annual compliance filing.
12 The Commission must approve the self-direct credit
13 amount by June 1, 2023 and June 1 of each delivery year
14 thereafter.

15 (5) Customers described in this subparagraph (R)
16 shall apply, on a form developed by the Agency, to the
17 Agency to be designated as a self-direct eligible
18 customer. Once the Agency determines that a
19 self-direct customer is eligible for participation in
20 the program, the self-direct customer will remain
21 eligible until the end of the term of the contract.
22 Thereafter, application may be made not less than 12
23 months before the filing date of the long-term
24 renewable resources procurement plan described in this
25 Act. At a minimum, such application shall contain the
26 following:

1 (i) the customer's certification that, at the
2 time of the customer's application, the customer
3 qualifies to be a self-direct eligible customer,
4 including documents demonstrating that
5 qualification;

6 (ii) the customer's certification that the
7 customer has entered into or will enter into by
8 the beginning of the applicable procurement year,
9 one or more bilateral contracts for new wind
10 projects or new photovoltaic projects, including
11 supporting documentation;

12 (iii) certification that the contract or
13 contracts for new renewable energy resources are
14 long-term contracts with term lengths of at least
15 10 years, including supporting documentation;

16 (iv) certification of the quantities of
17 renewable energy credits that the customer will
18 purchase each year under such contract or
19 contracts, including supporting documentation;

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

25 (vi) certification that the customer intends
26 to maintain the contract for the duration of the

1 length of the contract.

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

16 (S) Beginning with the long-term renewable resources
17 procurement plan covering program and procurement activity
18 for the delivery year beginning on June 1, 2028, any
19 long-term renewable resources procurement plan developed
20 by the Agency in accordance with subparagraph (A) of this
21 paragraph (1) shall include a Geothermal Homes and
22 Businesses Program for the procurement of geothermal
23 renewable energy credits from new geothermal heating and
24 cooling systems. The long-term renewable resources
25 procurement plan shall allocate up to \$10,000,000 per
26 delivery year to fund the Program as described in this

1 subparagraph (S). The Program shall be designed to
2 stimulate the steady, predictable, and sustainable growth
3 of new geothermal heating and cooling system deployment in
4 this State and meet gaps in the marketplace. To this end,
5 the Geothermal Homes and Businesses Program shall provide
6 a transparent annual schedule of prices and quantities to
7 enable the geothermal heating and cooling market to scale
8 up and renewable energy credit prices to adjust at a
9 predictable rate over time. The prices set by the
10 Geothermal Homes and Businesses Program may be reflected
11 as a set value or as the product of a formula.

12 (i) The Geothermal Homes and Businesses Program
13 shall allocate blocks of renewable energy credits as
14 follows:

15 (1) The Agency may create categories for the
16 Program based on structure features and use cases,
17 including categories based on the nature and size
18 of the Program's projects, customers, communities
19 in which a project is located, and other
20 attributes, defined at the discretion of the
21 Agency through its long-term plan.

22 (2) The Agency shall propose an initial single
23 annual block for each Program delivery year for
24 each category it creates through the delivery year
25 beginning on June 1, 2035. The Program shall
26 include the following for eligible projects for

1 each delivery year: (I) a block of geothermal
2 renewable energy credit volumes; (II) a price for
3 renewable energy credits from geothermal heating
4 and cooling systems within the identified block;
5 and (III) the terms and conditions for securing a
6 spot on a waitlist once the block is fully
7 committed or reserved. The Agency may periodically
8 review its prior decisions establishing the amount
9 of geothermal renewable energy credit volumes in
10 each annual block and the purchase price for each
11 block and may propose, on an expedited basis,
12 changes to the previously set values, including,
13 but not limited to, redistributing the amounts and
14 the available funds as necessary and appropriate,
15 subject to Commission approval. The Agency may
16 define different block sizes, purchase prices, or
17 other distinct terms and conditions for projects
18 located in different utility service territories
19 if the Agency deems it necessary.

20 (3) The Agency may develop an intra-year and
21 year-to-year waitlist and block reservation policy
22 that balances market certainty, program
23 availability, and expedient project deployment.

24 (4) For the program year beginning on June 1,
25 2028, at least 33% of each annual block shall be
26 available to be reserved for systems that are

1 residential, as defined by the Agency. The Agency
2 shall endeavor to ensure at least 40% of each
3 annual block is available to be reserved by
4 systems located in Equity Investment Eligible
5 Communities. At least 10% of all annual blocks
6 shall be available to be reserved by systems from
7 applicants that are equity eligible contractors,
8 and the Agency shall propose to increase the
9 percentage of systems from applicants that are
10 equity eligible contractors over time to 40% based
11 on factors that include, but are not limited to,
12 the number of equity eligible contractors and the
13 volume used under this clause (4) in previous
14 delivery years. For long-term renewable resources
15 procurement plans developed thereafter, the Agency
16 may propose adjustments to the minimum percentages
17 based on developer interest, market interest and
18 availability, and other factors.

19 (5) The Agency shall establish Program
20 eligibility requirements that ensure that systems
21 that enter the Program are sufficiently mature
22 enough to indicate a demonstrable path to
23 completion and other terms, conditions, and
24 requirements for the program, including vendor
25 registration and approval, sales and marketing
26 requirements, and other consumer protection

1 requirements as the Agency deems necessary.

2 (6) The Program shall be designed to ensure
3 that geothermal renewable energy credits are
4 procured from projects in diverse locations and
5 are not procured from projects that are
6 concentrated in a few regional areas.

7 (7) The Agency, through its long-term
8 renewable resources procurement plan, may
9 implement solutions to maintain stable and
10 consistent REC offerings to avoid gaps in
11 availability during a delivery year, including,
12 but not limited to, creating a floating block of
13 REC capacity in a given delivery year.

14 (ii) Energy derived from a geothermal heating and
15 cooling system shall be eligible for inclusion in
16 meeting the requirements of the Program. Geothermal
17 renewable energy credits shall be expressed in
18 megawatt-hour units. To make this calculation, the
19 Agency (1) shall identify an appropriate formula
20 supported by a geothermal industry trade organization,
21 a national laboratory, or another data-backed and
22 verifiable methodology, (2) may propose adjustments to
23 any formulas for its proposed renewable energy credit
24 calculation methodology, and (3) may reflect
25 calculation methodologies already in use for other
26 State renewable portfolio standards, if applicable and

1 appropriate. The Agency shall determine the form and
2 manner in which the renewable energy credits are
3 verified and retired, in accordance with national best
4 practices.

5 Geothermal renewable energy credits retired by
6 obligated utilities for compliance with the Program
7 are only valid for compliance if those geothermal
8 renewable energy credits have not been previously
9 retired by another entity that is not the obligated
10 utility on any tracking system, carbon registry, or
11 other accounting mechanism at any time. Additionally,
12 geothermal renewable energy credits retired by
13 obligated utilities for compliance with the Program
14 shall only be valid for compliance if those geothermal
15 renewable energy credits have not been used to
16 substantiate a public emissions or energy usage claim
17 by any other another entity that is not the obligated
18 utility, of any type and at any time, whether or not
19 the geothermal renewable energy credits were actually
20 retired on a tracking system, registry, or other
21 accounting mechanism at the time of the public
22 emissions-based claim. Geothermal renewable energy
23 credits generated for compliance with the Program
24 shall be valid only if retired once, and claimed once,
25 by the obligated utility.

26 In order to promote the competitive development of

1 geothermal heating and cooling systems in furtherance
2 of this State's interest in the health, safety, and
3 welfare of its residents, renewable energy credits
4 from geothermal heating and cooling systems shall not
5 be eligible for purchase and retirement under this Act
6 if the credits are sourced from a geothermal heating
7 and cooling system for which costs are being recovered
8 on or after the effective date of this amendatory Act
9 of the 104th General Assembly through rates regulated
10 by this State or any other state.

11 (iii) The Agency shall establish Program
12 requirements and minimum contract terms to ensure that
13 projects are properly installed and that projects
14 operate to the level of expected benefits. The
15 contract terms shall include, but are not limited to,
16 the following:

17 (1) The capital that is not advanced shall be
18 disbursed upon a schedule determined by the
19 Agency, based on the total contracted fulfillment
20 over the delivery term, not to exceed, during each
21 delivery year, the contract price multiplied by
22 the estimated annual renewable energy credit
23 generation amount. Payment structures shall
24 include provisions that provide portions of the
25 renewable energy credit delivery contract value
26 upon energization, including no less than 40% of

1 the contract value for residential projects, based
2 on the estimated renewable energy credit
3 production during the contract term.

4 (2) For renewable energy credits that qualify
5 and are procured under the Program, the delivery
6 contract length shall be 15 years.

7 (3) For contracts that are paid upon the
8 delivery of renewable energy credits, if
9 generation of renewable energy credits from
10 geothermal heating and cooling systems during a
11 delivery year exceeds the estimated annual
12 generation amount, the excess of such renewable
13 energy credits shall be carried forward to future
14 delivery years and shall not expire during the
15 delivery term. If the renewable energy credit
16 generation during a delivery year, including any
17 carried forward excess renewable energy credits,
18 is less than the estimated annual generation
19 amount, payments during the delivery year shall
20 not exceed the quantity generated plus the
21 quantity carried forward multiplied by the
22 contract price. The electric utility shall receive
23 all renewable energy credits generated by the
24 project during the first 15 years of operation,
25 and retire all renewable energy credits paid for
26 under this clause (3) and return at the end of the

1 delivery term all geothermal renewable energy
2 credits that were not paid for. Renewable energy
3 credits generated by the project thereafter shall
4 not be transferred under the renewable energy
5 credit delivery contract with the counterparty
6 electric utility.

7 (4) For renewable energy contracts for any
8 type of community, shared, or similar geothermal
9 heating and cooling system that operates using a
10 subscription model and for which subscriptions are
11 a basis for contractual payments, subscription of
12 90% of total renewable energy credit volumes or
13 greater shall be deemed to be fully subscribed.

14 (5) Beginning with the long-term renewable
15 resources procurement plan covering the delivery
16 year beginning on June 1, 2030, the Agency may
17 propose a payment structure for Program contracts
18 upon a demonstration of qualification or need
19 under criteria established by the Agency that is
20 focused on supporting the small and emerging
21 businesses and the businesses that most acutely
22 face barriers to capital access. Successful
23 applicant firms shall have advanced capital
24 disbursed before renewable energy credits are
25 first generated. The maximum amount or percentage
26 of capital advanced shall be included in the

1 long-term renewable resources procurement plan,
2 and any amount actually advanced shall be designed
3 to overcome the barriers in access to capital that
4 are faced by an applicant through that applicant's
5 demonstration of need. The amount or percentage of
6 advanced capital may vary by year, or inter-year,
7 by structure category, block, and other factors as
8 deemed applicable by the Agency and by an
9 applicant's demonstration of need. Contracts
10 featuring capital advanced prior to system
11 operation shall feature provisions to ensure both
12 the successful development of applicant projects
13 and the delivery of renewable energy credits for
14 the full term of the contract, including ongoing
15 collateral requirements and other provisions
16 deemed necessary by the Agency. The percentage or
17 amount of capital advanced prior to system
18 operation shall not increase the overall contract
19 value.

20 (6) Each contract shall include provisions to
21 ensure the delivery of the estimated quantity of
22 geothermal renewable energy credits, including a
23 requirement of performance assurance in an amount
24 deemed appropriate by the Agency.

25 (7) An obligated utility shall be the
26 counterparty to the contracts executed under this

1 subparagraph (S) that are approved by the
2 Commission. No contract shall be executed for an
3 amount that is less than one geothermal renewable
4 energy credit per year.

5 (8) Nothing in this subparagraph (S) shall
6 require the utility to advance any payment or pay
7 any amounts that exceed the actual amount of
8 revenues anticipated to be collected by the
9 utility inclusive of eligible funds collected in
10 prior years and alternative compliance payments
11 for use by the utility.

12 (9) Contracts may be assignable, but only to
13 entities first deemed by the Agency to have met
14 Program terms and requirements applicable to
15 direct Program participation. In developing
16 contracts for the delivery of renewable energy
17 credits from geothermal heating and cooling
18 systems, the Agency may establish fees applicable
19 to each contract assignment.

20 (10) If, at any time, approved applications
21 for the Program exceed funds collected by the
22 electric utility or would cause the Agency to
23 exceed the limitation on the amount of renewable
24 energy resources that may be procured, then the
25 Agency may consider future uncommitted funds to be
26 reserved for these contracts on a first-come,

1 first-served basis.

2 (iv) In order to advance priority access to the
3 clean energy economy for businesses and workers from
4 communities that have been excluded from economic
5 opportunities in the energy sector, been subject to
6 disproportionate levels of pollution, and
7 disproportionately experienced negative public health
8 outcomes, the Agency shall apply its equity
9 accountability system and minimum equity standards
10 established under subsections (c-10), (c-15), (c-20),
11 (c-25), and (c-30) to geothermal heating and cooling
12 system renewable energy credit procurement and
13 programs and may include any proposed modifications to
14 the equity accountability system and minimum equity
15 standards that may be warranted with respect to
16 geothermal heating and cooling systems in its plan
17 submission to the Commission under Section 16-111.5 of
18 the Public Utilities Act.

19 (v) Projects shall be developed in compliance with
20 the prevailing wage and project labor agreement
21 requirements, as applicable, for renewable energy
22 projects in subparagraph (Q) of paragraph (1) of
23 subsection (c). Projects approved under this Program
24 are subject to the prevailing wage requirements
25 outlined in subitem (x) of item (1) of subparagraph
26 (Q) of paragraph (1) of this subsection (c). Renewable

1 energy credits for any single geothermal heating and
2 cooling project that is 142 tons or larger and is
3 procured under this Program after the effective date
4 of this amendatory Act of the 104th General Assembly
5 shall only be eligible if the associated project was
6 built by general contractors who entered into a
7 project labor agreement prior to construction. The
8 project labor agreement shall be filed with the
9 Director in accordance with procedures established by
10 the Agency through its long-term renewable resources
11 procurement plan. The project labor agreement shall
12 provide the names, addresses, and occupations of the
13 owner of the plant and the individuals representing
14 the labor organization employees that participate in
15 the project labor agreement. The project labor
16 agreement shall also specify terms and conditions as
17 provided in this Act.

18 (vi) The Agency shall strive to minimize
19 administrative expenses in the implementation of the
20 Program. The Agency may use any existing program
21 administrator and any applicable subcontractors to
22 develop, administer, implement, operate, and evaluate
23 the Program.

24 (T) Renewable energy credits procured under Agency
25 procurements or programs for community solar projects with
26 more than 3 megawatts in nameplate capacity must be

1 procured from facilities built by general contractors
2 that, prior to construction, enter into a project labor
3 agreement, as defined by this Act, subject to the
4 following requirements and limitations:

5 (i) The project labor agreement shall be filed
6 with the Director in accordance with procedures
7 established by the Agency through its long-term
8 renewable resources procurement plan. Any information
9 submitted to the Agency under this item (i) shall be
10 considered commercially sensitive information.

11 (ii) At a minimum, the project labor agreement
12 must provide the names, addresses, and occupations of
13 the owner of the project and any individuals
14 representing the labor organization of the employees
15 participating in the project labor agreement
16 consistent with the Project Labor Agreements Act. The
17 project labor agreement must also meet the terms and
18 conditions, as set forth in this Act.

19 (iii) It is the intent of this Section to ensure
20 that economic development occurs across communities in
21 this State, that emerging businesses may grow, and
22 that there is improved access to the clean energy
23 economy by persons who have greater economic burdens
24 to success. The Agency shall take into consideration
25 the unique cost of compliance of this subparagraph (T)
26 that may be borne by equity eligible contractors and

1 shall include those costs when determining the price
2 of renewable energy credits in the Adjustable Block
3 program. The Agency shall consider costs associated
4 with compliance, including in the development,
5 financing, or construction of projects. The Agency
6 shall periodically review the assumptions in these
7 costs and may adjust prices in compliance with
8 subparagraph (M) of this paragraph (1).

9 (2) (Blank).

10 (3) (Blank).

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

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

1 item (1) of subsection (d) of Section 16-111.5 of the
2 Public Utilities Act the amounts collected under the
3 alternative compliance payment rate or rates for the prior
4 year ending May 31. Notwithstanding any limitation on the
5 procurement of renewable energy resources imposed by item
6 (2) of this subsection (c), the Agency shall increase its
7 spending on the purchase of renewable energy resources to
8 be procured by the electric utility for the next plan year
9 by an amount equal to the amounts collected by the utility
10 under the alternative compliance payment rate or rates in
11 the prior year ending May 31.

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

23 (7) Renewable energy credits procured from new
24 photovoltaic projects or new distributed renewable energy
25 generation devices under this Section after June 1, 2017
26 (the effective date of Public Act 99-906) must be procured

1 from devices installed by a qualified person in compliance
2 with the requirements of Section 16-128A of the Public
3 Utilities Act and any rules or regulations adopted
4 thereunder.

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

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

19 (1) In addition to the procurement of renewable energy
20 credits pursuant to long-term renewable resources
21 procurement plans in accordance with subsection (c) of
22 this Section and Section 16-111.5 of the Public Utilities
23 Act, the Agency shall conduct procurement events in
24 accordance with this subsection (c-5) for 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 renewable energy facilities to be
2 installed at or adjacent to the sites of electric
3 generating facilities that, as of January 1, 2016, burned
4 coal as their primary fuel source and meet the other
5 criteria specified in this subsection (c-5). For purposes
6 of this subsection (c-5), "new renewable energy facility"
7 means a new utility-scale solar project as defined in this
8 Section 1-75. The renewable energy credits procured
9 pursuant to this subsection (c-5) may be included or
10 counted for purposes of compliance with the amounts of
11 renewable energy credits required to be procured pursuant
12 to subsection (c) of this Section to the extent that there
13 are otherwise shortfalls in compliance with such
14 requirements. The procurement of renewable energy credits
15 by electric utilities pursuant to this subsection (c-5)
16 shall be funded solely by revenues collected from the Coal
17 to Solar and Energy Storage Initiative Charge provided for
18 in this subsection (c-5) and subsection (i-5) of Section
19 16-108 of the Public Utilities Act, shall not be funded by
20 revenues collected through any of the other funding
21 mechanisms provided for in subsection (c) of this Section,
22 and shall not be subject to the limitation imposed by
23 subsection (c) on charges to retail customers for costs to
24 procure renewable energy resources pursuant to subsection
25 (c), and shall not be subject to any other requirements or
26 limitations of subsection (c).

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

1 (A) The applicant owns an electric generating
2 facility located in this State that: (i) as of January
3 1, 2016, burned coal as its primary fuel to generate
4 electricity; and (ii) has, or had prior to retirement,
5 an electric generating capacity of at least 150
6 megawatts. The electric generating facility can be
7 either: (i) retired as of the date of the procurement
8 event; or (ii) still operating as of the date of the
9 procurement event.

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

20 (C) If participating in the first procurement
21 event, the applicant proposes and commits to construct
22 and operate, at the site, and if necessary for
23 sufficient space on property adjacent to the existing
24 property, at which the electric generating facility
25 identified in paragraph (A) is located: (i) a new
26 renewable energy facility of at least 20 megawatts but

1 no more than 100 megawatts of electric generating
2 capacity, and (ii) an energy storage facility having a
3 storage capacity equal to at least 2 megawatts and at
4 most 10 megawatts. If participating in the second
5 procurement event, the applicant proposes and commits
6 to construct and operate, at the site, and if
7 necessary for sufficient space on property adjacent to
8 the existing property, at which the electric
9 generating facility identified in paragraph (A) is
10 located: (i) a new renewable energy facility of at
11 least 5 megawatts but no more than 20 megawatts of
12 electric generating capacity, and (ii) an energy
13 storage facility having a storage capacity equal to at
14 least 0.5 megawatts and at most one megawatt.

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

21 (E) The applicant agrees that personnel operating
22 the new renewable energy facility and the energy
23 storage facility will have the requisite skills,
24 knowledge, training, experience, and competence, which
25 may be demonstrated by completion or current
26 participation and ultimate completion by employees of

1 an accredited or otherwise recognized apprenticeship
2 program for the employee's particular craft, trade, or
3 skill, including through training and education
4 courses and opportunities offered by the owner to
5 employees of the coal-fueled electric generating
6 facility or by previous employment experience
7 performing the employee's particular work skill or
8 function.

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

22 (G) The applicant commits that if selected, it
23 will negotiate a project labor agreement for the
24 construction of the new renewable energy facility and
25 associated energy storage facility that includes
26 provisions requiring the parties to the agreement to

1 work together to establish diversity threshold
2 requirements and to ensure best efforts to meet
3 diversity targets, improve diversity at the applicable
4 job site, create diverse apprenticeship opportunities,
5 and create opportunities to employ former coal-fired
6 power plant workers.

7 (H) The applicant commits to enter into a contract
8 or contracts for the applicable duration to provide
9 specified numbers of renewable energy credits each
10 year from the new renewable energy facility to
11 electric utilities that served more than 300,000
12 retail customers in this State as of January 1, 2019,
13 at a price of \$30 per renewable energy credit. The
14 price per renewable energy credit shall be fixed at
15 \$30 for the applicable duration and the renewable
16 energy credits shall not be indexed renewable energy
17 credits as provided for in item (v) of subparagraph
18 (G) of paragraph (1) of subsection (c) of Section 1-75
19 of this Act. The applicable duration of each contract
20 shall be 20 years, unless the applicant is physically
21 interconnected to the PJM Interconnection, LLC
22 transmission grid and had a generating capacity of at
23 least 1,200 megawatts as of January 1, 2021, in which
24 case the applicable duration of the contract shall be
25 15 years.

26 (I) The applicant's application is certified by an

1 officer of the applicant and by an officer of the
2 applicant's ultimate parent company, if any.

3 (3) An applicant may submit applications to contract
4 to supply renewable energy credits from more than one new
5 renewable energy facility to be constructed at or adjacent
6 to one or more qualifying electric generating facilities
7 owned by the applicant. The Agency may select new
8 renewable energy facilities to be located at or adjacent
9 to the sites of more than one qualifying electric
10 generation facility owned by an applicant to contract with
11 electric utilities to supply renewable energy credits from
12 such facilities.

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

22 (5) The Agency shall select the applicants and the new
23 renewable energy facilities to contract with electric
24 utilities to supply renewable energy credits in accordance
25 with this subsection (c-5). In the first procurement
26 event, the Agency shall select applicants and new

1 renewable energy facilities to supply renewable energy
2 credits, at a price of \$30 per renewable energy credit,
3 aggregating to no less than 400,000 renewable energy
4 credits per year for the applicable duration, assuming
5 sufficient qualifying applications to supply, in the
6 aggregate, at least that amount of renewable energy
7 credits per year; and not more than 580,000 renewable
8 energy credits per year for the applicable duration. In
9 the second procurement event, the Agency shall select
10 applicants and new renewable energy facilities to supply
11 renewable energy credits, at a price of \$30 per renewable
12 energy credit, aggregating to no more than 625,000
13 renewable energy credits per year less the amount of
14 renewable energy credits each year contracted for as a
15 result of the first procurement event, for the applicable
16 durations. The number of renewable energy credits to be
17 procured as specified in this paragraph (5) shall not be
18 reduced based on renewable energy credits procured in the
19 self-direct renewable energy credit compliance program
20 established pursuant to subparagraph (R) of paragraph (1)
21 of subsection (c) of Section 1-75.

22 (6) The obligation to purchase renewable energy
23 credits from the applicants and their new renewable energy
24 facilities selected by the Agency shall be allocated to
25 the electric utilities based on their respective
26 percentages of kilowatthours delivered to delivery

1 services customers to the aggregate kilowatthour
2 deliveries by the electric utilities to delivery services
3 customers for the year ended December 31, 2021. In order
4 to achieve these allocation percentages between or among
5 the electric utilities, the Agency shall require each
6 applicant that is selected in the procurement event to
7 enter into a contract with each electric utility for the
8 sale and purchase of renewable energy credits from each
9 new renewable energy facility to be constructed and
10 operated by the applicant, with the sale and purchase
11 obligations under the contracts to aggregate to the total
12 number of renewable energy credits per year to be supplied
13 by the applicant from the new renewable energy facility.

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

1 \$30 per renewable energy credit.

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

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

19 (9) Coal to Solar and Energy Storage Initiative
20 Charge.

21 (A) By no later than July 1, 2022, each electric
22 utility that served more than 300,000 retail customers
23 in this State as of January 1, 2019 shall file a tariff
24 with the Commission for the billing and collection of
25 a Coal to Solar and Energy Storage Initiative Charge
26 in accordance with subsection (i-5) of Section 16-108

1 of the Public Utilities Act, with such tariff to be
2 effective, following review and approval or
3 modification by the Commission, beginning January 1,
4 2023. The tariff shall provide for the calculation and
5 setting of the electric utility's Coal to Solar and
6 Energy Storage Initiative Charge to collect revenues
7 estimated to be sufficient, in the aggregate, (i) to
8 enable the electric utility to pay for the renewable
9 energy credits it has contracted to purchase in the
10 delivery year beginning June 1, 2023 and each delivery
11 year thereafter from new renewable energy facilities
12 located at the sites of qualifying electric generating
13 facilities, and (ii) to fund the grant payments to be
14 made in each delivery year by the Department of
15 Commerce and Economic Opportunity, or any successor
16 department or agency, which shall be referred to in
17 this subsection (c-5) as the Department, pursuant to
18 paragraph (10) of this subsection (c-5). The electric
19 utility's tariff shall provide for the billing and
20 collection of the Coal to Solar and Energy Storage
21 Initiative Charge on each kilowatthour of electricity
22 delivered to its delivery services customers within
23 its service territory and shall provide for an annual
24 reconciliation of revenues collected with actual
25 costs, in accordance with subsection (i-5) of Section
26 16-108 of the Public Utilities Act.

1 (B) Each electric utility shall remit on a monthly
2 basis to the State Treasurer, for deposit in the Coal
3 to Solar and Energy Storage Initiative Fund provided
4 for in this subsection (c-5), the electric utility's
5 collections of the Coal to Solar and Energy Storage
6 Initiative Charge in the amount estimated to be needed
7 by the Department for grant payments pursuant to grant
8 contracts entered into by the Department pursuant to
9 paragraph (10) of this subsection (c-5).

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

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

26 (B) The Coal to Solar and Energy Storage

1 Initiative Fund shall not be subject to sweeps,
2 administrative charges, or chargebacks, including, but
3 not limited to, those authorized under Section 8h of
4 the State Finance Act, that would in any way result in
5 the transfer of those funds from the Coal to Solar and
6 Energy Storage Initiative Fund to any other fund of
7 this State or in having any such funds utilized for any
8 purpose other than the express purposes set forth in
9 this paragraph (10).

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

23 (1) the electric generating facility at the
24 site has, or had prior to retirement, an electric
25 generating capacity of at least 150 megawatts;

26 (2) the electric generating facility burns (or

1 burned prior to retirement) coal as its primary
2 source of fuel;

3 (3) if the electric generating facility is
4 retired, it was retired subsequent to January 1,
5 2016;

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

14 (5) the electric generating facility located
15 at the site was at one time owned, in whole or in
16 part, by a public utility as defined in Section
17 3-105 of the Public Utilities Act;

18 (6) the electric generating facility at the
19 site is not owned by (i) an electric cooperative
20 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
24 or an entity owned by entities described in items
25 (i) or (ii);

26 (7) the proposed energy storage facility at

1 the site will have energy storage capacity of at
2 least 37 megawatts;

3 (8) the owner commits to place the energy
4 storage facility into commercial operation on
5 either June 1, 2023, June 1, 2024, or June 1, 2025,
6 with such date subject to adjustment as needed due
7 to any delays in completing the grant contracting
8 process, in finalizing interconnection agreements
9 and in installing interconnection facilities, and
10 in obtaining necessary governmental permits and
11 approvals;

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

18 (10) the owner agrees that personnel operating
19 the energy storage facility will have the
20 requisite skills, knowledge, training, experience,
21 and competence, which may be demonstrated by
22 completion or current participation and ultimate
23 completion by employees of an accredited or
24 otherwise recognized apprenticeship program for
25 the employee's particular craft, trade, or skill,
26 including through training and education courses

1 and opportunities offered by the owner to
2 employees of the coal-fueled electric generating
3 facility or by previous employment experience
4 performing the employee's particular work skill or
5 function;

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

19 (12) the owner commits that if selected to
20 receive a grant, it will negotiate a project labor
21 agreement for the construction of the new energy
22 storage facility that includes provisions
23 requiring the parties to the agreement to work
24 together to establish diversity threshold
25 requirements and to ensure best efforts to meet
26 diversity targets, improve diversity at the

1 applicable job site, create diverse apprenticeship
2 opportunities, and create opportunities to employ
3 former coal-fired power plant workers.

4 The Department shall accept applications for this
5 grant program until March 31, 2022 and shall announce
6 the award of grants no later than June 1, 2022. The
7 Department shall make the grant payments to a
8 recipient in equal annual amounts for 10 years
9 following the date the energy storage facility is
10 placed into commercial operation. The annual grant
11 payments to a qualifying energy storage facility shall
12 be \$110,000 per megawatt of energy storage capacity,
13 with total annual grant payments pursuant to this
14 subparagraph (C) for qualifying energy storage
15 facilities not to exceed \$28,050,000 in any year.

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

24 (E) All disbursements from the Coal to Solar and
25 Energy Storage Initiative Fund shall be made only upon
26 warrants of the Comptroller drawn upon the Treasurer

1 as custodian of the Fund upon vouchers signed by the
2 Director of the Department or by the person or persons
3 designated by the Director of the Department for that
4 purpose. The Comptroller is authorized to draw the
5 warrants upon vouchers so signed. The Treasurer shall
6 accept all written warrants so signed and shall be
7 released from liability for all payments made on those
8 warrants.

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

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

1 this paragraph (11) as the project, and the
2 applicant's or owner's action plan and schedule for
3 achieving those goals.

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

1 through Tier 1 Direct or Tier 2 subcontracting
2 expenditures or a combination thereof for the project.

3 (C) The plan shall provide for, but not be limited
4 to: (i) internal initiatives, including multi-tier
5 initiatives, by the applicant or owner, or by its
6 engineering, procurement and construction contractor
7 if one is used for the project, which for purposes of
8 this paragraph (11) shall be referred to as the EPC
9 contractor, to enable diverse businesses to be
10 considered fairly for selection to provide materials
11 and services; (ii) requirements for the applicant or
12 owner or its EPC contractor to proactively solicit and
13 utilize diverse businesses to provide materials and
14 services; and (iii) requirements for the applicant or
15 owner or its EPC contractor to hire a diverse
16 workforce for the project. The plan shall include a
17 description of the applicant's or owner's diversity
18 recruiting efforts both for the project and for other
19 areas of the applicant's or owner's business
20 operations. The plan shall provide for the imposition
21 of financial penalties on the applicant's or owner's
22 EPC contractor for failure to exercise best efforts to
23 comply with and execute the EPC contractor's diversity
24 obligations under the plan. The plan may provide for
25 the applicant or owner to set aside a portion of the
26 work on the project to serve as an incubation program

1 for qualified businesses, as specified in the plan,
2 owned by minority persons, women, persons with
3 disabilities, LGBTQ persons, and veterans, and
4 businesses located in environmental justice
5 communities, seeking to enter the renewable energy
6 industry.

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

22 (c-10) Equity accountability system. It is the purpose of
23 this subsection (c-10) to create an equity accountability
24 system, which includes the minimum equity standards for all
25 renewable energy procurements, the equity category of the
26 Adjustable Block Program, and the equity prioritization for

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

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

1 eligible persons or equity eligible contractors. The
2 Agency shall increase the minimum percentage each delivery
3 year thereafter by increments that ensure a statewide
4 average of 30% of the project workforce for each entity
5 participating in a procurement program is done by equity
6 eligible persons or equity eligible contractors by 2030.
7 The Agency shall propose a schedule of percentage
8 increases to the minimum equity standards in its draft
9 revised renewable energy resources procurement plan
10 submitted to the Commission for approval pursuant to
11 paragraph (5) of subsection (b) of Section 16-111.5 of the
12 Public Utilities Act. In determining these annual
13 increases, the Agency shall have the discretion to
14 establish different minimum equity standards for different
15 types of procurements and different regions of the State
16 if the Agency finds that doing so will further the
17 purposes of this subsection (c-10). The proposed schedule
18 of annual increases shall be revisited and updated on an
19 annual basis. Revisions shall be developed with
20 stakeholder input, including from equity eligible persons,
21 equity eligible contractors, clean energy industry
22 representatives, and community-based organizations that
23 work with such persons and contractors.

24 (A) At the start of each delivery year, the Agency
25 shall require a compliance plan from each entity
26 participating in a procurement program of subsection

1 (c) of this Section, and entities opting to comply
2 with the minimum equity standard through the Illinois
3 Solar for All Program under Section 1-56 of this Act,
4 that demonstrates how they will achieve compliance
5 with the minimum equity standard percentage for work
6 completed in that delivery year. If an entity applies
7 for its approved vendor or designee status between
8 delivery years, the Agency shall require a compliance
9 plan at the time of application.

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

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

22 (D) The Agency shall prohibit participation in
23 procurement programs by an approved vendor or
24 designee, as applicable, or entities with which an
25 approved vendor or designee, as applicable, shares a
26 common parent company if an approved vendor or

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

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

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

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

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

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

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

23 (B) A mechanism for measuring, tracking, and
24 reporting project workforce at the approved vendor or
25 designee level, as applicable, which shall include a
26 measurement methodology and records to be made

1 available for audit by the Agency or the Program
2 Administrator.

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

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

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

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

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

26 As part of the reporting requirement under this

1 subparagraph (5), the Agency shall collect and report
2 information about the use of equity eligible contractors
3 and equity eligible persons, as well as Minimum Equity
4 Standard compliance and waiver usage on the Adjustable
5 Block program and utility-scale projects subject to
6 project labor agreements. The Agency shall note any
7 instances of the projects being unable to meet or
8 requiring a waiver to meet Minimum Equity Standard
9 requirements and the location of those projects.

10 On an annual basis, the Agency shall submit a written
11 summary of its findings on an annual basis to the General
12 Assembly and the Governor and shall make the report and
13 summary available on the Agency's website.

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

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

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

19 (c-15) Racial discrimination elimination powers and
20 process.

21 (1) Purpose. It is the purpose of this subsection to
22 empower the Agency and other State actors to remedy racial
23 discrimination in Illinois' clean energy economy as
24 effectively and expediently as possible, including through
25 the use of race-conscious remedies, such as race-conscious
26 contracting and hiring goals, as consistent with State and

1 federal law.

2 (2) Racial disparity and discrimination review
3 process.

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

15 (B) As soon as is practicable thereafter, the
16 Agency, in consultation with the Department of
17 Commerce and Economic Opportunity, Department of
18 Labor, and other agencies that may be relevant, shall
19 commission and publish a disparity and availability
20 study that measures the presence and impact of
21 discrimination on minority businesses and workers in
22 Illinois' clean energy economy. The Agency may hire
23 consultants and experts to conduct the disparity and
24 availability study, with the retention of those
25 consultants and experts exempt from the requirements
26 of Section 20-10 of the Illinois Procurement Code. The

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

16 (c-20) Program data collection.

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

1 information necessary to correct any discrimination
2 through methods consistent with State and federal law.

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

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

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

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

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

23 (4) Publication of collected information. The Agency
24 shall publish, at least annually, information on the
25 demographics of program participants on an aggregate
26 basis.

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

5 (c-25) Energy Workforce Equity Database.

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

16 (A) publicly accessible;

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

18 (C) organized by company specialty or field;

19 (D) region-specific; and

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

26 (2) The Agency shall create an easily accessible,

1 public facing online tool using the database information
2 that includes, at a minimum, the following:

3 (A) a map of environmental justice and equity
4 investment eligible communities;

5 (B) job postings and recruiting opportunities;

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

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

13 (E) renewable energy company diversity reporting;

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

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

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

25 (3) The Agency shall ensure the database is regularly
26 updated to ensure information is current and shall

1 coordinate with the Department of Commerce and Economic
2 Opportunity to ensure that it includes information on
3 individuals and entities that are or have participated in
4 the Clean Jobs Workforce Network Program, Clean Energy
5 Contractor Incubator Program, Returning Residents Clean
6 Jobs Training Program, or Clean Energy Primes Contractor
7 Accelerator Program.

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

23 (d) Clean coal portfolio standard.

24 (1) The procurement plans shall include electricity
25 generated using clean coal. Each utility shall enter into
26 one or more sourcing agreements with the initial clean

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

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

26 Utilities shall maintain adequate records documenting

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

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

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

24 Notwithstanding the requirements of this subsection
25 (d), the total amount paid under sourcing agreements with
26 clean coal facilities pursuant to the procurement plan for

1 any given year shall be reduced by an amount necessary to
2 limit the annual estimated average net increase due to the
3 costs of these resources included in the amounts paid by
4 eligible retail customers in connection with electric
5 service to:

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

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

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

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

24 (E) thereafter, the total amount paid under
25 sourcing agreements with clean coal facilities
26 pursuant to the procurement plan for any single year

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

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

19 (3) Initial clean coal facility. In order to promote
20 development of clean coal facilities in Illinois, each
21 electric utility subject to this Section shall execute a
22 sourcing agreement to source electricity from a proposed
23 clean coal facility in Illinois (the "initial clean coal
24 facility") that will have a nameplate capacity of at least
25 500 MW when commercial operation commences, that has a
26 final Clean Air Act permit on June 1, 2009 (the effective

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

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

18 (i) be determined using a cost of service
19 methodology employing either a level or deferred
20 capital recovery component, based on a capital
21 structure consisting of 45% equity and 55% debt,
22 and a return on equity as may be approved by the
23 Federal Energy Regulatory Commission, which in any
24 case may not exceed the lower of 11.5% or the rate
25 of return approved by the General Assembly
26 pursuant to paragraph (4) of this subsection (d);

1 and

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

18 (B) power purchase provisions, which shall:

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

23 (ii) require delivery of electricity to the
24 regional transmission organization market of the
25 utility that is party to such sourcing agreement;

26 (iii) require the utility party to such

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

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

24 (C) contract for differences provisions, which
25 shall:

26 (i) require the utility party to such sourcing

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

22 (ii) provide that the utility's payment
23 obligation in respect of the quantity of
24 electricity determined pursuant to the preceding
25 clause (i) shall be limited to an amount equal to
26 (1) the difference between the contract price

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

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

17 (D) general provisions, which shall:

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

21 (ii) provide that utilities shall maintain
22 adequate records documenting purchases under the
23 sourcing agreements entered into to comply with
24 this subsection (d) and shall file an accounting
25 with the load forecast that must be filed with the
26 Agency by July 15 of each year, in accordance with

1 subsection (d) of Section 16-111.5 of the Public
2 Utilities Act;

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

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

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

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

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

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

20 (vii) require Commission review: (1) to
21 determine the justness, reasonableness, and
22 prudence of the inputs to the formula referenced
23 in subparagraphs (A)(i) through (A)(iii) of
24 paragraph (3) of this subsection (d), prior to an
25 adjustment in those inputs including, without
26 limitation, the capital structure and return on

1 equity, fuel costs, and other operations and
2 maintenance costs and (2) to approve the costs to
3 be passed through to customers under the sourcing
4 agreement by which the utility satisfies its
5 statutory obligations. Commission review shall
6 occur no less than every 3 years, regardless of
7 whether any adjustments have been proposed, and
8 shall be completed within 9 months;

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

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

22 (x) provide that the owner or owners of the
23 initial clean coal facility, which is the
24 counterparty to such sourcing agreement, shall
25 have the right from time to time to elect whether
26 the obligations of the utility party thereto shall

1 be governed by the power purchase provisions or
2 the contract for differences provisions;

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

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

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

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

24 (i) Facility cost report. The owner of the initial
25 clean coal facility shall submit to the Commission,
26 the Agency, and the General Assembly a front-end

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

11 (ii) Commission report. Within 6 months following
12 receipt of the facility cost report, the Commission,
13 in consultation with the Agency, shall submit a report
14 to the General Assembly setting forth its analysis of
15 the facility cost report. Such report shall include,
16 but not be limited to, a comparison of the costs
17 associated with electricity generated by the initial
18 clean coal facility to the costs associated with
19 electricity generated by other types of generation
20 facilities, an analysis of the rate impacts on
21 residential and small business customers over the life
22 of the sourcing agreements, and an analysis of the
23 likelihood that the initial clean coal facility will
24 commence commercial operation by and be delivering
25 power to the facility's busbar by 2016. To assist in
26 the preparation of its report, the Commission, in

1 consultation with the Agency, may hire one or more
2 experts or consultants, the costs of which shall be
3 paid for by the owner of the initial clean coal
4 facility. The Commission and Agency may begin the
5 process of selecting such experts or consultants prior
6 to receipt of the facility cost report.

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

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

1 form of such agreement, and issue an order finding
2 that the sourcing agreement is prudent and reasonable.
3 The facility cost report shall be prepared as follows:

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

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

19 (ii) an estimate of the capital cost of the
20 balance of the plant, including any capital costs
21 associated with sequestration of carbon dioxide
22 emissions and all interconnects and interfaces
23 required to operate the facility, such as
24 transmission of electricity, construction or
25 backfeed power supply, pipelines to transport
26 substitute natural gas or carbon dioxide, potable

1 water supply, natural gas supply, water supply,
2 water discharge, landfill, access roads, and coal
3 delivery.

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

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

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

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

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

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

22 (E) Amounts paid to third parties unrelated to the
23 owner or owners of the initial clean coal facility to
24 prepare the core plant construction cost quote,
25 including the front end engineering and design study,
26 and the operating and maintenance cost quote will be

1 reimbursed through Coal Development Bonds.

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

1 the procurement monitor, subject to Commission review and
2 approval. The Commission shall have authority to inspect
3 all books and records associated with these clean coal
4 facilities during the term of any such contract.

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

11 (d-5) Zero emission standard.

12 (1) Beginning with the delivery year commencing on
13 June 1, 2017, the Agency shall, for electric utilities
14 that serve at least 100,000 retail customers in this
15 State, procure contracts with zero emission facilities
16 that are reasonably capable of generating cost-effective
17 zero emission credits in an amount approximately equal to
18 16% of the actual amount of electricity delivered by each
19 electric utility to retail customers in the State during
20 calendar year 2014. For an electric utility serving fewer
21 than 100,000 retail customers in this State that
22 requested, under Section 16-111.5 of the Public Utilities
23 Act, that the Agency procure power and energy for all or a
24 portion of the utility's Illinois load for the delivery
25 year commencing June 1, 2016, the Agency shall procure
26 contracts with zero emission facilities that are

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

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

19 The procurement process shall be subject to the
20 following provisions:

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

26 (i) the in-service date and remaining useful

1 life of the zero emission facility;

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

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

24 (iv) a commitment to continue operating, for
25 the duration of the contract or contracts executed
26 under the procurement held under this subsection

1 (d-5), the zero emission facility that produces
2 the zero emission credits to be procured in the
3 procurement.

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

15 (B) The price for each zero emission credit
16 procured under this subsection (d-5) for each delivery
17 year shall be in an amount that equals the Social Cost
18 of Carbon, expressed on a price per megawatthour
19 basis. However, to ensure that the procurement remains
20 affordable to retail customers in this State if
21 electricity prices increase, the price in an
22 applicable delivery year shall be reduced below the
23 Social Cost of Carbon by the amount ("Price
24 Adjustment") by which the market price index for the
25 applicable delivery year exceeds the baseline market
26 price index for the consecutive 12-month period ending

1 May 31, 2016. If the Price Adjustment is greater than
2 or equal to the Social Cost of Carbon in an applicable
3 delivery year, then no payments shall be due in that
4 delivery year. The components of this calculation are
5 defined as follows:

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

18 (ii) Baseline market price index: The baseline
19 market price index for the consecutive 12-month
20 period ending May 31, 2016 is \$31.40 per
21 megawatthour, which is based on the sum of (aa)
22 the average day-ahead energy price across all
23 hours of such 12-month period at the PJM
24 Interconnection LLC Northern Illinois Hub, (bb)
25 50% multiplied by the Base Residual Auction, or
26 its successor, capacity price for the rest of the

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

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

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

26 (bb) Projected capacity prices:

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

19 (II) For the delivery year commencing
20 June 1, 2020, and each year thereafter,
21 the projected capacity price shall be
22 equal to the sum of (1) 50% multiplied by
23 the Base Residual Auction, or its
24 successor, price for the ComEd zone as
25 determined by PJM Interconnection LLC,
26 divided by 24 hours per day, and (2) 50%

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

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

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

14 "RTO" means regional transmission
15 organization.

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

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

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

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

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

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

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

21 (i) identify how the winning bids satisfy the
22 public interest criteria described in subparagraph
23 (C) of this paragraph (1) of minimizing carbon
24 dioxide emissions that result from electricity
25 consumed in Illinois and minimizing sulfur
26 dioxide, nitrogen oxide, and particulate matter

1 emissions that adversely affect the citizens of
2 this State;

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

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

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

26 (bb) the costs of replacement with other

1 zero carbon dioxide resources, including wind
2 and photovoltaic, based upon the simple
3 average of the following:

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

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

23 Each utility shall enter into binding contractual
24 arrangements with the winning suppliers.

25 The procurement described in this subsection
26 (d-5), including, but not limited to, the execution of

1 all contracts procured, shall be completed no later
2 than May 10, 2017. Based on the effective date of
3 Public Act 99-906, the Agency and Commission may, as
4 appropriate, modify the various dates and timelines
5 under this subparagraph and subparagraphs (C) and (D)
6 of this paragraph (1). The procurement and plan
7 approval processes required by this subsection (d-5)
8 shall be conducted in conjunction with the procurement
9 and plan approval processes required by subsection (c)
10 of this Section and Section 16-111.5 of the Public
11 Utilities Act, to the extent practicable.
12 Notwithstanding whether a procurement event is
13 conducted under Section 16-111.5 of the Public
14 Utilities Act, the Agency shall immediately initiate a
15 procurement process on June 1, 2017 (the effective
16 date of Public Act 99-906).

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

25 (E) Notwithstanding the requirements of this
26 subsection (d-5), the contracts executed under this

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

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

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

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

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

25 (F) If the zero emission facility elects to
26 terminate a contract under subparagraph (E) of this

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

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

15 Notwithstanding the requirements of this subsection
16 (d-5), the contracts executed under this subsection (d-5)
17 shall provide that the total of zero emission credits
18 procured under a procurement plan shall be subject to the
19 limitations of this paragraph (2). For each delivery year,
20 the contractual volume receiving payments in such year
21 shall be reduced for all retail customers based on the
22 amount necessary to limit the net increase that delivery
23 year to the costs of those credits included in the amounts
24 paid by eligible retail customers in connection with
25 electric service to no more than 1.65% of the amount paid
26 per kilowatthour by eligible retail customers during the

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

26 No later than June 30, 2019, the Commission shall

1 review the limitation on the amount of zero emission
2 credits procured under this subsection (d-5) and report to
3 the General Assembly its findings as to whether that
4 limitation unduly constrains the procurement of
5 cost-effective zero emission credits.

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

1 however, the credit remitted to the utility shall not
2 exceed the total amount of payments received by the
3 facility under its contract.

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

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

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

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

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

26 (5) The electric utility shall retire all zero

1 emission credits used to comply with the requirements of
2 this subsection (d-5).

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

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

15 (d-10) Nuclear Plant Assistance; carbon mitigation
16 credits.

17 (1) The General Assembly finds:

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

23 (B) Absent immediate action by the State to preserve
24 existing carbon-free energy resources, those resources may
25 retire, and the electric generation needs of Illinois'
26 retail customers may be met instead by facilities that

1 emit significant amounts of carbon pollution and other
2 harmful air pollutants at a high social and economic cost
3 until Illinois is able to develop other forms of clean
4 energy.

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

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

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

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

1 will continue to operate through 2026 and therefore is not
2 eligible to participate in the carbon mitigation credit
3 program.

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

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

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

21 (2) As used in this subsection:

22 "Baseline costs" means costs used to establish a customer
23 protection cap that have been evaluated through an independent
24 audit of a carbon-free energy resource conducted by the
25 Environmental Protection Agency that evaluated projected
26 annual costs for operation and maintenance expenses; fully

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

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

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

17 (3) Procurement.

18 (A) Beginning with the delivery year commencing on
19 June 1, 2022, the Agency shall, for electric utilities
20 serving at least 3,000,000 retail customers in the State,
21 seek to procure contracts for no more than approximately
22 54,500,000 cost-effective carbon mitigation credits from
23 carbon-free energy resources because such credits are
24 necessary to support current levels of carbon-free energy
25 generation and ensure the State meets its carbon dioxide
26 emissions reduction goals. The Agency shall not make a

1 partial award of a contract for carbon mitigation credits
2 covering a fractional amount of a carbon-free energy
3 resource's projected output.

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

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

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

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

23 (iv) financial need and the risk of loss of the
24 environmental benefits of such resource, which shall
25 include the following information:

26 (I) the carbon-free energy resource's cost

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

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

22 The information described in this subparagraph (B) may
23 be submitted on a confidential basis and shall be treated
24 and maintained by the Agency, the procurement
25 administrator, and the Commission as confidential and
26 proprietary and exempt from disclosure under subparagraphs

1 (a) and (g) of paragraph (1) of Section 7 of the Freedom of
2 Information Act. The Office of the Attorney General shall
3 have access to, and maintain the confidentiality of, such
4 information pursuant to Section 6.5 of the Attorney
5 General Act.

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

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

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

25 (iii) The price per carbon mitigation credit to be
26 paid under a contract for a given delivery year shall

1 be equal to an accepted bid price less the sum of:

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

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

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

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

1 the Commission's confirmation, the value under
2 this subitem shall be zero, as further described
3 in the carbon mitigation credit procurement plan;
4 and

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

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

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

1 suppliers as a credit on its retail customer bills as
2 soon as practicable.

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

10 The baseline costs for the applicable year shall
11 be the following:

12 (I) For the delivery year beginning June 1,
13 2022, the baseline costs shall be an amount equal
14 to \$30.30 per megawatt-hour.

15 (II) For the delivery year beginning June 1,
16 2023, the baseline costs shall be an amount equal
17 to \$32.50 per megawatt-hour.

18 (III) For the delivery year beginning June 1,
19 2024, the baseline costs shall be an amount equal
20 to \$33.43 per megawatt-hour.

21 (IV) For the delivery year beginning June 1,
22 2025, the baseline costs shall be an amount equal
23 to \$33.50 per megawatt-hour.

24 (V) For the delivery year beginning June 1,
25 2026, the baseline costs shall be an amount equal
26 to \$34.50 per megawatt-hour.

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

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

24 (D) No later than 7 days after the effective date of
25 this amendatory Act of the 102nd General Assembly, the
26 Agency shall publish its proposed carbon mitigation credit

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

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

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

25 (i) identify how the selected carbon-free energy
26 resources satisfy the public interest criteria

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

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

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

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

25 (II) an assessment of costs of replacement
26 with other carbon-free energy resources and

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

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

25 (F-1) Costs incurred by the electric utility pursuant
26 to a contract authorized by this subsection (d-10) shall

1 be deemed prudently incurred and reasonable in amount, and
2 the electric utility shall be entitled to full cost
3 recovery pursuant to a tariff or tariffs filed with the
4 Commission.

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

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

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

14 (d-20) Energy storage system portfolio standard.

15 (1) The General Assembly finds that the deployment of
16 energy storage systems is necessary to successfully
17 integrate high levels of renewable energy, to avoid the
18 creation and increase of carbon emissions from electric
19 generation sources, and to ensure affordable, stable,
20 clean, reliable, and resilient electricity.

21 (2) The Agency shall develop an energy storage system
22 resources procurement plan that includes the competitive
23 procurement events, procurement programs, or both, as
24 necessary (i) to meet the goals set forth in this
25 subsection (d-20), (ii) to meet the planning requirements
26 established under Sections 16-201 and 16-202 of the Public

1 Utilities Act, (iii) to meet the clean energy policy
2 established by Public Act 102-662, and (iv) to cause
3 electric utilities serving more than 300,000 customers in
4 the State as of January 1, 2019 to contract for energy
5 storage resources. The energy storage system resources
6 procurement plan approval processes shall be conducted
7 consistent with the processes outlined in paragraph (6) of
8 subsection (b) of Section 16-111.5 of the Public Utilities
9 Act, with the initial energy storage system resources
10 procurement plan released for comment in calendar year
11 2027. The Agency shall review and may revise the energy
12 storage system resources procurement plan at least every 2
13 years. The Agency shall establish, and the Commission
14 shall approve or approve as modified, an energy storage
15 system resources procurement plan that includes:

16 (A) storage targets in addition to the initial
17 procurements specified in paragraph (3) of this
18 subsection (d-20) at levels identified through the
19 integrated resource planning process outlined in
20 Section 16-202 of the Public Utilities Act;

21 (B) a bid selection process that is based on the
22 bid price, when compared with an equal energy storage
23 duration and interconnected to the same independent
24 system operator (ISO) or regional transmission
25 organization (RTO), and that may provide for
26 consideration of the following:

1 (i) the project's viability and ability to
2 meet or exceed operational date targets;

3 (ii) the developer's experience;

4 (iii) requirements for demonstration of
5 binding site control that are sufficient for
6 proposed energy storage facilities;

7 (iv) the availability or dependence on any
8 transmission expansion or upgrades needed; and

9 (v) other resource adequacy and reliability
10 considerations;

11 (C) consideration of the need to ensure adequate,
12 reliable, affordable, efficient, and environmentally
13 sustainable electric service at the lowest total cost
14 over time;

15 (D) proposals for the financial support of energy
16 storage systems using contract models, which may
17 include, but are not limited to, the following:

18 (i) an indexed storage credit procurement,
19 including payments to energy storage system owners
20 or operators with any offsets and refunds for
21 potential energy and capacity revenues;

22 (ii) support for energy storage system
23 resources through contract structures that do not
24 create contractual obligations on utilities that
25 are not contingent on full and timely cost
26 recovery, that avoid negative financial impacts on

1 the utilities, and that are agreed upon by the
2 utilities; and

3 (iii) other approaches as deemed suitable by
4 the Agency and the Commission; and

5 (E) consideration that the Agency may include a
6 methodology that could prioritize procurement of
7 energy storage resources that are located in
8 communities eligible to receive Energy Transition
9 Community Grants pursuant to Section 10-20 of the
10 Energy Community Reinvestment Act.

11 In developing its procurement plan and conducting the
12 storage procurements outlined in this paragraph (2) and in
13 paragraph (3), the Agency may use the services of expert
14 consulting firms identified in paragraphs (1) and (2) of
15 subsection (a) of this Section.

16 (3) Notwithstanding whether an energy storage system
17 resources procurement plan has been approved, the
18 following provisions shall apply to the Agency's initial
19 procurement of energy storage system resources under this
20 subsection (d-20):

21 (A) The Agency shall conduct an initial energy
22 storage procurement on or before August 26, 2026 or 90
23 days after the effective date of this amendatory Act
24 of the 104th General Assembly, whichever is earlier.
25 For the purposes of this initial energy storage
26 procurement, the Agency shall conduct a procurement

1 that results in electric utilities that served more
2 than 300,000 customers in the State as of January 1,
3 2019 contracting for at least 1,038 megawatts of
4 cost-effective stand-alone energy storage systems that
5 can achieve commercial operation on or before December
6 31, 2029 or an alternative date proposed by the Agency
7 that is no later than December 31, 2030. The
8 procurement target shall be separated for projects
9 interconnected within Midcontinent Independent System
10 Operator Local Resource Zone 4 (MISO Zone 4) and for
11 projects interconnected within the PJM
12 Interconnection, LLC ComEd Locational Deliverability
13 Area (PJM ComEd Area) as follows:

14 (i) 450 megawatts in MISO Zone 4; and

15 (ii) 588 megawatts in the PJM ComEd Area.

16 For purposes of this subsection (d-20),
17 "stand-alone" means systems that are (i) separately
18 metered by a revenue-quality meter that satisfies the
19 requirements of the RTO; (ii) operate independently
20 without constraints or hindrances from other
21 generation units; and (iii) demonstrate the ability to
22 charge and discharge independent of any generation
23 unit output.

24 (B) The Agency shall conduct a series of
25 additional energy storage procurements that result in
26 electric utilities contracting for energy storage

1 resources in an amount of 3,000 megawatts of
2 cumulative energy storage capacity for projects
3 committed to reaching commercial operation on or
4 before December 31, 2030, or an alternative date
5 proposed by the Agency, subject to extension for a
6 delay due to interconnection of the energy storage
7 system, a delay in obtaining permits necessary to
8 build or operate the energy storage system, or other
9 circumstances at the discretion of the Agency.

10 The additional energy storage resources
11 procurements shall be conducted in calendar years 2027
12 and 2028 in a manner that ensures the quantities
13 listed in this subparagraph (B), and as updated in the
14 integrated resource plan approved by the Commission
15 pursuant to Section 16-201 of the Public Utilities
16 Act, are met in the specified timeframe. To the extent
17 the integrated resource planning process outlined in
18 Section 16-202 of the Public Utilities Act authorizes
19 energy storage system procurement amounts above the
20 amount identified in this subparagraph (B), the Agency
21 shall conduct additional energy storage procurements
22 in 2028, 2029, 2030, and thereafter that result in
23 electric utilities contracting for energy storage
24 resources at those additional identified levels. The
25 procurements shall be conducted in a manner that
26 maximizes projects available in the MISO and PJM

1 queues, ensures the likelihood of project development
2 through the development of project maturity
3 requirements, enables sufficient competition for price
4 competitiveness, and aligns to the extent practicable
5 with regional transmission organization study phases.
6 The procurements shall select projects interconnected
7 to MISO Zone 4 and the PJM ComEd Area and shall follow
8 either (i) a similar geographic split to the ratio of
9 quantities established in subparagraph (A) of this
10 paragraph (3), (ii) an alternative geographic split
11 proposed by the Agency based on project availability
12 in advanced stages of the MISO and PJM queues, or (iii)
13 that is informed by MISO and PJM planning activities,
14 auctions, or reports that indicate capacity resource
15 shortages or impending shortages and that reflect the
16 assessments made through the processes outlined in
17 subparagraph (A) of paragraph (2). The additional
18 energy storage capacity procurements may be adjusted
19 upward if determined necessary through the planning
20 process outlined in Section 16-201 of the Public
21 Utilities Act at times determined by the Commission.

22 (C) The initial energy storage resources
23 procurement under subparagraph (A) of this paragraph
24 (3) shall adopt a standard indexed storage credit
25 contract modeled after the contract and follow a
26 process modeled after the process included in the

1 staff report submitted to the Governor, General
2 Assembly, and Commission pursuant to subsection (g) of
3 Section 16-135 of the Public Utilities Act on May 1,
4 2025. In developing the procurement rules and
5 procurement process for the initial procurement, the
6 Agency shall provide an opportunity for comment on the
7 indexed storage credit contract included in the May 1,
8 2025 staff report and shall adopt modifications to the
9 contract consistent with the process outlined in
10 paragraph (2) of subsection (e) of Section 16-111.5 of
11 the Public Utilities Act.

12 (D) For the additional energy storage resources
13 procurements conducted in accordance with subparagraph
14 (B) of this paragraph (3), the Agency may, among other
15 considerations, consider other contract structures if
16 such contract structures and agreements do not create
17 contractual obligations on utilities that are not
18 contingent on full and timely cost recovery, avoid
19 negative financial impacts on the utilities, and are
20 agreed upon by the participating utility.

21 (E) The initial and additional energy storage
22 resources procurements under this paragraph (3) shall
23 solicit 20-year contracts.

24 (F) The Agency shall submit its proposed selection
25 of successful bids for each procurement event pursuant
26 to paragraphs (2) and (3) to the Commission for

1 approval consistent with the processes outlined in
2 Section 16-111.5 of the Public Utilities Act to the
3 extent practicable.

4 (4) The energy storage system resources procurement
5 plans developed by the Agency may consider alternatives to
6 the initial and additional procurement terms described in
7 paragraph (3) of this subsection (d-20), including, but
8 not limited to:

9 (A) alternatives to the standard indexed storage
10 credit contract used in the initial terms described in
11 subparagraph (C) of paragraph (3) of this subsection
12 (d-20);

13 (B) energy storage systems that are not
14 stand-alone;

15 (C) proportionate allocations between MISO Zone 4
16 and the PJM ComEd Area that are not based upon load
17 share, including allocations reflecting the
18 assessments made through the processes outlined in
19 subparagraph (A) of paragraph (2);

20 (D) contract lengths other than 20 years;

21 (E) energy storage system durations other than 4
22 hours; and

23 (F) energy storage systems connected to the
24 distribution systems of the electric utilities.

25 The Agency may propose specific timelines for energy
26 storage system resources procurements, which may differ

1 across RTO zones, that are based in part upon a
2 consideration of (i) the timing of the release of
3 interconnection cost information through both MISO and PJM
4 interconnection queue processes, (ii) factors that
5 maximize the likelihood of successful project development,
6 (iii) enabling sufficient competition for price
7 competitiveness, and (iv) aligning to the extent
8 practicable with RTO study phases.

9 (5) The Agency shall procure cost-effective energy
10 storage credits or other contract instruments intended to
11 facilitate the successful development of energy storage
12 projects. The procurement administrator shall establish
13 confidential price benchmarks based on publicly available
14 data on regional technology costs. Confidential price
15 benchmarks shall be developed by the procurement
16 administrator, in consultation with Commission staff,
17 Agency staff, and the procurement monitor, and shall be
18 subject to Commission review and approval. Price
19 benchmarks shall reflect development costs, financing
20 costs, and related costs resulting from requirements
21 imposed through other provisions of State law. As used in
22 this paragraph (5), "cost-effective" means a bidder's bid
23 price that does not exceed confidential price benchmarks.

24 (6) All procurements under this subsection (d-20)
25 shall comply with the geographic requirements in
26 subparagraph (I) of paragraph (1) of subsection (c) of

1 Section 1-75 and shall follow the procurement processes
2 and procedures described in this Section and Section
3 16-111.5 of the Public Utilities Act, to the extent
4 practicable. The processes and procedures may be expedited
5 to accommodate the schedule established by this Section.
6 The Agency shall require all bidders to pay to the Agency a
7 nonrefundable deposit determined by the Agency and no less
8 than \$10,000 per bid as practical. The Agency may also
9 assess bidder and supplier fees to cover the cost of
10 procurement events and develop collateral requirements to
11 maximize the likelihood of successful project development.
12 Bidders in the initial and additional procurements
13 described in paragraph (3) of this subsection (d-20) shall
14 also demonstrate experience in developing to commercial
15 readiness. As used in this paragraph (6), "developing to
16 commercial readiness" means having notice to proceed in
17 owning or operating energy facilities with a combined
18 nameplate capacity of at least 100 megawatts.

19 (7) In order to advance priority access to the clean
20 energy economy for businesses and workers from communities
21 that have been excluded from economic opportunities in the
22 energy sector, have been subject to disproportionate
23 levels of pollution, and have disproportionately
24 experienced negative public health outcomes, the Agency
25 shall apply its equity accountability system and minimum
26 equity standards established under subsections (c-10),

1 (c-15), (c-20), (c-25), and (c-30) of this Section to
2 energy storage procurement and programs and may include
3 any proposed modifications to the equity accountability
4 system and minimum equity standards that may be warranted
5 with respect to energy storage resources in its plan
6 submission to the Commission under Section 16-111.5 of the
7 Public Utilities Act.

8 (8) Projects shall be developed in compliance with the
9 prevailing wage and project labor agreement requirements
10 for renewable energy projects in subparagraph (Q) of
11 paragraph (1) of subsection (c) of Section 1-75.

12 (9) An entity operating an energy storage facility
13 shall demonstrate that it has entered into a labor peace
14 agreement with a bona fide labor organization that is
15 actively engaged in representing its employees. The labor
16 peace agreement shall apply to the employees necessary for
17 the ongoing maintenance and operation of the energy
18 storage facility. The existence of a labor peace agreement
19 shall be an ongoing material condition of an entity's
20 authorization to maintain and operate the energy storage
21 facility.

22 (10) In order to promote the competitive development
23 of energy storage systems in furtherance of the State's
24 interest in the health, safety, and welfare of its
25 residents, storage credits shall not be eligible to be
26 selected under this subsection (d-20) if the energy

1 storage resources are sourced from an energy storage
2 system whose costs were being recovered through rates
3 regulated by the State or any other state or states on or
4 after January 1, 2017. No entity shall be permitted to bid
5 unless it certifies to the Agency that it is not an
6 electric utility, as defined in Section 16-102 of the
7 Public Utilities Act, serving more than 10,000 customers
8 in the State.

9 (11) The Agency shall require, as a prerequisite to
10 payment for any storage credits, that the winning bidder
11 provide the Agency or its designee a copy of the
12 interconnection agreement under which the applicable
13 energy storage system is connected to the transmission or
14 distribution system.

15 (12) Contracts shall provide that, if the cost
16 recovery mechanism referenced in subsection (k) of Section
17 16-108 of the Public Utilities Act remains in full force
18 without amendment or the utility is otherwise authorized
19 or entitled to full, prompt, and uninterrupted recovery of
20 its costs through any other mechanism, then such seller
21 shall be entitled to full, prompt, and uninterrupted
22 payment under the applicable contract notwithstanding the
23 application of this paragraph (12).

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

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

5 (g) The Agency shall assess fees to each affected utility
6 to recover the costs incurred in preparation of procurement
7 plans and in the operation of programs.

8 (h) The Agency shall assess fees to each bidder to recover
9 the costs incurred in connection with a competitive
10 procurement process.

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

24 (Source: P.A. 103-380, eff. 1-1-24; 103-580, eff. 12-8-23;
25 103-1066, eff. 2-20-25; 104-458, eff. 6-1-26.)

1 Section 10. The Energy Transition Act is amended by
2 changing Section 5-40 as follows:

3 (20 ILCS 730/5-40)

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

5 (Section scheduled to be repealed on September 15, 2045)

6 Sec. 5-40. Illinois Climate Works Preapprenticeship
7 Program.

8 (a) Subject to appropriation, the Department shall
9 develop, and through Regional Administrators administer, the
10 Illinois Climate Works Preapprenticeship Program. The goal of
11 the Illinois Climate Works Preapprenticeship Program is to
12 create a network of hubs throughout the State that will
13 recruit, prescreen, and provide preapprenticeship skills
14 training, for which participants may attend free of charge and
15 receive a stipend, to create a qualified, diverse pipeline of
16 workers who are prepared for careers in the construction and
17 building trades and clean energy jobs opportunities therein.
18 Upon completion of the Illinois Climate Works
19 Preapprenticeship Program, the candidates will be connected to
20 and prepared to successfully complete an apprenticeship
21 program.

22 (b) Each Climate Works Hub that receives funding from the
23 Energy Transition Assistance Fund shall provide an annual
24 report to the Illinois Works Review Panel by April 1 of each
25 calendar year. The annual report shall include the following

1 information:

2 (1) a description of the Climate Works Hub's
3 recruitment, screening, and training efforts, including a
4 description of training related to construction and
5 building trades opportunities in clean energy jobs;

6 (2) the number of individuals who apply to,
7 participate in, and complete the Climate Works Hub's
8 program, broken down by race, gender, age, and veteran
9 status;

10 (3) the number of the individuals referenced in
11 paragraph (2) of this subsection who are initially
12 accepted and placed into apprenticeship programs in the
13 construction and building trades; and

14 (4) the number of individuals referenced in paragraph
15 (2) of this subsection who remain in apprenticeship
16 programs in the construction and building trades or have
17 become journeymen one calendar year after their placement,
18 as referenced in paragraph (3) of this subsection.

19 (c) Subject to appropriation, the Department shall provide
20 funding to 3 Climate Works Hubs throughout the State,
21 including one to the Illinois Department of Transportation
22 Region 1, one to the Illinois Department of Transportation
23 Regions 2 and 3, and one to the Illinois Department of
24 Transportation Regions 4 and 5. An eligible organization may
25 serve as the designated Climate Works Hub for all 5 regions.
26 Climate Works Hubs shall be awarded grants in multi-year

1 increments not to exceed 36 months. Each grant shall come with
2 a one year initial term, with the Department renewing each
3 year for 2 additional years unless the grantee either declines
4 to continue or fails to meet reasonable performance measures
5 that consider apprenticeship programs timeframes. The
6 Department may take into account experience and performance as
7 a previous grantee of the Climate Works Hub as part of the
8 selection criteria for subsequent years.

9 (d) Each Climate Works Hub that receives funding from the
10 Energy Transition Assistance Fund shall:

11 (1) recruit, prescreen, and provide preapprenticeship
12 training to equity investment eligible persons;

13 (2) provide training information related to
14 opportunities and certifications relevant to clean energy
15 jobs in the construction and building trades; and

16 (3) provide preapprentices with stipends they receive
17 that may vary depending on the occupation the individual
18 is training for.

19 (d-5) Priority shall be given to Climate Works Hubs that
20 have an agreement with North American Building Trades Unions
21 (NABTU) to utilize the Multi-Craft Core Curriculum or
22 successor curriculums.

23 (e) Funding for the Program is subject to appropriation
24 from the Energy Transition Assistance Fund.

25 (f) The Department shall adopt any rules deemed necessary
26 to implement this Section.

1 (Source: P.A. 102-662, eff. 9-15-21; 102-1031, eff. 5-27-22;
2 102-1123, eff. 1-27-23.)

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

4 (Section scheduled to be repealed on September 15, 2045)

5 Sec. 5-40. Illinois Climate Works Preapprenticeship
6 Program.

7 (a) Subject to appropriation, the Department shall
8 develop, and through Regional Administrators administer, the
9 Illinois Climate Works Preapprenticeship Program. The goal of
10 the Illinois Climate Works Preapprenticeship Program is to
11 create a network of hubs throughout the State that will
12 recruit, prescreen, and provide preapprenticeship skills
13 training, for which participants may attend free of charge and
14 receive a stipend, to create a qualified, diverse pipeline of
15 workers who are prepared for careers in the construction and
16 building trades and clean energy jobs opportunities therein.
17 Upon completion of the Illinois Climate Works
18 Preapprenticeship Program, the candidates will be connected to
19 and prepared to successfully complete an apprenticeship
20 program.

21 (b) Each Climate Works Hub that receives funding from the
22 Energy Transition Assistance Fund shall provide an annual
23 report to the Illinois Works Review Panel by April 1 of each
24 calendar year. The annual report shall include the following
25 information:

1 (1) a description of the Climate Works Hub's
2 recruitment, screening, and training efforts, including a
3 description of training related to construction and
4 building trades opportunities in clean energy jobs;

5 (2) the number of individuals who apply to,
6 participate in, and complete the Climate Works Hub's
7 program, broken down by race, gender, age, and veteran
8 status;

9 (3) the number of the individuals referenced in
10 paragraph (2) of this subsection who are initially
11 accepted and placed into apprenticeship programs in the
12 construction and building trades; and

13 (4) the number of individuals referenced in paragraph
14 (2) of this subsection who remain in apprenticeship
15 programs in the construction and building trades or have
16 become journeymen one calendar year after their placement,
17 as referenced in paragraph (3) of this subsection.

18 (c) Subject to appropriation, the Department shall provide
19 funding to 3 Climate Works Hubs throughout the State,
20 including one to the Illinois Department of Transportation
21 Region 1, one to the Illinois Department of Transportation
22 Regions 2 and 3, and one to the Illinois Department of
23 Transportation Regions 4 and 5. An eligible organization may
24 serve as the designated Climate Works Hub for all 5 regions.
25 Climate Works Hubs shall be awarded grants in multi-year
26 increments not to exceed 36 months. Each grant shall come with

1 a one year initial term, with the Department renewing each
2 year for 2 additional years unless the grantee either declines
3 to continue or fails to meet reasonable performance measures
4 that consider apprenticeship programs timeframes. The
5 Department may take into account experience and performance as
6 a previous grantee of the Climate Works Hub as part of the
7 selection criteria for subsequent years.

8 (d) Each Climate Works Hub that receives funding from the
9 Energy Transition Assistance Fund shall recruit, prescreen,
10 and provide preapprenticeship training to program
11 participants. Each Climate Works Hub that receives funding
12 from the Energy Transition Assistance Fund shall:

13 (1) in each Hub Site where the applicant pool allows,
14 comply with the following:

15 (A) dedicate at least one-third of Program
16 placements to applicants who reside in a geographic
17 area that is impacted by economic and environmental
18 challenges, defined as an area that is both (i) an R3
19 Area, as defined pursuant to Section 10-40 of the
20 Cannabis Regulation and Tax Act, and (ii) an
21 environmental justice community, as defined by the
22 Illinois Power Agency under the Illinois Power Agency
23 Act, excluding any racial or ethnic indicators used by
24 the Agency unless and until the constitutional basis
25 for the inclusion of the factors in determining
26 Program admissions is established; among applicants

1 that satisfy these criteria, preference shall be given
2 to applicants who face barriers to employment,
3 including low educational attainment, prior
4 involvement with the criminal justice system, and
5 language barriers, and applicants that are graduates
6 of or currently enrolled in the foster care system;
7 and

8 (B) dedicate at least two-thirds of Program
9 placements to applicants who reside in a geographic
10 area that is impacted by economic or environmental
11 challenges, defined as an area that is either (i) an R3
12 Area, as defined pursuant to Section 10-40 of the
13 Cannabis Regulation and Tax Act, or (ii) an
14 environmental justice community, as defined by the
15 Illinois Power Agency in the Illinois Power Agency
16 Act, excluding any racial or ethnic indicators used by
17 the Agency unless and until the constitutional basis
18 for the inclusion of the factors in determining
19 Program admissions is established; among applicants
20 that satisfy these criteria, preference shall be given
21 to applicants who face barriers to employment,
22 including low educational attainment, prior
23 involvement with the criminal legal system, and
24 language barriers, and applicants that are graduates
25 of or currently enrolled in the foster care system;
26 and

1 (C) prioritize the remaining Program placements
2 for the following:

3 (i) applicants who are displaced energy
4 workers, as defined in the Energy Community
5 Reinvestment Act;

6 (ii) persons who face barriers to employment,
7 including low educational attainment, prior
8 involvement with the criminal justice system, and
9 language barriers; and

10 (iii) applicants who are graduates of or
11 currently enrolled in the foster care system,
12 regardless of the applicant's area of residence;

13 (2) provide training information related to
14 opportunities and certifications relevant to clean energy
15 jobs in the construction and building trades; and

16 (3) provide preapprentices with stipends they receive
17 that may vary depending on the occupation the individual
18 is training for.

19 (d-5) Priority shall be given to Climate Works Hubs that
20 have an agreement with North American Building Trades Unions
21 (NABTU) to utilize the Multi-Craft Core Curriculum or
22 successor curriculums.

23 (e) Funding for the Program is subject to appropriation
24 from the Energy Transition Assistance Fund.

25 (e-5) The Department of Corrections and the Department
26 shall jointly develop activities to support the recruitment of

1 eligible candidates to the Illinois Climate Works
2 Preapprenticeship Program, consistent with the Department of
3 Corrections' responsibilities under Section 5-8A-4.2 of the
4 Unified Code of Corrections. These activities shall include
5 coordinating on sharing with community-based providers the
6 contact information of persons preparing to be released into
7 the community, including names, addresses, phone numbers, and
8 email addresses, if the person preparing to be released
9 consents to the person's contact information being shared.

10 (f) The Department shall adopt any rules deemed necessary
11 to implement this Section.

12 (Source: P.A. 104-458, eff. 6-1-26.)

13 Section 95. No acceleration or delay. Where this Act makes
14 changes in a statute that is represented in this Act by text
15 that is not yet or no longer in effect (for example, a Section
16 represented by multiple versions), the use of that text does
17 not accelerate or delay the taking effect of (i) the changes
18 made by this Act or (ii) provisions derived from any other
19 Public Act.