



Rep. Jay Hoffman

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1 AMENDMENT TO HOUSE BILL 3042

2 AMENDMENT NO. _____. Amend House Bill 3042 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 1. SHORT TITLE.

5 Section 1. Short title. This Act may be cited as the Energy
6 and Environmental Security Act.

7 ARTICLE 5. AMENDATORY PROVISIONS

8 Section 5. The Energy Conservation and Coal Development Act
9 is amended by changing Section 1 and by adding Sections 17 and
10 20 as follows:

11 (20 ILCS 1105/1) (from Ch. 96 1/2, par. 7401)

12 Sec. 1. Definitions; transfer of duties.

13 (a) For the purposes of this Act, unless the context

1 otherwise requires:

2 "Department" means the Department of Commerce and
3 Economic Opportunity.

4 "Director" means the Director of Commerce and Economic
5 Opportunity.

6 "Qualified Clean Coal Facility" means an electric
7 generating facility which uses United States high volatile
8 rank bituminous coal with an emissions factor of less than
9 210 pounds of carbon dioxide per million BTU as its primary
10 fuel source.

11 (b) As provided in Section 80-20 of the Department of
12 Natural Resources Act, the Department of Commerce and Community
13 Affairs (now Department of Commerce and Economic Opportunity)
14 shall assume the rights, powers, and duties of the former
15 Department of Energy and Natural Resources under this Act,
16 except as those rights, powers, and duties are otherwise
17 allocated or transferred by law.

18 (Source: P.A. 94-793, eff. 5-19-06.)

19 (20 ILCS 1105/17 new)

20 Sec. 17. Illinois Qualified Clean Coal Technology Grant
21 Program.

22 (a) Subject to appropriation, the Department shall provide
23 grants for the purpose of funding or financing capital
24 projects, operating activities, contractual expenses and fees,
25 and other expenses that will allow the grant recipient to (i)

1 meet the qualifications of a qualified clean coal facility, as
2 defined in this Act, (ii) operate the electric generating unit
3 as a qualified clean coal facility while complying with State
4 and federal emissions requirements applicable to the grant
5 recipient's entire electric generating fleet, and (iii)
6 mitigate the environmental impacts of the operation of
7 coal-fueled electric generation units in this State. For
8 purposes of this Section, "contractual expenses and fees" shall
9 include, without limitation, (i) contractual termination fees
10 paid by the owner of a coal-fueled electric generation facility
11 to terminate one or more contracts for the purchase or delivery
12 of coal that is to be replaced by United States high volatile
13 rank bituminous coal with an emissions factor of less than 210
14 pounds of carbon dioxide per million btu and (ii) payments made
15 by the owner of a coal-fueled electric generation facility,
16 pursuant to contract, to the owner or operator of transmission
17 facilities as the consideration for implementing transmission
18 system efficiency improvements that will reduce congestion and
19 increase capacity of generating units converted to burn coal
20 meeting specified criteria. All grants shall be provided
21 pursuant to contracts between the Department and an eligible
22 recipient in accordance with this Section. Each grant must be
23 provided for one or more specific capital projects, operating
24 activities, contractual expenses and fees, or other expenses
25 that have the specific objective or purpose of increasing the
26 use of, maintaining the use of, or conversion to, high volatile

1 rank bituminous coal with an emissions factor of less than 210
2 pounds of carbon dioxide per million btu and mitigating the
3 environmental impacts of operating the electric generating
4 unit or units. Grants may be provided for capital projects,
5 operating activities, contractual expenses and fees, and other
6 expenses incurred or to be incurred for the purpose of
7 increasing the use of, maintaining the use of, or conversion
8 to, high volatile rank bituminous coal with an emissions factor
9 of less than 210 pounds of carbon dioxide per million btu and
10 having the following purposes or any other purpose that is
11 consistent with the objectives of this Act:

12 (1) installation or modification of emissions controls
13 or other necessary equipment and materials on one or more
14 coal-fueled electric generating units;

15 (2) efficiency improvements such as reductions in heat
16 rate at one or more coal-fueled electric generating units
17 that reduce the amount of coal that must be burned to
18 produce a megawatthour of electricity;

19 (3) modifications or conversion of an existing
20 coal-fueled electric generating unit to a coal-fueled
21 electric generating unit capable of using high volatile
22 rank bituminous coal with an emissions factor of less than
23 210 pounds of carbon dioxide per million btu while meeting
24 applicable environmental requirements;

25 (4) installation of or modifications to equipment at
26 other electric generating units in the grant recipient's

1 generating fleet that are necessary to enable the grant
2 recipient to use high volatile rank bituminous coal with an
3 emissions factor of less than 210 pounds of carbon dioxide
4 per million btu at one or more electric generating units
5 while complying with applicable State and federal
6 emissions requirements on a fleet-wide basis;

7 (5) transmission system efficiency improvements to
8 reduce congestion and increase the capacity of units that
9 burn coal meeting specified criteria; and

10 (6) funding the costs of operating activities,
11 contractual expenses and fees, and other expenses incurred
12 to enable the increased use of, maintained use of, or
13 conversion to, high volatile rank bituminous coal with an
14 emissions factor of less than 210 pounds of carbon dioxide
15 per million btu.

16 (b) Grant funds awarded may be paid to the recipient on a
17 one-time basis or over a period of up to 5 years in accordance
18 with the terms of the contract between the Department and the
19 recipient. No grant amount shall exceed \$500,000,000 in total
20 over the term of the grant.

21 (c) The Department may provide grants based on the amount
22 of funds available in the Clean Coal Technology Development and
23 Utilization Fund; provided that at no time may payments be made
24 to any recipient in excess of the total amount of funds
25 available in the Clean Coal Technology Development and
26 Utilization Fund.

1 (d) The grant contract between the Department and the
2 recipient shall include, at a minimum, the following terms:

3 (1) the name and location of the coal-fueled electric
4 generating unit or units at or for which the capital
5 project, operating activity, or expense for which the grant
6 is being provided will be implemented or incurred;

7 (2) the total amount of the grant and the timing of the
8 release of the grant funds to the recipient, such as in a
9 single payment or in a series of periodic payments over a
10 period of up to 5 years;

11 (3) a detailed description of the capital project,
12 operating activity, contractual expense or fee, or other
13 expense for which the grant is being provided, including a
14 description of the manner in which the capital project,
15 operating activity, or expense will enable or facilitate an
16 increase in the use of, maintained use of, or conversion
17 to, high volatile rank bituminous coal with an emissions
18 factor of less than 210 pounds of carbon dioxide per
19 million btu and mitigate environmental impacts of the
20 operation of the coal-fueled electric generating unit;

21 (4) a detailed schedule for execution, implementation,
22 and completion of the capital project or operating
23 activity;

24 (5) quantifiable performance objectives or outcomes of
25 the capital project, operating activity, contractual
26 expense or fee, or other expense with respect to the

1 increased use of, maintained use of, or conversion to, high
2 volatile rank bituminous coal with an emissions factor of
3 less than 210 pounds of carbon dioxide per million btu and
4 mitigation of environmental impacts of operation of the
5 generating unit or units, including a description of the
6 manner in which achievement of the performance objectives
7 or outcomes will be measured and will be reported by the
8 recipient to the Department;

9 (6) a description of procedures by which the recipient
10 will (i) maintain accounts and records of expenditures of
11 grant funds, which accounts and records shall be made
12 available for inspection and audit by the Department on
13 reasonable notice, and (ii) provide periodic reports to the
14 Department on the expenditure of grant funds and on
15 progress in implementing or completing the capital project
16 or operating activity;

17 (7) a provision specifying that the grant amount will
18 not be increased if the cost of the capital project or
19 operating activity or the amount of the contractual
20 expenses and fees or other expenses exceeds the estimated
21 cost stated in the contract;

22 (8) provisions specifying that if the performance
23 objectives or outcomes for the capital project, operating
24 activity, contractual expenses and fees or other expenses
25 as specified in the contract are not achieved based on the
26 measurement methods specified in the contract, a portion of

1 the grant amount will be repaid by the recipient to the
2 Department in accordance with measures and procedures
3 specified in the contract; and

4 (9) such other usual and customary provisions for the
5 administration and monitoring of grants and grant
6 recipients as the Department may by rule adopt.

7 (20 ILCS 1105/20 new)

8 Sec. 20. Clean Coal Technology Development and Utilization
9 Fund.

10 (a) The Clean Coal Technology Development and Utilization
11 Fund is created as a special fund in the State treasury.

12 (b) The Clean Coal Technology Development and Utilization
13 Fund shall be administered by the Department to provide grants
14 under Section 17 of this Act.

15 Section 10. The State Finance Act is amended by adding
16 Section 5.878 as follows:

17 (30 ILCS 105/5.878 new)

18 Sec. 5.878. The Clean Coal Technology Development and
19 Utilization Fund.

20 ARTICLE 99. EFFECTIVE DATE.

21 Section 99. Effective date. This Act takes effect upon

1 becoming law.".