



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB5330

by Rep. Kelly M. Burke

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-108.6

Amends the Public Utilities Act. Provides that no later than December 31, 2020, any utility that has more than 70% Advanced Metering Infrastructure deployment shall file an accelerated switching tariff with the Commission that shall enable a customer to enroll with or switch between an alternative retail electric supplier and the utility. Provides that the utility may include in its accelerated switching tariff a provision to limit the number of suppliers to which a customer can switch within the same billing cycle, but must allow a customer to switch to a minimum of 2 different suppliers servicing the customer within the same billing cycle. Provides that all costs for implementing an accelerated switching tariff shall be recoverable by the utility through an increase to the Smart Grid Advanced Metering Infrastructure cost recovery mechanism. Effective immediately.

LRB101 19250 SPS 68714 b

1 AN ACT concerning regulation.

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

4 Section 5. The Public Utilities Act is amended by changing
5 Section 16-108.6 as follows:

6 (220 ILCS 5/16-108.6)

7 Sec. 16-108.6. Provisions relating to Smart Grid Advanced
8 Metering Infrastructure Deployment Plan.

9 (a) For purposes of this Section and Sections 16-108.7 and
10 16-108.8 of this Act:

11 "Advanced Metering Infrastructure" or "AMI" means the
12 communications hardware and software and associated system
13 software that enables Smart Grid functions by creating a
14 network between advanced meters and utility business systems
15 and allowing collection and distribution of information to
16 customers and other parties in addition to providing
17 information to the utility itself.

18 "Cost-beneficial" means a determination that the benefits
19 of a participating utility's Smart Grid AMI Deployment Plan
20 exceed the costs of the Smart Grid AMI Deployment Plan as
21 initially filed with the Commission or as subsequently modified
22 by the Commission. This standard is met if the present value of
23 the total benefits of the Smart Grid AMI Deployment Plan

1 exceeds the present value of the total costs of the Smart Grid
2 AMI Deployment Plan. The total cost shall include all utility
3 costs reasonably associated with the Smart Grid AMI Deployment
4 Plan. The total benefits shall include the sum of avoided
5 electricity costs, including avoided utility operational
6 costs, avoided consumer power, capacity, and energy costs, and
7 avoided societal costs associated with the production and
8 consumption of electricity, as well as other societal benefits,
9 including the greater integration of renewable and distributed
10 power resources, reductions in the emissions of harmful
11 pollutants and associated avoided health-related costs, other
12 benefits associated with energy efficiency measures,
13 demand-response activities, and the enabling of greater
14 penetration of alternative fuel vehicles.

15 "Participating utility" has the meaning set forth in
16 Section 16-108.5 of this Act.

17 "Smart Grid" means investments and policies that together
18 promote one or more of the following goals:

19 (1) Increased use of digital information and controls
20 technology to improve reliability, security, and
21 efficiency of the electric grid.

22 (2) Dynamic optimization of grid operations and
23 resources, with full cyber security.

24 (3) Deployment and integration of distributed
25 resources and generation, including renewable resources.

26 (4) Development and incorporation of demand-response,

1 demand-side resources, and energy efficiency resources.

2 (5) Deployment of "smart" technologies (real-time,
3 automated, interactive technologies that optimize the
4 physical operation of appliances and consumer devices) for
5 metering, communications concerning grid operations and
6 status, and distribution automation.

7 (6) Integration of "smart" appliances and consumer
8 devices.

9 (7) Deployment and integration of advanced electricity
10 storage and peak-shaving technologies, including plug-in
11 electric and hybrid electric vehicles, thermal-storage air
12 conditioning and renewable energy generation.

13 (8) Provision to consumers of timely information and
14 control options.

15 (9) Development of open access standards for
16 communication and interoperability of appliances and
17 equipment connected to the electric grid, including the
18 infrastructure serving the grid.

19 (10) Identification and lowering of unreasonable or
20 unnecessary barriers to adoption of Smart Grid
21 technologies, practices, services, and business models
22 that support energy efficiency, demand-response, and
23 distributed generation.

24 "Smart Grid Advisory Council" means the group of
25 stakeholders formed pursuant to subsection (b) of this Section
26 for the purposes of advising and working with participating

1 utilities on the development and implementation of a Smart Grid
2 Advanced Metering Infrastructure Deployment Plan.

3 "Smart Grid electric system upgrades" means any of the
4 following:

5 (1) metering devices, sensors, control devices, and
6 other devices integrated with and attached to an electric
7 utility system that are capable of engaging in Smart Grid
8 functions;

9 (2) other monitoring and communications devices that
10 enable Smart Grid functions, including, but not limited to,
11 distribution automation;

12 (3) software that enables devices or computers to
13 engage in Smart Grid functions;

14 (4) associated cyber secure data communication
15 network, including enhancements to cyber-security
16 technologies and measures;

17 (5) substation micro-processor relay upgrades;

18 (6) devices that allow electric or hybrid-electric
19 vehicles to engage in Smart Grid functions; or

20 (7) devices that enable individual consumers to
21 incorporate distributed and micro-generation.

22 "Smart Grid electric system upgrades" does not include
23 expenditures for: (1) electricity generation, transmission, or
24 distribution infrastructure or equipment that does not
25 directly relate to or support installing, implementing or
26 enabling Smart Grid functions; (2) physical interconnection of

1 generators or other devices to the grid except those that are
2 directly related to enabling Smart Grid functions; or (3)
3 ongoing or routine operation, billing, customer relations,
4 security, and maintenance.

5 "Smart Grid functions" means:

6 (1) the ability to develop, store, send, and receive
7 digital information concerning or enabling grid
8 operations, electricity use, costs, prices, time of use,
9 nature of use, storage, or other information relevant to
10 device, grid, or utility operations, to or from or by means
11 of the electric utility system through one or a combination
12 of devices and technologies;

13 (2) the ability to develop, store, send, and receive
14 digital information concerning electricity use, costs,
15 prices, time of use, nature of use, storage, or other
16 information relevant to device, grid, or utility
17 operations to or from a computer or other control device;

18 (3) the ability to measure or monitor electricity use
19 as a function of time of day, power quality characteristics
20 such as voltage level, current, cycles per second, or
21 source or type of generation and to store, synthesize, or
22 report that information by digital means;

23 (4) the ability to sense and localize disruptions or
24 changes in power flows on the grid and communicate such
25 information instantaneously and automatically for purposes
26 of enabling automatic protective responses to sustain

1 reliability and security of grid operations;

2 (5) the ability to detect, prevent, communicate with
3 regard to, respond to, or recover from system security
4 threats, including cyber-security threats and terrorism,
5 using digital information, media, and devices;

6 (6) the ability of any device or machine to respond to
7 signals, measurements, or communications automatically or
8 in a manner programmed by its owner or operator without
9 independent human intervention;

10 (7) the ability to use digital information to operate
11 functionalities on the electric utility grid that were
12 previously electro-mechanical or manual;

13 (8) the ability to use digital controls to manage and
14 modify electricity demand, enable congestion management,
15 assist in voltage control, provide operating reserves, and
16 provide frequency regulation; or

17 (9) the ability to integrate electric plug-in
18 vehicles, distributed generation, and storage in a safe and
19 cost-effective manner on the electric grid.

20 (b) Within 30 days after the effective date of this
21 amendatory Act of the 97th General Assembly, the Smart Grid
22 Advisory Council shall be established, which shall consist of 9
23 total voting members with each member possessing either
24 technical, business or consumer expertise in Smart Grid issues,
25 5 of whom shall be appointed by the Governor, one of whom shall
26 be appointed by the Speaker of the House, one of whom shall be

1 appointed by the Minority Leader of the House, one of whom
2 shall be appointed by the President of the Senate, and one of
3 whom shall be appointed by the Minority Leader of the Senate.
4 Of the Governor's 5 appointments: (i) at least one must
5 represent a non-profit membership organization whose mission
6 is to cultivate innovation and technology-based economic
7 development in Illinois by fostering public-private
8 partnerships to develop and execute research and development
9 projects, advocating for funding for research and development
10 initiatives, and collaborating with public and private
11 partners to attract and retain research and development
12 resources and talent in Illinois; (ii) at least one must
13 represent a non-profit public body corporate and politic
14 created by law that has a duty to represent and protect
15 residential utility consumers in Illinois; (iii) at least one
16 must represent a membership organization that represents the
17 interests of individuals and companies that own, operate,
18 manage, and service commercial buildings in a municipality with
19 a population of 1,000,000 or more inhabitants; and (iv) at
20 least one must represent an alternative retail electric
21 supplier that has obtained a certificate of service authority
22 pursuant to Section 16-115 of this Act and that is not an
23 affiliate of a participating utility prior to one year after
24 the effective date of this amendatory Act of the 97th General
25 Assembly.

26 The Governor shall designate one of the members of the

1 Council to serve as chairman, and that person shall serve as
2 the chairman at the pleasure of the Governor. The members shall
3 not be compensated for serving on the Smart Grid Advisory
4 Council. The Smart Grid Advisory Council shall have the
5 following duties:

6 (1) Serve as an advisor to participating utilities
7 subject to this Section and in the manner described in this
8 Section, and the recommendations provided by the Council,
9 although non-binding, shall be considered by the
10 utilities.

11 (2) Serve as trustees of the trust or foundation
12 established pursuant to Section 16-108.7 of this Act with
13 the duties enumerated thereunder.

14 (c) After consultation with the Smart Grid Advisory
15 Council, each participating utility shall file a Smart Grid
16 Advanced Metering Infrastructure Deployment Plan ("AMI Plan")
17 with the Commission within 180 days after the effective date of
18 this amendatory Act of the 97th General Assembly or by November
19 1, 2011, whichever is later, or in the case of a combination
20 utility as defined in Section 16-108.5, by April 1, 2012,
21 provided that a participating utility shall not file its plan
22 until the evaluation report on the Pilot Program described in
23 this subsection (c) is issued. The AMI Plan shall provide for
24 investment over a 10-year period that is sufficient to
25 implement the AMI Plan across its entire service territory in a
26 manner that is consistent with subsection (b) of Section

1 16-108.5 of this Act. The AMI Plan shall contain:

2 (1) the participating utility's Smart Grid AMI vision
3 statement that is consistent with the goal of developing a
4 cost-beneficial Smart Grid;

5 (2) a statement of Smart Grid AMI strategy that
6 includes a description of how the utility evaluates and
7 prioritizes technology choices to create customer value,
8 including a plan to enhance and enable customers' ability
9 to take advantage of Smart Grid functions beginning at the
10 time an account has billed successfully on the AMI network;

11 (3) a deployment schedule and plan that includes
12 deployment of AMI to all customers for a participating
13 utility other than a combination utility, and to 62% of all
14 customers for a participating utility that is a combination
15 utility;

16 (4) annual milestones and metrics for the purposes of
17 measuring the success of the AMI Plan in enabling Smart
18 Grid functions; and enhancing consumer benefits from Smart
19 Grid AMI; and

20 (5) a plan for the consumer education to be implemented
21 by the participating utility.

22 The AMI Plan shall be fully consistent with the standards
23 of the National Institute of Standard and Technology (NIST) for
24 Smart Grid interoperability that are in effect at the time the
25 participating utility files its AMI Plan, shall include open
26 standards and internet protocol to the maximum extent possible

1 consistent with cyber security, and shall maximize, to the
2 extent possible, a flexible smart meter platform that can
3 accept remote device upgrades and contain sufficient internal
4 memory capacity for additional storage capabilities, functions
5 and services without the need for physical access to the meter.

6 The AMI Plan shall secure the privacy of personal
7 information and establish the right of consumers to consent to
8 the disclosure of personal energy information to third parties
9 through electronic, web-based, and other means in accordance
10 with State and federal law and regulations regarding consumer
11 privacy and protection of consumer data.

12 After notice and hearing, the Commission shall, within 60
13 days of the filing of an AMI Plan, issue its order approving,
14 or approving with modification, the AMI Plan if the Commission
15 finds that the AMI Plan contains the information required in
16 paragraphs (1) through (5) of this subsection (c) and further
17 finds that the implementation of the AMI Plan will be
18 cost-beneficial consistent with the principles established
19 through the Illinois Smart Grid Collaborative, giving weight to
20 the results of any Commission-approved pilot designed to
21 examine the benefits and costs of AMI deployment. A
22 participating utility's decision to invest pursuant to an AMI
23 Plan approved by the Commission shall not be subject to
24 prudence reviews in subsequent Commission proceedings. Nothing
25 in this subsection (c) is intended to limit the Commission's
26 ability to review the reasonableness of the costs incurred

1 under the AMI Plan. A participating utility shall be allowed to
2 recover the reasonable costs it incurs in implementing a
3 Commission-approved AMI Plan, including the costs of retired
4 meters, and may recover such costs through its tariffs,
5 including the performance-based formula rate tariff approved
6 pursuant to subsection (c) of Section 16-108.5 of this Act.

7 (d) The AMI Plan shall secure the privacy of the customer's
8 personal information. "Personal information" for this purpose
9 consists of the customer's name, address, telephone number, and
10 other personally identifying information, as well as
11 information about the customer's electric usage. Electric
12 utilities, their contractors or agents, and any third party who
13 comes into possession of such personal information by virtue of
14 working on Smart Grid technology shall not disclose such
15 personal information to be used in mailing lists or to be used
16 for other commercial purposes not reasonably related to the
17 conduct of the utility's business. Electric utilities shall
18 comply with the consumer privacy requirements of the Personal
19 Information Protection Act. In the event a participating
20 utility receives revenues from the sale of information obtained
21 through Smart Grid technology that is not personal information,
22 the participating utility shall use such revenues to offset the
23 revenue requirement.

24 (e) On April 1 of each year beginning in 2013 and after
25 consultation with the Smart Grid Advisory Council, each
26 participating utility shall submit a report regarding the

1 progress it has made toward completing implementation of its
2 AMI Plan. This report shall:

3 (1) describe the AMI investments made during the prior
4 12 months and the AMI investments planned to be made in the
5 following 12 months;

6 (2) provide sufficient detail to determine the
7 utility's progress in meeting the metrics and milestones
8 identified by the utility in its AMI Plan; and

9 (3) identify any updates to the AMI Plan.

10 Within 21 days after the utility files its annual report,
11 the Commission shall have authority, either upon complaint or
12 its own initiative, but with reasonable notice, to enter upon
13 an investigation regarding the utility's progress in
14 implementing the AMI Plan as described in paragraph (1) of this
15 subsection (e). If the Commission finds, after notice and
16 hearing, that the participating utility's progress in
17 implementing the AMI Plan is materially deficient for the given
18 plan year, then the Commission shall issue an order requiring
19 the participating utility to devise a corrective action plan,
20 subject to Commission approval and oversight, to bring
21 implementation back on schedule consistent with the AMI Plan.
22 The Commission's order must be entered within 90 days after the
23 utility files its annual report. If the Commission does not
24 initiate an investigation within 21 days after the utility
25 files its annual report, then the filing shall be deemed
26 accepted by the Commission. The utility shall not be required

1 to suspend implementation of its AMI Plan during any Commission
2 investigation.

3 The participating utility's annual report regarding AMI
4 Plan year 10 shall contain a statement verifying that the
5 implementation of its AMI Plan is complete, provided, however,
6 that if the utility is subject to a corrective action plan that
7 extends the implementation period beyond 10 years, the utility
8 shall include the verification statement in its final annual
9 report. Following the date of a Commission order approving the
10 final annual report or the date on which the final report is
11 deemed accepted by the Commission, the utility's annual
12 reporting obligations under this subsection (d) shall
13 terminate, provided, however, that the utility shall have a
14 continuing obligation to provide information, upon request, to
15 the Commission and Smart Grid Advisory Council regarding the
16 AMI Plan.

17 (f) Each participating utility shall pay a pro rata share,
18 based on number of customers, of \$5,000,000 per year to the
19 trust or foundation established pursuant to Section 16-108.7 of
20 this Act for each plan year of the AMI Plan, which shall be
21 used for purposes of providing customer education regarding
22 smart meters and related consumer-facing technologies and
23 services and 70% of which shall be a recoverable expense;
24 provided that other reasonable amounts expended by the utility
25 for such consumer education shall not be subject to the 70%
26 limitation of this subsection.

1 (g) Within 60 days after the Commission approves a
2 participating utility's AMI Plan pursuant to subsection (c) of
3 this Section, the participating utility, after consultation
4 with the Smart Grid Advisory Council, shall file a proposed
5 tariff with the Commission that offers an opt-in market-based
6 peak time rebate program to all residential retail customers
7 with smart meters that is designed to provide, in a
8 competitively neutral manner, rebates to those residential
9 retail customers that curtail their use of electricity during
10 specific periods that are identified as peak usage periods. The
11 total amount of rebates shall be the amount of compensation the
12 utility obtains through markets or programs at the applicable
13 regional transmission organization. The utility shall make all
14 reasonable attempts to secure funding for the peak time rebate
15 program through markets or programs at the applicable regional
16 transmission organization. The rules and procedures for
17 consumers to opt-in to the peak time rebate program shall
18 include electronic sign-up, be designed to maximize
19 participation, and be included on the utility's website. The
20 Commission shall monitor the performance of programs
21 established pursuant to this subsection (g) and shall order the
22 termination or modification of a program if it determines that
23 the program is not, after a reasonable period of time for
24 development of at least 4 years, resulting in net benefits to
25 the residential customers of the participating utility.

26 (h) If Section 16-108.5 of this Act becomes inoperative

1 with respect to one or more participating utilities as set
2 forth in subsection (g) or (h) of that Section, then Sections
3 16-108.5, 16-108.6, 16-108.7, and 16-108.8 of this Act shall
4 become inoperative as to each affected utility and its service
5 area on the same date as Section 16-108.5 becomes inoperative.

6 (i) No later than December 31, 2020, any utility that has
7 more than 70% Advanced Metering Infrastructure deployment
8 shall file an accelerated switching tariff with the Commission
9 that shall enable a customer to enroll with or switch between
10 an alternative retail electric supplier and the utility no
11 later than 15 days between the utility's receipt of a
12 customer's switch and the effective date of such switch or
13 enrollment request. The utility shall implement the tariff
14 within 30 days after the Commission's approval unless the
15 Commission approves a longer deadline as necessary to allow the
16 utility to build back office or technology systems to implement
17 the tariff requirements. The utility may include in its
18 accelerated switching tariff a provision to limit the number of
19 suppliers to which a customer can switch within the same
20 billing cycle, but must allow a customer to switch to a minimum
21 of 2 different suppliers servicing the customer within the same
22 billing cycle. All costs for implementing an accelerated
23 switching tariff shall be recoverable by the utility through an
24 increase to the Smart Grid Advanced Metering Infrastructure
25 cost recovery mechanism.

26 (Source: P.A. 97-616, eff. 10-26-11; 97-646, eff. 12-30-11.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.