



Sen. Robert Peters

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1 AMENDMENT TO SENATE BILL 2123

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2123 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Equitable Energy Financing Act.

6 Section 5. Findings and purpose. The General Assembly finds  
7 that Illinois homes and businesses can contribute to the  
8 creation of a clean energy economy, conservation of natural  
9 resources, and reliability of the electricity grid through the  
10 installation of cost-effective renewable energy generation,  
11 energy efficiency, and energy storage systems. The General  
12 Assembly further finds that a large portion of Illinois  
13 residents and businesses that would benefit from the  
14 installation of energy efficiency, energy storage systems, and  
15 renewable energy generation systems are unable to purchase  
16 systems due to capital or credit barriers. The purpose of this

1 Act is to implement much needed modifications to the State's  
2 regulation of utilities that the General Assembly believes will  
3 enable many more Illinoisans to access the health,  
4 environmental, and financial benefits of new clean energy  
5 technology.

6 Section 10. Definitions. As used in this Act:

7 "Commission" means to the Illinois Commerce Commission.

8 "Energy project" means a renewable energy generation  
9 system, energy efficiency upgrades, energy storage systems, or  
10 any combination thereof.

11 "Program" refers to the Equitable Energy Financing Program  
12 established under this Act.

13 "Utility" means public utilities providing electric  
14 service to customers as provided under the Public Utilities  
15 Act, as well as municipal electricity aggregators and  
16 electricity cooperatives.

17 Section 15. Equitable Energy Financing Program.

18 (a) The Illinois Commerce Commission shall establish a  
19 Program for all electric utilities in this State which permits  
20 customers to finance the construction of energy projects  
21 through an optional tariff payable directly through their  
22 utility bill, modeled after the PAYS or Pay as You Save program  
23 design. The Program model shall offer to make investments in  
24 energy projects to customer properties with low-cost capital

1 and use an opt-in tariff to recover the costs. This Program  
2 shall be referred to as the Equitable Energy Financing Program.  
3 The Program shall be designed to provide customers with  
4 financial savings if they choose to participate. The Program  
5 will allow residential electric utility customers that own the  
6 property, or renters that have a long-term lease on the  
7 property, for which they subscribe to utility service, to  
8 purchase an energy project. The Program will ensure the  
9 following:

10 (1) eligible projects do not require up-front  
11 payments;

12 (2) eligible projects have an estimated life cycle  
13 savings that exceeds the cost of the project;

14 (3) participants will finance the projects by paying  
15 for the project through an optional tariff directly through  
16 the participant's electricity bill, allowing participants  
17 to invest in energy projects without traditional loans;

18 (4) accessibility by lower income residents and  
19 environmental justice community residents; and

20 (5) administration is in coordination with the energy  
21 efficiency on-bill financing program established in the  
22 Public Utilities Act to maximize access and financial  
23 savings by residents.

24 (b) In the design of the Equitable Energy Financing  
25 Program, the Commission shall:

26 (1) Within 60 days after the effective date of this

1 Act, convene a workshop process during which interested  
2 participants may discuss issues and submit comments  
3 related to the Program.

4 (2) Establish Program guidelines that electric  
5 utilities will abide by when designing their plan to  
6 participate in the Program. Program guidelines established  
7 by the Commission shall include the following elements:

8 (A) Capital funds. The Commission shall establish  
9 conditions under which utilities secure capital to  
10 fund the energy projects. The Commission may allow  
11 utilities to raise capital independently, work with  
12 third party lenders to secure the capital for  
13 participants, or a combination thereof. Any process  
14 the Commission approves must use a market mechanism to  
15 identify the least costly sources of capital funds so  
16 as to pass on maximum savings to participants. The  
17 State of Illinois may also choose to provide capital  
18 for this Program.

19 (B) Customer protections. Customer protection  
20 guidelines should be designed based on the principles  
21 established in Section 20.

22 (C) Energy project vendors. The Commission shall  
23 establish conditions by which utilities may connect  
24 Program participants to energy project vendors. In  
25 setting conditions for connection, the Commission may  
26 prioritize vendors that have a history of good

1 relations with the State, including vendors which have  
2 hired participants from State-created job training  
3 programs.

4 (D) Financial savings guarantee. The guidelines  
5 established by the Commission shall include a  
6 guarantee of anticipated financial savings by Program  
7 participants.

8 (c) Within 60 days after the Commission releases the  
9 Program conditions established under this Section, each  
10 utility subject to the requirements of this Section shall  
11 submit an informational filing to the Commission that describes  
12 its plan for implementing the provisions of this Act. If the  
13 Commission finds that the submission does not properly comply  
14 with the statutory or regulatory requirements of the Program,  
15 the Commission may require that the utility make modifications  
16 to their filing.

17 (d) An independent evaluation of the Program shall be  
18 conducted after 2 years of the Program's operation. An advisory  
19 council of stakeholders, including representation of low  
20 income and environment justice Community members, shall make  
21 recommendations in response to the findings of the independent  
22 evaluation.

23 Section 20. Customer protections; cost-effectiveness.

24 (a) The Equitable Energy Financing Program shall be  
25 designed to be cost-effective for customers to see guaranteed

1 savings in their utility bills. Only projects that are deemed  
2 to be cost-effective and can be reasonably expected to ensure  
3 customer savings are eligible for funding through the Program.  
4 Projects shall only be considered cost-effective if they  
5 deliver savings to the customer. Anticipated savings must be  
6 expected to be present (1) on a monthly or bill-cycle basis and  
7 (2) over the lifetime of the energy project.

8 (b) Eligible customers must be: (1) retail customers who  
9 are renters with a long-term lease; or (2) property owners.

10 (c) The calculation of cost-effectiveness must be  
11 conducted by an objective process established by the  
12 Commission. Factors that may be used to establish whether a  
13 project is cost-effective include, but are not limited to, the  
14 following:

15 (1) anticipated energy produced or conserved by a  
16 potential energy project;

17 (2) historical and projected energy prices;

18 (3) participant access to net-metering rebates;

19 (4) a participant's ability to sell energy credits  
20 created by the energy project in Illinois or other  
21 jurisdictions; and

22 (5) a participant's history of energy use and bill  
23 costs.

24 A project shall be considered cost-effective only if the  
25 projected customer reduces his or her payment amount by at  
26 least 5% over his or her projected costs without the energy

1 project. The Commission may establish guidelines by which this  
2 required savings is measured.

3 (d) The Equitable Energy Financing Program should be  
4 modeled after the PAYS, or Pay As You Save, style system by  
5 which Program participants finance energy projects using the  
6 savings that the energy project creates with an on-bill  
7 financing program. Eligible projects shall not:

8 (1) create personal debt for the customer;

9 (2) result in a lien in the event of nonpayment by  
10 customers; or

11 (3) require customers to pay for defective energy  
12 projects.

13 (e) Any energy project that is defective or damaged must be  
14 either replaced or repaired with parts that meet industry  
15 standards. The Commission may establish, increase, or replace  
16 the requirements imposed by this subsection (e).

17 (f) The Commission shall establish conditions in the event  
18 of nonpayment by customers.

19 Section 25. Utility participation in the Program.

20 (a) All electric utilities in this State shall be required  
21 to participate in the Program. Utilities shall not discriminate  
22 against customers on the basis of their energy supplier.

23 (b) Utilities shall endeavor to inform customers about the  
24 availability of the Program, their potential eligibility for  
25 participation in the Program, as well as to whether they are

1 likely to save money on the basis of an estimate conducted  
2 using variables consistent with the Program that the utility  
3 has at its disposal. The Commission may establish guidelines by  
4 which utilities must abide by this directive.

5 (c) Subject to Commission specifications established in  
6 Section 15, each utility shall work with certified project  
7 vendors selected under a request for proposal process to  
8 establish the terms and processes under which a participant can  
9 purchase eligible renewable energy generation and energy  
10 storage systems using the financing obtained from the lender  
11 through a program designed to fit the Equitable Energy  
12 Financing Program model. The certified project vendor shall  
13 explain and offer the approved financing packaging to customers  
14 and shall assist customers in applying for financing through  
15 the Equitable Energy Financing Program. As part of the process,  
16 vendors shall also provide participants with information about  
17 any other relevant incentives that may be available.

18 (d) An electric utility shall recover all of the prudently  
19 incurred costs of offering a program approved by the Commission  
20 under this Section.

21 (e) The Illinois Commerce Commission shall adopt all rules  
22 necessary for the administration of this Section.

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law."