



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB4543

Introduced 1/21/2022, by Rep. Marcus C. Evans, Jr. - Robyn Gabel - Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

New Act  
20 ILCS 3855/1-75  
30 ILCS 105/5.970 new

Creates the Illinois Rust Belt to Green Belt Pilot Program Act. Creates the Illinois Rust Belt to Green Belt Fund as a special fund in the State treasury (and makes a conforming change in the State Finance Act). Provides that the fund shall be used by the Department of Commerce and Economic Opportunity to encourage and facilitate work on a new utility-scale offshore wind project or related port. Provides that applicants that are applying for a new utility-scale offshore wind project with the Illinois Power Agency shall file with the Department, as part of their application, an equity and inclusion plan. Amends the Illinois Power Agency Act. In provisions concerning the procurement of renewable energy credits, provides that in addition to the amount of renewable energy credits to be procured from wind projects, the Illinois Power Agency shall procure at least 700,000 renewable energy credits, delivered annually for at least 20 years, from one new utility-scale offshore wind project. Provides that the Agency shall conduct at least one new utility-scale offshore wind procurement within 360 days after the effective date of the amendatory Act. Provides that before submitting a proposal to the Agency in response to new utility-scale offshore wind procurement, an applicant must first submit to the Department a separate application for equity and inclusion plan scoring. Provides for a scoring system the Agency shall use in evaluating an applicant's proposal. Defines terms. Makes other changes.

LRB102 24170 SPS 33397 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 1. Short title. This Act may be cited as the  
5 Illinois Rust Belt to Green Belt Pilot Program Act.

6 Section 5. Legislative findings. The General Assembly  
7 finds and determines that:

8 (1) Human-induced greenhouse gas emissions have been  
9 identified as contributing to global warming, the effects  
10 of which pose a threat to the public health, safety,  
11 welfare, and economy of the State of Illinois.

12 (2) The White House released a statement claiming  
13 that, in 2020, the United States endured 22 separate  
14 billion-dollar weather and climate disasters, costing  
15 \$95,000,000,000 in damages to homes, businesses, and  
16 public infrastructure.

17 (3) In order to meet the energy needs of the State of  
18 Illinois, keep its economy strong, and protect the  
19 environment while reducing its contribution to  
20 human-induced greenhouse gas emissions, the State of  
21 Illinois must be a leader in developing new low-carbon  
22 technologies.

23 (4) Offshore wind is an emerging source of large-scale

1 renewable energy that is proximate to Illinois' major  
2 electric loads and labor intensive.

3 (5) Offshore wind produces high capacity factor  
4 renewable power, making it a valuable resource  
5 complementary to land-based wind and solar.

6 (6) In his first week in office, President Joseph R.  
7 Biden, Jr., issued an Executive Order (14008) on Tackling  
8 the Climate Crisis at Home and Abroad that directs the  
9 Secretary of the Interior to identify steps that can be  
10 taken to double offshore wind by 2030 while "ensuring  
11 robust protection for our lands, waters, and biodiversity  
12 and creating good jobs".

13 (7) The United States Departments of Interior, Energy,  
14 and Commerce announced a shared goal to deploy 30  
15 gigawatts of offshore wind in the United States by 2030,  
16 while protecting biodiversity and promoting ocean co-use,  
17 which trigger more than \$12,000,000,000 per year in  
18 capital investment; create tens of thousands of  
19 good-paying, union jobs, with more than 44,000 workers  
20 employed in offshore wind by 2030 and nearly 33,000  
21 additional jobs in communities supported by offshore wind  
22 activity; generate enough power to meet the demand of more  
23 than 10,000,000 American homes for a year; and avoid  
24 78,000,000 metric tons of carbon dioxide emissions.

25 (8) The federal government is expanding infrastructure  
26 funding for port rehabilitation and construction,

1 including the United States Department of Transportation's  
2 Maritime Administration's Notice of Funding Opportunity  
3 for port authorities and other applicants to apply for  
4 \$230,000,000 for port and intermodal  
5 infrastructure-related projects through the Port  
6 Infrastructure Development Program to support projects  
7 that strengthen and modernize port infrastructure, and can  
8 support shore-side wind energy projects, such as storage  
9 areas, laydown areas, and docking of wind energy vessels  
10 to load and move items to offshore wind farms.

11 (9) Extensive development of offshore wind on the East  
12 Coast is making offshore wind costs more competitive.

13 (10) Lake Michigan is the fifth largest lake in the  
14 world, with a total surface area of 22,404 square miles  
15 across 4 states, with 1,576 square miles of surface area  
16 in Illinois.

17 (11) The 1,576 square miles of Lake Michigan within  
18 the boundaries of the State of Illinois have a potential  
19 capacity of 4,528 megawatts of offshore wind.

20 (12) The State of Illinois has excellent and available  
21 port infrastructure on the South Side of Chicago that can  
22 be utilized as a base for construction, operations and  
23 maintenance.

24 (13) The State of Illinois seeks a leadership position  
25 in the offshore wind industry as it emerges in the Great  
26 Lakes.

1           (14) Fostering development of a new industry on the  
2           South Side of Chicago will help create jobs for the most  
3           underserved and underrepresented segment of Illinois'  
4           population.

5           (15) Offshore wind developments will attract  
6           investment capital and will enable the development and  
7           preservation of a skilled and trained construction  
8           workforce to carry out projects, long-term job creation,  
9           and development of an offshore wind energy supply chain.

10          Therefore, the General Assembly finds that it is necessary  
11          to enact this Act to enable the responsible creation of an  
12          offshore wind industry in the State of Illinois with the  
13          creation of a pilot project of at least 150 megawatts to  
14          provide economic and environmental benefits to the State of  
15          Illinois.

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

17          "Department" means the Department of Commerce and Economic  
18          Opportunity.

19          "Disproportionately impacted area" means a census tract or  
20          comparable geographic area that satisfies criteria as  
21          determined by the Department.

22          "Equity and inclusion plan" means a plan that is filed  
23          with the Department by an applicant for a new utility-scale  
24          offshore wind project pursuant to item (iii-5) of subparagraph  
25          (G) of paragraph (1) of subsection (c) of Section 1-75 of the

1 Illinois Power Agency Act.

2 "Equity and inclusion plan scoring" means a score of up to  
3 34 points, determined by the Department's review of an  
4 applicant's ability to demonstrate that it has a comprehensive  
5 and detailed equity and inclusion plan crafted to create  
6 opportunities for underrepresented populations and equity  
7 investment eligible communities.

8 "Equity investment eligible communities" has the same  
9 meaning as "equity investment eligible community" as set forth  
10 in Section 5-5 of the Energy Transition Act.

11 "Minorities" means minority persons as defined in the  
12 Business Enterprise for Minorities, Women, and Persons with  
13 Disabilities Act.

14 "New utility-scale offshore wind project" means an  
15 electric generating facility that:

16 (1) generates electricity using wind;

17 (2) has a nameplate capacity that is greater than 150  
18 megawatts;

19 (3) is sited in the waters of Lake Michigan;

20 (4) is interconnected to the PJM Interconnection's  
21 regional transmission system;

22 (5) has a fully executed project labor agreement with  
23 the applicable local building and construction trades  
24 council; and

25 (6) has a comprehensive and detailed equity and  
26 inclusion plan crafted to create opportunities for

1 underrepresented local populations in addition to equity  
2 investment eligible communities.

3 "Underrepresented populations" means populations  
4 identified by the Department that historically have had  
5 barriers to entry or advancement in the workforce and reside  
6 within a disproportionately impacted area that is within 3  
7 miles of the primary staging location of a new utility-scale  
8 offshore wind project. "Underrepresented populations"  
9 includes, but is not limited to, minorities, women, and  
10 veterans.

11 Section 15. Illinois Rust Belt to Green Belt Fund;  
12 creation; distribution of proceeds.

13 (a) The Illinois Rust Belt to Green Belt Fund is created as  
14 a special fund in the State treasury. The fund may receive  
15 federal financial assistance, either directly from the federal  
16 government or indirectly through another source, public or  
17 private. The fund may also receive transfers, gifts, grants,  
18 or donations from any source, public or private. Subject to  
19 appropriation, funds may be spent for purposes including, but  
20 not limited to, administrative expenses of the Department,  
21 grants and other financial assistance related to construction  
22 of ports and infrastructure, and workforce development related  
23 to offshore wind.

24 (b) The Illinois Rust Belt to Green Belt Fund shall be used  
25 by the Department to encourage and facilitate the employment

1 of construction workforces located in underrepresented  
2 populations, in addition to equity investment eligible  
3 communities for work on a new utility-scale offshore wind  
4 project or related port. Recipients of grants or awards from  
5 the Illinois Rust Belt to Green Belt Fund may utilize the  
6 Illinois Climate Works Preapprenticeship Program as described  
7 in the Energy Transition Act to recruit, prescreen, and  
8 provide pre-apprenticeship skills training for work on a new  
9 utility-scale offshore wind project or related port.

10 Section 20. Equity and inclusion plan; filing; scoring.  
11 Applicants that are applying for a new utility-scale offshore  
12 wind project with the Illinois Power Agency shall file with  
13 the Department, as part of their application, an equity and  
14 inclusion plan. The Department shall accept all equity and  
15 inclusion plans and shall issue equity and inclusion plan  
16 scoring for each plan based upon the plan's ability to create  
17 opportunities for (i) underrepresented populations and (ii)  
18 equity investment eligible communities. The maximum number of  
19 points that the Department can award for each plan is 34  
20 points.

21 Section 100. The Illinois Power Agency Act is amended by  
22 changing Section 1-75 as follows:

23 (20 ILCS 3855/1-75)



1           Sec. 1-75. Planning and Procurement Bureau. The Planning  
2 and Procurement Bureau has the following duties and  
3 responsibilities:

4           (a) The Planning and Procurement Bureau shall each year,  
5 beginning in 2008, develop procurement plans and conduct  
6 competitive procurement processes in accordance with the  
7 requirements of Section 16-111.5 of the Public Utilities Act  
8 for the eligible retail customers of electric utilities that  
9 on December 31, 2005 provided electric service to at least  
10 100,000 customers in Illinois. Beginning with the delivery  
11 year commencing on June 1, 2017, the Planning and Procurement  
12 Bureau shall develop plans and processes for the procurement  
13 of zero emission credits from zero emission facilities in  
14 accordance with the requirements of subsection (d-5) of this  
15 Section. Beginning on the effective date of this amendatory  
16 Act of the 102nd General Assembly, the Planning and  
17 Procurement Bureau shall develop plans and processes for the  
18 procurement of carbon mitigation credits from carbon-free  
19 energy resources in accordance with the requirements of  
20 subsection (d-10) of this Section. The Planning and  
21 Procurement Bureau shall also develop procurement plans and  
22 conduct competitive procurement processes in accordance with  
23 the requirements of Section 16-111.5 of the Public Utilities  
24 Act for the eligible retail customers of small  
25 multi-jurisdictional electric utilities that (i) on December  
26 31, 2005 served less than 100,000 customers in Illinois and

1 (ii) request a procurement plan for their Illinois  
2 jurisdictional load. This Section shall not apply to a small  
3 multi-jurisdictional utility until such time as a small  
4 multi-jurisdictional utility requests the Agency to prepare a  
5 procurement plan for their Illinois jurisdictional load. For  
6 the purposes of this Section, the term "eligible retail  
7 customers" has the same definition as found in Section  
8 16-111.5(a) of the Public Utilities Act.

9 Beginning with the plan or plans to be implemented in the  
10 2017 delivery year, the Agency shall no longer include the  
11 procurement of renewable energy resources in the annual  
12 procurement plans required by this subsection (a), except as  
13 provided in subsection (q) of Section 16-111.5 of the Public  
14 Utilities Act, and shall instead develop a long-term renewable  
15 resources procurement plan in accordance with subsection (c)  
16 of this Section and Section 16-111.5 of the Public Utilities  
17 Act.

18 In accordance with subsection (c-5) of this Section, the  
19 Planning and Procurement Bureau shall oversee the procurement  
20 by electric utilities that served more than 300,000 retail  
21 customers in this State as of January 1, 2019 of renewable  
22 energy credits from new utility-scale solar projects to be  
23 installed, along with energy storage facilities, at or  
24 adjacent to the sites of electric generating facilities that,  
25 as of January 1, 2016, burned coal as their primary fuel  
26 source.

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

7           (A) direct previous experience assembling  
8 large-scale power supply plans or portfolios for  
9 end-use customers;

10          (B) an advanced degree in economics, mathematics,  
11 engineering, risk management, or a related area of  
12 study;

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

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

19          (E) expertise in credit protocols and familiarity  
20 with contract protocols;

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

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

26           (2) The Agency shall each year, as needed, issue a

1 request for qualifications for a procurement administrator  
2 to conduct the competitive procurement processes in  
3 accordance with Section 16-111.5 of the Public Utilities  
4 Act. In order to qualify an expert or expert consulting  
5 firm must have:

6 (A) direct previous experience administering a  
7 large-scale competitive procurement process;

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

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

12 (D) expertise in wholesale electricity market  
13 rules, including those established by the Federal  
14 Energy Regulatory Commission and regional transmission  
15 organizations;

16 (E) expertise in credit and contract protocols;

17 (F) adequate resources to perform and fulfill the  
18 required functions and responsibilities; and

19 (G) the absence of a conflict of interest and  
20 inappropriate bias for or against potential bidders or  
21 the affected electric utilities.

22 (3) The Agency shall provide affected utilities and  
23 other interested parties with the lists of qualified  
24 experts or expert consulting firms identified through the  
25 request for qualifications processes that are under  
26 consideration to develop the procurement plans and to

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

11 (A) failure to satisfy qualification criteria;

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

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

15 The Agency shall remove experts or expert consulting  
16 firms from the lists within 10 days if there is a  
17 reasonable basis for an objection and provide the updated  
18 lists to the affected utilities and other interested  
19 parties. If the Agency fails to remove an expert or expert  
20 consulting firm from a list, an objecting party may seek  
21 review by the Commission within 5 days thereafter by  
22 filing a petition, and the Commission shall render a  
23 ruling on the petition within 10 days. There is no right of  
24 appeal of the Commission's ruling.

25 (4) The Agency shall issue requests for proposals to  
26 the qualified experts or expert consulting firms to

1           develop a procurement plan for the affected utilities and  
2           to serve as procurement administrator.

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

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

16          (b) The experts or expert consulting firms retained by the  
17          Agency shall, as appropriate, prepare procurement plans, and  
18          conduct a competitive procurement process as prescribed in  
19          Section 16-111.5 of the Public Utilities Act, to ensure  
20          adequate, reliable, affordable, efficient, and environmentally  
21          sustainable electric service at the lowest total cost over  
22          time, taking into account any benefits of price stability, for  
23          eligible retail customers of electric utilities that on  
24          December 31, 2005 provided electric service to at least  
25          100,000 customers in the State of Illinois, and for eligible  
26          Illinois retail customers of small multi-jurisdictional

1 electric utilities that (i) on December 31, 2005 served less  
2 than 100,000 customers in Illinois and (ii) request a  
3 procurement plan for their Illinois jurisdictional load.

4 (c) Renewable portfolio standard.

5 (1) (A) The Agency shall develop a long-term renewable  
6 resources procurement plan that shall include procurement  
7 programs and competitive procurement events necessary to  
8 meet the goals set forth in this subsection (c). The  
9 initial long-term renewable resources procurement plan  
10 shall be released for comment no later than 160 days after  
11 June 1, 2017 (the effective date of Public Act 99-906).  
12 The Agency shall review, and may revise on an expedited  
13 basis, the long-term renewable resources procurement plan  
14 at least every 2 years, which shall be conducted in  
15 conjunction with the procurement plan under Section  
16 16-111.5 of the Public Utilities Act to the extent  
17 practicable to minimize administrative expense. No later  
18 than 120 days after the effective date of this amendatory  
19 Act of the 102nd General Assembly, the Agency shall  
20 release for comment a revision to the long-term renewable  
21 resources procurement plan, updating elements of the most  
22 recently approved plan as needed to comply with this  
23 amendatory Act of the 102nd General Assembly, and any  
24 long-term renewable resources procurement plan update  
25 published by the Agency but not yet approved by the  
26 Illinois Commerce Commission shall be withdrawn. The

1 long-term renewable resources procurement plans shall be  
2 subject to review and approval by the Commission under  
3 Section 16-111.5 of the Public Utilities Act.

4 (B) Subject to subparagraph (F) of this paragraph (1),  
5 the long-term renewable resources procurement plan shall  
6 attempt to meet the goals for procurement of renewable  
7 energy credits at levels of at least the following overall  
8 percentages: 13% by the 2017 delivery year; increasing by  
9 at least 1.5% each delivery year thereafter to at least  
10 25% by the 2025 delivery year; increasing by at least 3%  
11 each delivery year thereafter to at least 40% by the 2030  
12 delivery year, and continuing at no less than 40% for each  
13 delivery year thereafter. The Agency shall attempt to  
14 procure 50% by delivery year 2040. The Agency shall  
15 determine the annual increase between delivery year 2030  
16 and delivery year 2040, if any, taking into account energy  
17 demand, other energy resources, and other public policy  
18 goals. In the event of a conflict between these goals and  
19 the new wind and new photovoltaic procurement requirements  
20 described in items (i) through (iii) of subparagraph (C)  
21 of this paragraph (1), the long-term plan shall prioritize  
22 compliance with the new wind and new photovoltaic  
23 procurement requirements described in items (i) through  
24 (iii) of subparagraph (C) of this paragraph (1) over the  
25 annual percentage targets described in this subparagraph  
26 (B). The Agency shall not comply with the annual



1 percentage targets described in this subparagraph (B) by  
2 procuring renewable energy credits that are unlikely to  
3 lead to the development of new renewable resources.

4 For the delivery year beginning June 1, 2017, the  
5 procurement plan shall attempt to include, subject to the  
6 prioritization outlined in this subparagraph (B),  
7 cost-effective renewable energy resources equal to at  
8 least 13% of each utility's load for eligible retail  
9 customers and 13% of the applicable portion of each  
10 utility's load for retail customers who are not eligible  
11 retail customers, which applicable portion shall equal 50%  
12 of the utility's load for retail customers who are not  
13 eligible retail customers on February 28, 2017.

14 For the delivery year beginning June 1, 2018, the  
15 procurement plan shall attempt to include, subject to the  
16 prioritization outlined in this subparagraph (B),  
17 cost-effective renewable energy resources equal to at  
18 least 14.5% of each utility's load for eligible retail  
19 customers and 14.5% of the applicable portion of each  
20 utility's load for retail customers who are not eligible  
21 retail customers, which applicable portion shall equal 75%  
22 of the utility's load for retail customers who are not  
23 eligible retail customers on February 28, 2017.

24 For the delivery year beginning June 1, 2019, and for  
25 each year thereafter, the procurement plans shall attempt  
26 to include, subject to the prioritization outlined in this

1           subparagraph (B), cost-effective renewable energy  
2           resources equal to a minimum percentage of each utility's  
3           load for all retail customers as follows: 16% by June 1,  
4           2019; increasing by 1.5% each year thereafter to 25% by  
5           June 1, 2025; and 25% by June 1, 2026; increasing by at  
6           least 3% each delivery year thereafter to at least 40% by  
7           the 2030 delivery year, and continuing at no less than 40%  
8           for each delivery year thereafter. The Agency shall  
9           attempt to procure 50% by delivery year 2040. The Agency  
10          shall determine the annual increase between delivery year  
11          2030 and delivery year 2040, if any, taking into account  
12          energy demand, other energy resources, and other public  
13          policy goals.

14                 For each delivery year, the Agency shall first  
15                 recognize each utility's obligations for that delivery  
16                 year under existing contracts. Any renewable energy  
17                 credits under existing contracts, including renewable  
18                 energy credits as part of renewable energy resources,  
19                 shall be used to meet the goals set forth in this  
20                 subsection (c) for the delivery year.

21                 (C) The long-term renewable resources procurement plan  
22                 described in subparagraph (A) of this paragraph (1) shall  
23                 include the procurement of renewable energy credits from  
24                 new projects in amounts equal to at least the following:

25                         (i) 10,000,000 renewable energy credits delivered  
26                         annually by the end of the 2021 delivery year, and

1 increasing ratably to reach 45,000,000 renewable  
2 energy credits delivered annually from new wind and  
3 solar projects by the end of delivery year 2030 such  
4 that the goals in subparagraph (B) of this paragraph  
5 (1) are met entirely by procurements of renewable  
6 energy credits from new wind and photovoltaic  
7 projects. Of that amount, to the extent possible, the  
8 Agency shall procure 45% from wind projects and 55%  
9 from photovoltaic projects. Of the amount to be  
10 procured from photovoltaic projects, the Agency shall  
11 procure: at least 50% from solar photovoltaic projects  
12 using the program outlined in subparagraph (K) of this  
13 paragraph (1) from distributed renewable energy  
14 generation devices or community renewable generation  
15 projects; at least 47% from utility-scale solar  
16 projects; at least 3% from brownfield site  
17 photovoltaic projects that are not community renewable  
18 generation projects. In addition to the amount of  
19 renewable energy credits to be procured from wind  
20 projects, the Agency shall procure at least 700,000  
21 renewable energy credits, delivered annually for at  
22 least 20 years, from one new utility-scale offshore  
23 wind project.

24 In developing the long-term renewable resources  
25 procurement plan, the Agency shall consider other  
26 approaches, in addition to competitive procurements,

1 that can be used to procure renewable energy credits  
2 from brownfield site photovoltaic projects and thereby  
3 help return blighted or contaminated land to  
4 productive use while enhancing public health and the  
5 well-being of Illinois residents, including those in  
6 environmental justice communities, as defined using  
7 existing methodologies and findings used by the Agency  
8 and its Administrator in its Illinois Solar for All  
9 Program.

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

16 (iii) For purposes of this Section:

17 "Equity and inclusion plan scoring" means a score  
18 of up to 34 points, determined by the Department's  
19 review of an applicant's ability to demonstrate it has  
20 a comprehensive and detailed equity and inclusion plan  
21 crafted to create opportunities for underrepresented  
22 populations in addition to equity investment eligible  
23 communities.

24 "Equity investment eligible community" has the  
25 meaning set forth in Section 5-5 of the Energy  
26 Transition Act.

1           "New utility-scale offshore wind procurement"  
2           means a procurement of renewable energy credits from a  
3           new utility-scale offshore wind project issued by the  
4           Agency.

5           "New utility-scale offshore wind project" means an  
6           electric generating facility that:

7                   (1) generates electricity using wind;

8                   (2) has a nameplate capacity that is greater  
9                   than 150 megawatts;

10                   (3) is sited in the waters of Lake Michigan;

11                   (4) is interconnected to the PJM  
12                   Interconnection's regional transmission system;

13                   (5) has a fully executed project labor  
14                   agreement with the applicable local building and  
15                   construction trades council; and

16                   (6) has a comprehensive and detailed equity  
17                   and inclusion plan crafted to create opportunities  
18                   for underrepresented populations in addition to  
19                   equity investment eligible communities.

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

23           "New photovoltaic projects" means photovoltaic  
24 renewable energy facilities that are energized after  
25 June 1, 2017. Photovoltaic projects developed under  
26 Section 1-56 of this Act shall not apply towards the

1 new photovoltaic project requirements in this  
2 subparagraph (C).

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

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

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

22 (E) For purposes of this subsection (c), the required  
23 procurement of cost-effective renewable energy resources  
24 for a particular year commencing prior to June 1, 2017  
25 shall be measured as a percentage of the actual amount of  
26 electricity (megawatt-hours) supplied by the electric

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

17 Notwithstanding the requirements of this subsection  
18 (c), the total of renewable energy resources procured  
19 under the procurement plan for any single year shall be  
20 subject to the limitations of this subparagraph (E). Such  
21 procurement shall be reduced for all retail customers  
22 based on the amount necessary to limit the annual  
23 estimated average net increase due to the costs of these  
24 resources included in the amounts paid by eligible retail  
25 customers in connection with electric service to no more  
26 than 4.5% ~~4.25%~~ of the amount paid per kilowatthour by



1 those customers during the year ending May 31, 2009. To  
2 arrive at a maximum dollar amount of renewable energy  
3 resources to be procured for the particular delivery year,  
4 the resulting per kilowatthour amount shall be applied to  
5 the actual amount of kilowatthours of electricity  
6 delivered, or applicable portion of such amount as  
7 specified in paragraph (1) of this subsection (c), as  
8 applicable, by the electric utility in the delivery year  
9 immediately prior to the procurement to all retail  
10 customers in its service territory. The calculations  
11 required by this subparagraph (E) shall be made only once  
12 for each delivery year at the time that the renewable  
13 energy resources are procured. Once the determination as  
14 to the amount of renewable energy resources to procure is  
15 made based on the calculations set forth in this  
16 subparagraph (E) and the contracts procuring those amounts  
17 are executed, no subsequent rate impact determinations  
18 shall be made and no adjustments to those contract amounts  
19 shall be allowed. All costs incurred under such contracts  
20 shall be fully recoverable by the electric utility as  
21 provided in this Section.

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

1 subsection (c) regarding renewable energy credits in the  
2 following order:

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

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

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

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

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

17 (i) Notwithstanding whether a long-term renewable  
18 resources procurement plan has been approved, the  
19 Agency shall conduct an initial forward procurement  
20 for renewable energy credits from new utility-scale  
21 wind projects within 160 days after June 1, 2017 (the  
22 effective date of Public Act 99-906). For the purposes  
23 of this initial forward procurement, the Agency shall  
24 solicit 15-year contracts for delivery of 1,000,000  
25 renewable energy credits delivered annually from new  
26 utility-scale wind projects to begin delivery on June

1 1, 2019, if available, but not later than June 1, 2021,  
2 unless the project has delays in the establishment of  
3 an operating interconnection with the applicable  
4 transmission or distribution system as a result of the  
5 actions or inactions of the transmission or  
6 distribution provider, or other causes for force  
7 majeure as outlined in the procurement contract, in  
8 which case, not later than June 1, 2022. Payments to  
9 suppliers of renewable energy credits shall commence  
10 upon delivery. Renewable energy credits procured under  
11 this initial procurement shall be included in the  
12 Agency's long-term plan and shall apply to all  
13 renewable energy goals in this subsection (c).

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

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

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

1 1, 2021.

2 (iii-5) Notwithstanding whether the Commission has  
3 approved the long-term renewable resources procurement  
4 plan revision process described in Section 16-111.5 of  
5 the Public Utilities Act, the Agency shall conduct at  
6 least one new utility-scale offshore wind procurement  
7 within 360 days after the effective date of this  
8 amendatory Act of the 102nd General Assembly in  
9 quantities necessary to meet the requirements  
10 described in subparagraph (C) of this paragraph (1) by  
11 the end of delivery year 2030.

12 The annual amount spent on any new utility-scale  
13 offshore wind procurement shall not exceed 0.25% of  
14 the amount paid per kilowatt hour by all eligible  
15 retail customers in connection with electric service  
16 during the year ending May 31, 2009.

17 Before submitting a proposal to the Agency in  
18 response to a new utility-scale offshore wind  
19 procurement, an applicant must first submit to the  
20 Department a separate application for equity and  
21 inclusion plan scoring. The Department will provide  
22 equity and inclusion plan scoring to the Agency upon  
23 the Agency's request.

24 In order to award a renewable energy credit  
25 contract in a new utility-scale offshore wind  
26 procurement, the Agency shall use the following point

1 based scoring criteria, totaling 100 points, in  
2 evaluating an applicant's proposal:

3 (1) 33 points: attributed to the price  
4 submitted in such proposal, with a lower price  
5 being more favorable;

6 (2) 33 points: attributed to the overall  
7 viability of applicant and its plan to build a new  
8 utility-scale offshore wind project, as determined  
9 by the Agency using the following criteria  
10 establishing that the applicant:

11 (A) has identified and proffered a  
12 rationale for a site for its new utility-scale  
13 offshore wind project and has a comprehensive  
14 plan to develop, construct, own, and operate  
15 the project;

16 (B) has experience and knowledge, or any  
17 of the applicant's affiliates have experience  
18 or knowledge, in owning offshore wind  
19 projects;

20 (C) has a fully executed project labor  
21 agreement with the applicable local building  
22 and construction trades council;

23 (D) has a comprehensive plan to maximize  
24 local economic impact and job creation;

25 (E) has submitted a financing plan showing  
26 the financial ability to build, own, and

1 operate a new utility-scale offshore wind  
2 project, examples of which may include, but  
3 are not limited to: (i) sources of debt; (ii)  
4 letters of reference from a commercial bank;  
5 or (iii) an equity commitment letter from a  
6 parent company;

7 (F) has a comprehensive plan to conduct  
8 essential research around the compatibility of  
9 offshore wind and the lake ecology and  
10 historical lake uses that can become the basis  
11 for future decision making around prudent  
12 expansion of offshore wind into Lake Michigan;  
13 and

14 (G) has a plan to mitigate local landward  
15 environmental impacts that may otherwise  
16 result from construction of a new  
17 utility-scale offshore wind project; and

18 (3) 34 points: attributed to equity and  
19 inclusion plan scoring.

20 No renewable energy credit contract shall be  
21 awarded to an applicant who fails to receive at least  
22 75 points.

23 (iv) Notwithstanding whether the Commission has  
24 approved the periodic long-term renewable resources  
25 procurement plan revision described in Section  
26 16-111.5 of the Public Utilities Act, the Agency shall

1 open capacity for each category in the Adjustable  
2 Block program within 90 days after the effective date  
3 of this amendatory Act of the 102nd General Assembly  
4 manner:

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



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

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

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

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

25 (B) The price of renewable energy credits  
26 for any project not on the waitlist for this

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

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

25 The first 2 blocks of annual capacity for item  
26 (iii) shall be for 250 megawatts of total

1 nameplate capacity, with both blocks opening  
2 simultaneously under the schedule outlined in the  
3 paragraphs below. Projects shall be selected as  
4 follows:

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

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

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

24 (ii) Each applicant firm, upon  
25 receiving an award of program capacity  
26 proportionate to its waitlisted capacity,

1           may then determine which waitlisted  
2           projects it chooses to be selected for a  
3           contract award up to that capacity amount.

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

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

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

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

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

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

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

1 for this category, inclusive of any adders  
2 available for achieving a minimum of 50%  
3 of subscribers to the project's nameplate  
4 capacity being residential or small  
5 commercial customers with subscriptions of  
6 below 25 kilowatts in size;

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

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

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

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

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



1 Long-Term Renewable Resources Procurement Plan.  
2 Projects in this category shall be subject to the  
3 contract terms outlined in item (iv) of  
4 subparagraph (L) of this paragraph (1).

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

24 (6) The Agency shall open the first blocks of  
25 annual capacity for the category described in item  
26 (vi) of subparagraph (K) of this paragraph (1),

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

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

26 (1) The purchase price of the indexed

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

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

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

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

1 contracts multiplied by the forward price curve  
2 value for that year, the forward price curve shall  
3 be updated by the procurement administrator, in  
4 consultation with the Agency, Commission staff,  
5 and procurement monitors, using then-currently  
6 available price forecast data and additional  
7 budget dollars shall be obligated or reobligated  
8 as appropriate.

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

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

1           subparagraph (G).

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

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

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

24           (ii) For a given delivery year, the alternative  
25 retail electric supplier may elect to supply its  
26 retail customers with renewable energy credits from

1 the facility or facilities described in item (i) of  
2 this subparagraph (H) that continue to be owned by the  
3 alternative retail electric supplier.

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

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

1 customers during the delivery year ending May 31,  
2 2016.

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

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



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

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

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

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

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

24 (J) In order to promote the competitive development of  
25 renewable energy resources in furtherance of the State's  
26 interest in the health, safety, and welfare of its

1 residents, renewable energy credits shall not be eligible  
2 to be counted toward the renewable energy requirements of  
3 this subsection (c) if they are sourced from a generating  
4 unit whose costs were being recovered through rates  
5 regulated by this State or any other state or states on or  
6 after January 1, 2017. Each contract executed to purchase  
7 renewable energy credits under this subsection (c) shall  
8 provide for the contract's termination if the costs of the  
9 generating unit supplying the renewable energy credits  
10 subsequently begin to be recovered through rates regulated  
11 by this State or any other state or states; and each  
12 contract shall further provide that, in that event, the  
13 supplier of the credits must return 110% of all payments  
14 received under the contract. Amounts returned under the  
15 requirements of this subparagraph (J) shall be retained by  
16 the utility and all of these amounts shall be used for the  
17 procurement of additional renewable energy credits from  
18 new wind or new photovoltaic resources as defined in this  
19 subsection (c). The long-term plan shall provide that  
20 these renewable energy credits shall be procured in the  
21 next procurement event.

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

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

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

1 of a formula.

2 The Adjustable Block program shall include for each  
3 category of eligible projects for each delivery year: a  
4 single block of nameplate capacity, a price for renewable  
5 energy credits within that block, and the terms and  
6 conditions for securing a spot on a waitlist once the  
7 block is fully committed or reserved. Except as outlined  
8 below, the waitlist of projects in a given year will carry  
9 over to apply to the subsequent year when another block is  
10 opened. Only projects energized on or after June 1, 2017  
11 shall be eligible for the Adjustable Block program. For  
12 each category for each delivery year the Agency shall  
13 determine the amount of generation capacity in each block,  
14 and the purchase price for each block, provided that the  
15 purchase price provided and the total amount of generation  
16 in all blocks for all categories shall be sufficient to  
17 meet the goals in this subsection (c). The Agency shall  
18 strive to issue a single block sized to provide for  
19 stability and market growth. The Agency shall establish  
20 program eligibility requirements that ensure that projects  
21 that enter the program are sufficiently mature to indicate  
22 a demonstrable path to completion. The Agency may  
23 periodically review its prior decisions establishing the  
24 amount of generation capacity in each block, and the  
25 purchase price for each block, and may propose, on an  
26 expedited basis, changes to these previously set values,

1 including but not limited to redistributing these amounts  
2 and the available funds as necessary and appropriate,  
3 subject to Commission approval as part of the periodic  
4 plan revision process described in Section 16-111.5 of the  
5 Public Utilities Act. The Agency may define different  
6 block sizes, purchase prices, or other distinct terms and  
7 conditions for projects located in different utility  
8 service territories if the Agency deems it necessary to  
9 meet the goals in this subsection (c).

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

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

15 (ii) At least 20% from distributed renewable  
16 energy generation devices with a nameplate capacity of  
17 more than 25 kilowatts and no more than 5,000  
18 kilowatts. The Agency may create sub-categories within  
19 this category to account for the differences between  
20 projects for small commercial customers, large  
21 commercial customers, and public or non-profit  
22 customers.

23 (iii) At least 30% from photovoltaic community  
24 renewable generation projects. Capacity for this  
25 category for the first 2 delivery years after the  
26 effective date of this amendatory Act of the 102nd

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

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

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

17 (3) projects shall not be colocated with one  
18 or more other community renewable generation  
19 projects, as defined in the Agency's first revised  
20 long-term renewable resources procurement plan  
21 approved by the Commission on February 18, 2020,  
22 such that the aggregate nameplate capacity exceeds  
23 5,000 kilowatts; and

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



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

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

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

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

7           "Public schools" shall have the meaning set forth  
8 in Section 1-3 of the School Code.

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

23                   (1) community ownership or community  
24 wealth-building;

25                   (2) additional direct and indirect community  
26 benefit, beyond project participation as a

1 subscriber, including, but not limited to,  
2 economic, environmental, social, cultural, and  
3 physical benefits;

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

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

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

15 Selection criteria may also prioritize projects  
16 that:

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

25 (2) increase the diversity of locations of  
26 community solar projects in Illinois, including by

- 1           locating in urban areas and population centers;
- 2           (3) are located in Equity Investment Eligible
- 3           Communities;
- 4           (4) are not greenfield projects;
- 5           (5) serve only local subscribers;
- 6           (6) have a nameplate capacity that does not
- 7           exceed 500 kW;
- 8           (7) are developed by an equity eligible
- 9           contractor; or
- 10          (8) otherwise meaningfully advance the goals
- 11          of providing more direct and tangible connection
- 12          and benefits to the communities which they serve
- 13          or in which they operate and increasing the
- 14          variety of community solar locations, models, and
- 15          options in Illinois.

16          For the purposes of this item (v):

17          "Community" means a social unit in which people

18          come together regularly to effect change; a social

19          unit in which participants are marked by a cooperative

20          spirit, a common purpose, or shared interests or

21          characteristics; or a space understood by its

22          residents to be delineated through geographic

23          boundaries or landmarks.

24          "Community benefit" means a range of services and

25          activities that provide affirmative, economic,

26          environmental, social, cultural, or physical value to

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

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

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

26 (vi) At least 10% from distributed renewable

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

13 The Agency shall propose a payment structure for  
14 contracts executed pursuant to this paragraph under  
15 which, upon a demonstration of qualification or need,  
16 applicant firms are advanced capital disbursed after  
17 contract execution but before the contracted project's  
18 energization. The amount or percentage of capital  
19 advanced prior to project energization shall be  
20 sufficient to both cover any increase in development  
21 costs resulting from prevailing wage requirements or  
22 project-labor agreements, and designed to overcome  
23 barriers in access to capital faced by equity eligible  
24 contractors. The amount or percentage of advanced  
25 capital may vary by subcategory within this category  
26 and by an applicant's demonstration of need, with such

1 levels to be established through the Long-Term  
2 Renewable Resources Procurement Plan authorized under  
3 subparagraph (A) of paragraph (1) of subsection (c) of  
4 this Section.

5 Contracts developed featuring capital advanced  
6 prior to a project's energization shall feature  
7 provisions to ensure both the successful development  
8 of applicant projects and the delivery of the  
9 renewable energy credits for the full term of the  
10 contract, including ongoing collateral requirements  
11 and other provisions deemed necessary by the Agency,  
12 and may include energization timelines longer than for  
13 comparable project types. The percentage or amount of  
14 capital advanced prior to project energization shall  
15 not operate to increase the overall contract value,  
16 however contracts executed under this subparagraph may  
17 feature renewable energy credit prices higher than  
18 those offered to similar projects participating in  
19 other categories. Capital advanced prior to  
20 energization shall serve to reduce the ratable  
21 payments made after energization under items (ii) and  
22 (iii) of subparagraph (L) or payments made for each  
23 renewable energy credit delivery under item (iv) of  
24 subparagraph (L).

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

1 Agency shall allocate any discretionary capacity prior  
2 to the beginning of each delivery year.

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

14 Notwithstanding anything to the contrary, as the  
15 Agency increases the capacity in item (vi) to 40% over  
16 time, the Agency may reduce the capacity of items (i)  
17 through (v) proportionate to the capacity of the  
18 categories of projects in item (vi), to achieve a balance  
19 of project types.

20 The Adjustable Block program shall be designed to  
21 ensure that renewable energy credits are procured from  
22 projects in diverse locations and are not concentrated in  
23 a few regional areas.

24 (L) Notwithstanding provisions for advancing capital  
25 prior to project energization found in item (vi) of  
26 subparagraph (K), the procurement of photovoltaic



1 renewable energy credits under items (i) through (vi) of  
2 subparagraph (K) of this paragraph (1) shall otherwise be  
3 subject to the following contract and payment terms:

4 (i) (Blank).

5 (ii) For those renewable energy credits that  
6 qualify and are procured under item (i) of  
7 subparagraph (K) of this paragraph (1), and any  
8 similar category projects that are procured under item  
9 (vi) of subparagraph (K) of this paragraph (1) that  
10 qualify and are procured under item (vi), the contract  
11 length shall be 15 years. The renewable energy credit  
12 delivery contract value shall be paid in full, based  
13 on the estimated generation during the first 15 years  
14 of operation, by the contracting utilities at the time  
15 that the facility producing the renewable energy  
16 credits is interconnected at the distribution system  
17 level of the utility and verified as energized and  
18 compliant by the Program Administrator. The electric  
19 utility shall receive and retire all renewable energy  
20 credits generated by the project for the first 15  
21 years of operation. Renewable energy credits generated  
22 by the project thereafter shall not be transferred  
23 under the renewable energy credit delivery contract  
24 with the counterparty electric utility.

25 (iii) For those renewable energy credits that  
26 qualify and are procured under item (ii) and (v) of

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

20                 (iv) For those renewable energy credits that  
21                 qualify and are procured under items (iii) and (iv) of  
22                 subparagraph (K) of this paragraph (1), and any like  
23                 projects that qualify and are procured under item  
24                 (vi), the renewable energy credit delivery contract  
25                 length shall be 20 years and shall be paid over the  
26                 delivery term, not to exceed during each delivery year

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

1 measured on the higher of the first business day of the  
2 delivery year or the first business day 6 months after  
3 the first business day of the delivery year.  
4 Subscription of 90% of nameplate capacity or greater  
5 shall be deemed to be fully subscribed for the  
6 purposes of this item (iv). For projects receiving a  
7 20-year delivery contract, REC prices shall be  
8 adjusted downward for consistency with the incentive  
9 levels previously determined to be necessary to  
10 support projects under 15-year delivery contracts,  
11 taking into consideration any additional new  
12 requirements placed on the projects, including, but  
13 not limited to, labor standards.

14 (v) Each contract shall include provisions to  
15 ensure the delivery of the estimated quantity of  
16 renewable energy credits and ongoing collateral  
17 requirements and other provisions deemed appropriate  
18 by the Agency.

19 (vi) The utility shall be the counterparty to the  
20 contracts executed under this subparagraph (L) that  
21 are approved by the Commission under the process  
22 described in Section 16-111.5 of the Public Utilities  
23 Act. No contract shall be executed for an amount that  
24 is less than one renewable energy credit per year.

25 (vii) If, at any time, approved applications for  
26 the Adjustable Block program exceed funds collected by

1 the electric utility or would cause the Agency to  
2 exceed the limitation described in subparagraph (E) of  
3 this paragraph (1) on the amount of renewable energy  
4 resources that may be procured, then the Agency may  
5 consider future uncommitted funds to be reserved for  
6 these contracts on a first-come, first-served basis.

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

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

23 (x) Contracts may be assignable, but only to  
24 entities first deemed by the Agency to have met  
25 program terms and requirements applicable to direct  
26 program participation. In developing contracts for the

1 delivery of renewable energy credits, the Agency shall  
2 be permitted to establish fees applicable to each  
3 contract assignment.

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

19 The Program Administrator may charge application fees  
20 to participating firms to cover the cost of program  
21 administration. Any application fee amounts shall  
22 initially be determined through the long-term renewable  
23 resources procurement plan, and modifications to any  
24 application fee that deviate more than 25% from the  
25 Commission's approved value must be approved by the  
26 Commission as a long-term plan revision under Section

1           16-111.5 of the Public Utilities Act. The Agency shall  
2           consider stakeholder feedback when making adjustments to  
3           application fees and shall notify stakeholders in advance  
4           of any planned changes.

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

18          The Agency and its consultant or consultants shall  
19          monitor block activity, share program activity with  
20          stakeholders and conduct quarterly meetings to discuss  
21          program activity and market conditions. If necessary, the  
22          Agency may make prospective administrative adjustments to  
23          the Adjustable Block program design, such as making  
24          adjustments to purchase prices as necessary to achieve the  
25          goals of this subsection (c). Program modifications to any  
26          block price that do not deviate from the Commission's

1 approved value by more than 10% shall take effect  
2 immediately and are not subject to Commission review and  
3 approval. Program modifications to any block price that  
4 deviate more than 10% from the Commission's approved value  
5 must be approved by the Commission as a long-term plan  
6 amendment under Section 16-111.5 of the Public Utilities  
7 Act. The Agency shall consider stakeholder feedback when  
8 making adjustments to the Adjustable Block design and  
9 shall notify stakeholders in advance of any planned  
10 changes.

11 The Agency and its program administrators for both the  
12 Adjustable Block program and the Illinois Solar for All  
13 Program, consistent with the requirements of this  
14 subsection (c) and subsection (b) of Section 1-56 of this  
15 Act, shall propose the Adjustable Block program terms,  
16 conditions, and requirements, including the prices to be  
17 paid for renewable energy credits, where applicable, and  
18 requirements applicable to participating entities and  
19 project applications, through the development, review, and  
20 approval of the Agency's long-term renewable resources  
21 procurement plan described in this subsection (c) and  
22 paragraph (5) of subsection (b) of Section 16-111.5 of the  
23 Public Utilities Act. Terms, conditions, and requirements  
24 for program participation shall include the following:

- 25 (i) The Agency shall establish a registration  
26 process for entities seeking to qualify for



1 program-administered incentive funding and establish  
2 baseline qualifications for vendor approval. The  
3 Agency must maintain a list of approved entities on  
4 each program's website, and may revoke a vendor's  
5 ability to receive program-administered incentive  
6 funding status upon a determination that the vendor  
7 failed to comply with contract terms, the law, or  
8 other program requirements.

9 (ii) The Agency shall establish program  
10 requirements and minimum contract terms to ensure  
11 projects are properly installed and produce their  
12 expected amounts of energy. Program requirements may  
13 include on-site inspections and photo documentation of  
14 projects under construction. The Agency may require  
15 repairs, alterations, or additions to remedy any  
16 material deficiencies discovered. Vendors who have a  
17 disproportionately high number of deficient systems  
18 may lose their eligibility to continue to receive  
19 State-administered incentive funding through Agency  
20 programs and procurements.

21 (iii) To discourage deceptive marketing or other  
22 bad faith business practices, the Agency may require  
23 direct program participants, including agents  
24 operating on their behalf, to provide standardized  
25 disclosures to a customer prior to that customer's  
26 execution of a contract for the development of a

1 distributed generation system or a subscription to a  
2 community solar project.

3 (iv) The Agency shall establish one or multiple  
4 Consumer Complaints Centers to accept complaints  
5 regarding businesses that participate in, or otherwise  
6 benefit from, State-administered incentive funding  
7 through Agency-administered programs. The Agency shall  
8 maintain a public database of complaints with any  
9 confidential or particularly sensitive information  
10 redacted from public entries.

11 (v) Through a filing in the proceeding for the  
12 approval of its long-term renewable energy resources  
13 procurement plan, the Agency shall provide an annual  
14 written report to the Illinois Commerce Commission  
15 documenting the frequency and nature of complaints and  
16 any enforcement actions taken in response to those  
17 complaints.

18 (vi) The Agency shall schedule regular meetings  
19 with representatives of the Office of the Attorney  
20 General, the Illinois Commerce Commission, consumer  
21 protection groups, and other interested stakeholders  
22 to share relevant information about consumer  
23 protection, project compliance, and complaints  
24 received.

25 (vii) To the extent that complaints received  
26 implicate the jurisdiction of the Office of the

1 Attorney General, the Illinois Commerce Commission, or  
2 local, State, or federal law enforcement, the Agency  
3 shall also refer complaints to those entities as  
4 appropriate.

5 (N) The Agency shall establish the terms, conditions,  
6 and program requirements for photovoltaic community  
7 renewable generation projects with a goal to expand access  
8 to a broader group of energy consumers, to ensure robust  
9 participation opportunities for residential and small  
10 commercial customers and those who cannot install  
11 renewable energy on their own properties. Subject to  
12 reasonable limitations, any plan approved by the  
13 Commission shall allow subscriptions to community  
14 renewable generation projects to be portable and  
15 transferable. For purposes of this subparagraph (N),  
16 "portable" means that subscriptions may be retained by the  
17 subscriber even if the subscriber relocates or changes its  
18 address within the same utility service territory; and  
19 "transferable" means that a subscriber may assign or sell  
20 subscriptions to another person within the same utility  
21 service territory.

22 Through the development of its long-term renewable  
23 resources procurement plan, the Agency may consider  
24 whether community renewable generation projects utilizing  
25 technologies other than photovoltaics should be supported  
26 through State-administered incentive funding, and may

1 issue requests for information to gauge market demand.

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

7 The Agency shall purchase renewable energy credits  
8 from subscribed shares of photovoltaic community renewable  
9 generation projects through the Adjustable Block program  
10 described in subparagraph (K) of this paragraph (1) or  
11 through the Illinois Solar for All Program described in  
12 Section 1-56 of this Act. The electric utility shall  
13 purchase any unsubscribed energy from community renewable  
14 generation projects that are Qualifying Facilities ("QF")  
15 under the electric utility's tariff for purchasing the  
16 output from QFs under Public Utilities Regulatory Policies  
17 Act of 1978.

18 The owners of and any subscribers to a community  
19 renewable generation project shall not be considered  
20 public utilities or alternative retail electricity  
21 suppliers under the Public Utilities Act solely as a  
22 result of their interest in or subscription to a community  
23 renewable generation project and shall not be required to  
24 become an alternative retail electric supplier by  
25 participating in a community renewable generation project  
26 with a public utility.

1           (O) For the delivery year beginning June 1, 2018, the  
2 long-term renewable resources procurement plan required by  
3 this subsection (c) shall provide for the Agency to  
4 procure contracts to continue offering the Illinois Solar  
5 for All Program described in subsection (b) of Section  
6 1-56 of this Act, and the contracts approved by the  
7 Commission shall be executed by the utilities that are  
8 subject to this subsection (c). The long-term renewable  
9 resources procurement plan shall allocate up to  
10 \$50,000,000 per delivery year to fund the programs, and  
11 the plan shall determine the amount of funding to be  
12 apportioned to the programs identified in subsection (b)  
13 of Section 1-56 of this Act; provided that for the  
14 delivery years beginning June 1, 2021, June 1, 2022, and  
15 June 1, 2023, the long-term renewable resources  
16 procurement plan may average the annual budgets over a  
17 3-year period to account for program ramp-up. For the  
18 delivery years beginning June 1, 2021, June 1, 2024, June  
19 1, 2027, and June 1, 2030 and additional \$10,000,000 shall  
20 be provided to the Department of Commerce and Economic  
21 Opportunity to implement the workforce development  
22 programs and reporting as outlined in Section 16-108.12 of  
23 the Public Utilities Act. In making the determinations  
24 required under this subparagraph (O), the Commission shall  
25 consider the experience and performance under the programs  
26 and any evaluation reports. The Commission shall also

1 provide for an independent evaluation of those programs on  
2 a periodic basis that are funded under this subparagraph  
3 (O).

4 (P) All programs and procurements under this  
5 subsection (c) shall be designed to encourage  
6 participating projects to use a diverse and equitable  
7 workforce and a diverse set of contractors, including  
8 minority-owned businesses, disadvantaged businesses,  
9 trade unions, graduates of any workforce training programs  
10 administered under this Act, and small businesses.

11 The Agency shall develop a method to optimize  
12 procurement of renewable energy credits from proposed  
13 utility-scale projects that are located in communities  
14 eligible to receive Energy Transition Community Grants  
15 pursuant to Section 10-20 of the Energy Community  
16 Reinvestment Act. If this requirement conflicts with other  
17 provisions of law or the Agency determines that full  
18 compliance with the requirements of this subparagraph (P)  
19 would be unreasonably costly or administratively  
20 impractical, the Agency is to propose alternative  
21 approaches to achieve development of renewable energy  
22 resources in communities eligible to receive Energy  
23 Transition Community Grants pursuant to Section 10-20 of  
24 the Energy Community Reinvestment Act or seek an exemption  
25 from this requirement from the Commission.

26 (Q) Each facility listed in subitems (i) through

1 (viii) of item (1) of this subparagraph (Q) for which a  
2 renewable energy credit delivery contract is signed after  
3 the effective date of this amendatory Act of the 102nd  
4 General Assembly is subject to the following requirements  
5 through the Agency's long-term renewable resources  
6 procurement plan:

7 (1) Each facility shall be subject to the  
8 prevailing wage requirements included in the  
9 Prevailing Wage Act. The Agency shall require  
10 verification that all construction performed on the  
11 facility by the renewable energy credit delivery  
12 contract holder, its contractors, or its  
13 subcontractors relating to construction of the  
14 facility is performed by construction employees  
15 receiving an amount for that work equal to or greater  
16 than the general prevailing rate, as that term is  
17 defined in Section 3 of the Prevailing Wage Act. For  
18 purposes of this item (1), "house of worship" means  
19 property that is both (1) used exclusively by a  
20 religious society or body of persons as a place for  
21 religious exercise or religious worship and (2)  
22 recognized as exempt from taxation pursuant to Section  
23 15-40 of the Property Tax Code. This item (1) shall  
24 apply to any the following:

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

26 (ii) all new utility-scale photovoltaic

1 projects;

2 (iii) all new brownfield photovoltaic  
3 projects;

4 (iv) all new photovoltaic community renewable  
5 energy facilities that qualify for item (iii) of  
6 subparagraph (K) of this paragraph (1);

7 (v) all new community driven community  
8 photovoltaic projects that qualify for item (v) of  
9 subparagraph (K) of this paragraph (1);

10 (vi) all new photovoltaic distributed  
11 renewable energy generation devices on schools  
12 that qualify for item (iv) of subparagraph (K) of  
13 this paragraph (1);

14 (vii) all new photovoltaic distributed  
15 renewable energy generation devices that (1)  
16 qualify for item (i) of subparagraph (K) of this  
17 paragraph (1); (2) are not projects that serve  
18 single-family or multi-family residential  
19 buildings; and (3) are not houses of worship where  
20 the aggregate capacity including collocated  
21 projects would not exceed 100 kilowatts;

22 (viii) all new photovoltaic distributed  
23 renewable energy generation devices that (1)  
24 qualify for item (ii) of subparagraph (K) of this  
25 paragraph (1); (2) are not projects that serve  
26 single-family or multi-family residential



1 buildings; and (3) are not houses of worship where  
2 the aggregate capacity including collocated  
3 projects would not exceed 100 kilowatts.

4 (2) Renewable energy credits procured from new  
5 utility-scale wind projects, new utility-scale solar  
6 projects, and new brownfield solar projects pursuant  
7 to Agency procurement events occurring after the  
8 effective date of this amendatory Act of the 102nd  
9 General Assembly must be from facilities built by  
10 general contractors that must enter into a project  
11 labor agreement, as defined by this Act, prior to  
12 construction. The project labor agreement shall be  
13 filed with the Director in accordance with procedures  
14 established by the Agency through its long-term  
15 renewable resources procurement plan. Any information  
16 submitted to the Agency in this item (2) shall be  
17 considered commercially sensitive information. At a  
18 minimum, the project labor agreement must provide the  
19 names, addresses, and occupations of the owner of the  
20 plant and the individuals representing the labor  
21 organization employees participating in the project  
22 labor agreement consistent with the Project Labor  
23 Agreements Act. The agreement must also specify the  
24 terms and conditions as defined by this Act.

25 (3) It is the intent of this Section to ensure that  
26 economic development occurs across Illinois

1 communities, that emerging businesses may grow, and  
2 that there is improved access to the clean energy  
3 economy by persons who have greater economic burdens  
4 to success. The Agency shall take into consideration  
5 the unique cost of compliance of this subparagraph (Q)  
6 that might be borne by equity eligible contractors,  
7 shall include such costs when determining the price of  
8 renewable energy credits in the Adjustable Block  
9 program, and shall take such costs into consideration  
10 in a nondiscriminatory manner when comparing bids for  
11 competitive procurements. The Agency shall consider  
12 costs associated with compliance whether in the  
13 development, financing, or construction of projects.  
14 The Agency shall periodically review the assumptions  
15 in these costs and may adjust prices, in compliance  
16 with subparagraph (M) of this paragraph (1).

17 (R) In its long-term renewable resources procurement  
18 plan, the Agency shall establish a self-direct renewable  
19 portfolio standard compliance program for eligible  
20 self-direct customers that purchase renewable energy  
21 credits from utility-scale wind and solar projects through  
22 long-term agreements for purchase of renewable energy  
23 credits as described in this Section. Such long-term  
24 agreements may include the purchase of energy or other  
25 products on a physical or financial basis and may involve  
26 an alternative retail electric supplier as defined in

1 Section 16-102 of the Public Utilities Act. This program  
2 shall take effect in the delivery year commencing June 1,  
3 2023.

4 (1) For the purposes of this subparagraph:

5 "Eligible self-direct customer" means any retail  
6 customers of an electric utility that serves 3,000,000  
7 or more retail customers in the State and whose total  
8 highest 30-minute demand was more than 10,000  
9 kilowatts, or any retail customers of an electric  
10 utility that serves less than 3,000,000 retail  
11 customers but more than 500,000 retail customers in  
12 the State and whose total highest 15-minute demand was  
13 more than 10,000 kilowatts.

14 "Retail customer" has the meaning set forth in  
15 Section 16-102 of the Public Utilities Act and  
16 multiple retail customer accounts under the same  
17 corporate parent may aggregate their account demands  
18 to meet the 10,000 kilowatt threshold. The criteria  
19 for determining whether this subparagraph is  
20 applicable to a retail customer shall be based on the  
21 12 consecutive billing periods prior to the start of  
22 the year in which the application is filed.

23 (2) For renewable energy credits to count toward  
24 the self-direct renewable portfolio standard  
25 compliance program, they must:

26 (i) qualify as renewable energy credits as

1 defined in Section 1-10 of this Act;

2 (ii) be sourced from one or more renewable  
3 energy generating facilities that comply with the  
4 geographic requirements as set forth in  
5 subparagraph (I) of paragraph (1) of subsection  
6 (c) as interpreted through the Agency's long-term  
7 renewable resources procurement plan, or, where  
8 applicable, the geographic requirements that  
9 governed utility-scale renewable energy credits at  
10 the time the eligible self-direct customer entered  
11 into the applicable renewable energy credit  
12 purchase agreement;

13 (iii) be procured through long-term contracts  
14 with term lengths of at least 10 years either  
15 directly with the renewable energy generating  
16 facility or through a bundled power purchase  
17 agreement, a virtual power purchase agreement, an  
18 agreement between the renewable generating  
19 facility, an alternative retail electric supplier,  
20 and the customer, or such other structure as is  
21 permissible under this subparagraph (R);

22 (iv) be equivalent in volume to at least 40%  
23 of the eligible self-direct customer's usage,  
24 determined annually by the eligible self-direct  
25 customer's usage during the previous delivery  
26 year, measured to the nearest megawatt-hour;

1 (v) be retired by or on behalf of the large  
2 energy customer;

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

5 (vii) if the contracts for renewable energy  
6 credits are entered into after the effective date  
7 of this amendatory Act of the 102nd General  
8 Assembly, the new utility-scale wind projects or  
9 new utility-scale solar projects must comply with  
10 the requirements established in subparagraphs (P)  
11 and (Q) of paragraph (1) of this subsection (c)  
12 and subsection (c-10).

13 (3) The self-direct renewable portfolio standard  
14 compliance program shall be designed to allow eligible  
15 self-direct customers to procure new renewable energy  
16 credits from new utility-scale wind projects or new  
17 utility-scale photovoltaic projects. The Agency shall  
18 annually determine the amount of utility-scale  
19 renewable energy credits it will include each year  
20 from the self-direct renewable portfolio standard  
21 compliance program, subject to receiving qualifying  
22 applications. In making this determination, the Agency  
23 shall evaluate publicly available analyses and studies  
24 of the potential market size for utility-scale  
25 renewable energy long-term purchase agreements by  
26 commercial and industrial energy customers and make

1 that report publicly available. If demand for  
2 participation in the self-direct renewable portfolio  
3 standard compliance program exceeds availability, the  
4 Agency shall ensure participation is evenly split  
5 between commercial and industrial users to the extent  
6 there is sufficient demand from both customer classes.  
7 Each renewable energy credit procured pursuant to this  
8 subparagraph (R) by a self-direct customer shall  
9 reduce the total volume of renewable energy credits  
10 the Agency is otherwise required to procure from new  
11 utility-scale projects pursuant to subparagraph (C) of  
12 paragraph (1) of this subsection (c) on behalf of  
13 contracting utilities where the eligible self-direct  
14 customer is located. The self-direct customer shall  
15 file an annual compliance report with the Agency  
16 pursuant to terms established by the Agency through  
17 its long-term renewable resources procurement plan to  
18 be eligible for participation in this program.  
19 Customers must provide the Agency with their most  
20 recent electricity billing statements or other  
21 information deemed necessary by the Agency to  
22 demonstrate they are an eligible self-direct customer.

23 (4) The Commission shall approve a reduction in  
24 the volumetric charges collected pursuant to Section  
25 16-108 of the Public Utilities Act for approved  
26 eligible self-direct customers equivalent to the

1 anticipated cost of renewable energy credit deliveries  
2 under contracts for new utility-scale wind and new  
3 utility-scale solar entered for each delivery year  
4 after the large energy customer begins retiring  
5 eligible new utility scale renewable energy credits  
6 for self-compliance. The self-direct credit amount  
7 shall be determined annually and is equal to the  
8 estimated portion of the cost authorized by  
9 subparagraph (E) of paragraph (1) of this subsection  
10 (c) that supported the annual procurement of  
11 utility-scale renewable energy credits in the prior  
12 delivery year using a methodology described in the  
13 long-term renewable resources procurement plan,  
14 expressed on a per kilowatthour basis, and does not  
15 include (i) costs associated with any contracts  
16 entered into before the delivery year in which the  
17 customer files the initial compliance report to be  
18 eligible for participation in the self-direct program,  
19 and (ii) costs associated with procuring renewable  
20 energy credits through existing and future contracts  
21 through the Adjustable Block Program, subsection (c-5)  
22 of this Section 1-75, and the Solar for All Program.  
23 The Agency shall assist the Commission in determining  
24 the current and future costs. The Agency must  
25 determine the self-direct credit amount for new and  
26 existing eligible self-direct customers and submit

1 this to the Commission in an annual compliance filing.  
2 The Commission must approve the self-direct credit  
3 amount by June 1, 2023 and June 1 of each delivery year  
4 thereafter.

5 (5) Customers described in this subparagraph (R)  
6 shall apply, on a form developed by the Agency, to the  
7 Agency to be designated as a self-direct eligible  
8 customer. Once the Agency determines that a  
9 self-direct customer is eligible for participation in  
10 the program, the self-direct customer will remain  
11 eligible until the end of the term of the contract.  
12 Thereafter, application may be made not less than 12  
13 months before the filing date of the long-term  
14 renewable resources procurement plan described in this  
15 Act. At a minimum, such application shall contain the  
16 following:

17 (i) the customer's certification that, at the  
18 time of the customer's application, the customer  
19 qualifies to be a self-direct eligible customer,  
20 including documents demonstrating that  
21 qualification;

22 (ii) the customer's certification that the  
23 customer has entered into or will enter into by  
24 the beginning of the applicable procurement year,  
25 one or more bilateral contracts for new wind  
26 projects or new photovoltaic projects, including



1 supporting documentation;

2 (iii) certification that the contract or  
3 contracts for new renewable energy resources are  
4 long-term contracts with term lengths of at least  
5 10 years, including supporting documentation;

6 (iv) certification of the quantities of  
7 renewable energy credits that the customer will  
8 purchase each year under such contract or  
9 contracts, including supporting documentation;

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

15 (vi) certification that the customer intends  
16 to maintain the contract for the duration of the  
17 length of the contract.

18 (6) If a customer receives the self-direct credit  
19 but fails to properly procure and retire renewable  
20 energy credits as required under this subparagraph  
21 (R), the Commission, on petition from the Agency and  
22 after notice and hearing, may direct such customer's  
23 utility to recover the cost of the wrongfully received  
24 self-direct credits plus interest through an adder to  
25 charges assessed pursuant to Section 16-108 of the  
26 Public Utilities Act. Self-direct customers who

1            knowingly fail to properly procure and retire  
2            renewable energy credits and do not notify the Agency  
3            are ineligible for continued participation in the  
4            self-direct renewable portfolio standard compliance  
5            program.

6            (2) (Blank).

7            (3) (Blank).

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

10           (5) Beginning with the 2010 delivery year and ending  
11           June 1, 2017, an electric utility subject to this  
12           subsection (c) shall apply the lesser of the maximum  
13           alternative compliance payment rate or the most recent  
14           estimated alternative compliance payment rate for its  
15           service territory for the corresponding compliance period,  
16           established pursuant to subsection (d) of Section 16-115D  
17           of the Public Utilities Act to its retail customers that  
18           take service pursuant to the electric utility's hourly  
19           pricing tariff or tariffs. The electric utility shall  
20           retain all amounts collected as a result of the  
21           application of the alternative compliance payment rate or  
22           rates to such customers, and, beginning in 2011, the  
23           utility shall include in the information provided under  
24           item (1) of subsection (d) of Section 16-111.5 of the  
25           Public Utilities Act the amounts collected under the  
26           alternative compliance payment rate or rates for the prior

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

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

19 (7) Renewable energy credits procured from new  
20 photovoltaic projects or new distributed renewable energy  
21 generation devices under this Section after June 1, 2017  
22 (the effective date of Public Act 99-906) must be procured  
23 from devices installed by a qualified person in compliance  
24 with the requirements of Section 16-128A of the Public  
25 Utilities Act and any rules or regulations adopted  
26 thereunder.

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

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

15           (1) In addition to the procurement of renewable energy  
16 credits pursuant to long-term renewable resources  
17 procurement plans in accordance with subsection (c) of  
18 this Section and Section 16-111.5 of the Public Utilities  
19 Act, the Agency shall conduct procurement events in  
20 accordance with this subsection (c-5) for the procurement  
21 by electric utilities that served more than 300,000 retail  
22 customers in this State as of January 1, 2019 of renewable  
23 energy credits from new renewable energy facilities to be  
24 installed at or adjacent to the sites of electric  
25 generating facilities that, as of January 1, 2016, burned  
26 coal as their primary fuel source and meet the other

1 criteria specified in this subsection (c-5). For purposes  
2 of this subsection (c-5), "new renewable energy facility"  
3 means a new utility-scale solar project as defined in this  
4 Section 1-75. The renewable energy credits procured  
5 pursuant to this subsection (c-5) may be included or  
6 counted for purposes of compliance with the amounts of  
7 renewable energy credits required to be procured pursuant  
8 to subsection (c) of this Section to the extent that there  
9 are otherwise shortfalls in compliance with such  
10 requirements. The procurement of renewable energy credits  
11 by electric utilities pursuant to this subsection (c-5)  
12 shall be funded solely by revenues collected from the Coal  
13 to Solar and Energy Storage Initiative Charge provided for  
14 in this subsection (c-5) and subsection (i-5) of Section  
15 16-108 of the Public Utilities Act, shall not be funded by  
16 revenues collected through any of the other funding  
17 mechanisms provided for in subsection (c) of this Section,  
18 and shall not be subject to the limitation imposed by  
19 subsection (c) on charges to retail customers for costs to  
20 procure renewable energy resources pursuant to subsection  
21 (c), and shall not be subject to any other requirements or  
22 limitations of subsection (c).

23 (2) The Agency shall conduct 2 procurement events to  
24 select owners of electric generating facilities meeting  
25 the eligibility criteria specified in this subsection  
26 (c-5) to enter into long-term contracts to sell renewable

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

23 (A) The applicant owns an electric generating  
24 facility located in this State that: (i) as of January  
25 1, 2016, burned coal as its primary fuel to generate  
26 electricity; and (ii) has, or had prior to retirement,

1 an electric generating capacity of at least 150  
2 megawatts. The electric generating facility can be  
3 either: (i) retired as of the date of the procurement  
4 event; or (ii) still operating as of the date of the  
5 procurement event.

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

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

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

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

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



1 employees of the coal-fueled electric generating  
2 facility or by previous employment experience  
3 performing the employee's particular work skill or  
4 function.

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

18 (G) The applicant commits that if selected, it  
19 will negotiate a project labor agreement for the  
20 construction of the new renewable energy facility and  
21 associated energy storage facility that includes  
22 provisions requiring the parties to the agreement to  
23 work together to establish diversity threshold  
24 requirements and to ensure best efforts to meet  
25 diversity targets, improve diversity at the applicable  
26 job site, create diverse apprenticeship opportunities,

1 and create opportunities to employ former coal-fired  
2 power plant workers.

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

22 (I) The applicant's application is certified by an  
23 officer of the applicant and by an officer of the  
24 applicant's ultimate parent company, if any.

25 (3) An applicant may submit applications to contract  
26 to supply renewable energy credits from more than one new

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

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

18 (5) The Agency shall select the applicants and the new  
19 renewable energy facilities to contract with electric  
20 utilities to supply renewable energy credits in accordance  
21 with this subsection (c-5). In the first procurement  
22 event, the Agency shall select applicants and new  
23 renewable energy facilities to supply renewable energy  
24 credits, at a price of \$30 per renewable energy credit,  
25 aggregating to no less than 400,000 renewable energy  
26 credits per year for the applicable duration, assuming

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

18 (6) The obligation to purchase renewable energy  
19 credits from the applicants and their new renewable energy  
20 facilities selected by the Agency shall be allocated to  
21 the electric utilities based on their respective  
22 percentages of kilowatthours delivered to delivery  
23 services customers to the aggregate kilowatthour  
24 deliveries by the electric utilities to delivery services  
25 customers for the year ended December 31, 2021. In order  
26 to achieve these allocation percentages between or among

1 the electric utilities, the Agency shall require each  
2 applicant that is selected in the procurement event to  
3 enter into a contract with each electric utility for the  
4 sale and purchase of renewable energy credits from each  
5 new renewable energy facility to be constructed and  
6 operated by the applicant, with the sale and purchase  
7 obligations under the contracts to aggregate to the total  
8 number of renewable energy credits per year to be supplied  
9 by the applicant from the new renewable energy facility.

10 (7) The Agency shall submit its proposed selection of  
11 applicants, new renewable energy facilities to be  
12 constructed, and renewable energy credit amounts for each  
13 procurement event to the Commission for approval. The  
14 Commission shall, within 2 business days after receipt of  
15 the Agency's proposed selections, approve the proposed  
16 selections if it determines that the applicants and the  
17 new renewable energy facilities to be constructed meet the  
18 selection criteria set forth in this subsection (c-5) and  
19 that the Agency seeks approval for contracts of applicable  
20 durations aggregating to no more than the maximum amount  
21 of renewable energy credits per year authorized by this  
22 subsection (c-5) for the procurement event, at a price of  
23 \$30 per renewable energy credit.

24 (8) The Agency, in conjunction with its procurement  
25 administrator if one is retained, the electric utilities,  
26 and potential applicants for contracts to produce and

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

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

15 (9) Coal to Solar and Energy Storage Initiative  
16 Charge.

17 (A) By no later than July 1, 2022, each electric  
18 utility that served more than 300,000 retail customers  
19 in this State as of January 1, 2019 shall file a tariff  
20 with the Commission for the billing and collection of  
21 a Coal to Solar and Energy Storage Initiative Charge  
22 in accordance with subsection (i-5) of Section 16-108  
23 of the Public Utilities Act, with such tariff to be  
24 effective, following review and approval or  
25 modification by the Commission, beginning January 1,  
26 2023. The tariff shall provide for the calculation and

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

23 (B) Each electric utility shall remit on a monthly  
24 basis to the State Treasurer, for deposit in the Coal  
25 to Solar and Energy Storage Initiative Fund provided  
26 for in this subsection (c-5), the electric utility's



1 collections of the Coal to Solar and Energy Storage  
2 Initiative Charge in the amount estimated to be needed  
3 by the Department for grant payments pursuant to grant  
4 contracts entered into by the Department pursuant to  
5 paragraph (10) of this subsection (c-5).

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

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

22 (B) The Coal to Solar and Energy Storage  
23 Initiative Fund shall not be subject to sweeps,  
24 administrative charges, or chargebacks, including, but  
25 not limited to, those authorized under Section 8h of  
26 the State Finance Act, that would in any way result in

1 the transfer of those funds from the Coal to Solar and  
2 Energy Storage Initiative Fund to any other fund of  
3 this State or in having any such funds utilized for any  
4 purpose other than the express purposes set forth in  
5 this paragraph (10).

6 (C) The Department shall utilize up to  
7 \$280,500,000 in the Coal to Solar and Energy Storage  
8 Initiative Fund for grants, assuming sufficient  
9 qualifying applicants, to support installation of  
10 energy storage facilities at the sites of up to 3  
11 qualifying electric generating facilities located in  
12 the Midcontinent Independent System Operator, Inc.,  
13 region in Illinois and the sites of up to 2 qualifying  
14 electric generating facilities located in the PJM  
15 Interconnection, LLC region in Illinois that meet the  
16 criteria set forth in this subparagraph (C). The  
17 criteria for receipt of a grant pursuant to this  
18 subparagraph (C) are as follows:

19 (1) the electric generating facility at the  
20 site has, or had prior to retirement, an electric  
21 generating capacity of at least 150 megawatts;

22 (2) the electric generating facility burns (or  
23 burned prior to retirement) coal as its primary  
24 source of fuel;

25 (3) if the electric generating facility is  
26 retired, it was retired subsequent to January 1,

1 2016;

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

10 (5) the electric generating facility located  
11 at the site was at one time owned, in whole or in  
12 part, by a public utility as defined in Section  
13 3-105 of the Public Utilities Act;

14 (6) the electric generating facility at the  
15 site is not owned by (i) an electric cooperative  
16 as defined in Section 3-119 of the Public  
17 Utilities Act, or (ii) an entity described in  
18 subsection (b)(1) of Section 3-105 of the Public  
19 Utilities Act, or an association or consortium of  
20 or an entity owned by entities described in items  
21 (i) or (ii);

22 (7) the proposed energy storage facility at  
23 the site will have energy storage capacity of at  
24 least 37 megawatts;

25 (8) the owner commits to place the energy  
26 storage facility into commercial operation on

1 either June 1, 2023, June 1, 2024, or June 1, 2025,  
2 with such date subject to adjustment as needed due  
3 to any delays in completing the grant contracting  
4 process, in finalizing interconnection agreements  
5 and in installing interconnection facilities, and  
6 in obtaining necessary governmental permits and  
7 approvals;

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

14 (10) the owner agrees that personnel operating  
15 the energy storage facility will have the  
16 requisite skills, knowledge, training, experience,  
17 and competence, which may be demonstrated by  
18 completion or current participation and ultimate  
19 completion by employees of an accredited or  
20 otherwise recognized apprenticeship program for  
21 the employee's particular craft, trade, or skill,  
22 including through training and education courses  
23 and opportunities offered by the owner to  
24 employees of the coal-fueled electric generating  
25 facility or by previous employment experience  
26 performing the employee's particular work skill or

1 function;

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

15 (12) the owner commits that if selected to  
16 receive a grant, it will negotiate a project labor  
17 agreement for the construction of the new energy  
18 storage facility that includes provisions  
19 requiring the parties to the agreement to work  
20 together to establish diversity threshold  
21 requirements and to ensure best efforts to meet  
22 diversity targets, improve diversity at the  
23 applicable job site, create diverse apprenticeship  
24 opportunities, and create opportunities to employ  
25 former coal-fired power plant workers.

26 The Department shall accept applications for this

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

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

20 (E) All disbursements from the Coal to Solar and  
21 Energy Storage Initiative Fund shall be made only upon  
22 warrants of the Comptroller drawn upon the Treasurer  
23 as custodian of the Fund upon vouchers signed by the  
24 Director of the Department or by the person or persons  
25 designated by the Director of the Department for that  
26 purpose. The Comptroller is authorized to draw the

1 warrants upon vouchers so signed. The Treasurer shall  
2 accept all written warrants so signed and shall be  
3 released from liability for all payments made on those  
4 warrants.

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

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

26 (B) For purposes of this paragraph (11), diversity

1 composition shall be based on the percentage, which  
2 shall be a minimum of 25%, of eligible expenditures  
3 for contract awards for materials and services (which  
4 shall be defined in the plan) to business enterprises  
5 owned by minority persons, women, or persons with  
6 disabilities as defined in Section 2 of the Business  
7 Enterprise for Minorities, Women, and Persons with  
8 Disabilities Act, to LGBTQ business enterprises, to  
9 veteran-owned business enterprises, and to business  
10 enterprises located in environmental justice  
11 communities. The diversity composition goals of the  
12 plan may include eligible expenditures in areas for  
13 vendor or supplier opportunities in addition to  
14 development and construction of the project, and may  
15 exclude from eligible expenditures materials and  
16 services with limited market availability, limited  
17 production and availability from suppliers in the  
18 United States, such as solar panels and storage  
19 batteries, and material and services that are subject  
20 to critical energy infrastructure or cybersecurity  
21 requirements or restrictions. The plan may provide  
22 that the diversity composition goals may be met  
23 through Tier 1 Direct or Tier 2 subcontracting  
24 expenditures or a combination thereof for the project.

25 (C) The plan shall provide for, but not be limited  
26 to: (i) internal initiatives, including multi-tier



1 initiatives, by the applicant or owner, or by its  
2 engineering, procurement and construction contractor  
3 if one is used for the project, which for purposes of  
4 this paragraph (11) shall be referred to as the EPC  
5 contractor, to enable diverse businesses to be  
6 considered fairly for selection to provide materials  
7 and services; (ii) requirements for the applicant or  
8 owner or its EPC contractor to proactively solicit and  
9 utilize diverse businesses to provide materials and  
10 services; and (iii) requirements for the applicant or  
11 owner or its EPC contractor to hire a diverse  
12 workforce for the project. The plan shall include a  
13 description of the applicant's or owner's diversity  
14 recruiting efforts both for the project and for other  
15 areas of the applicant's or owner's business  
16 operations. The plan shall provide for the imposition  
17 of financial penalties on the applicant's or owner's  
18 EPC contractor for failure to exercise best efforts to  
19 comply with and execute the EPC contractor's diversity  
20 obligations under the plan. The plan may provide for  
21 the applicant or owner to set aside a portion of the  
22 work on the project to serve as an incubation program  
23 for qualified businesses, as specified in the plan,  
24 owned by minority persons, women, persons with  
25 disabilities, LGBTQ persons, and veterans, and  
26 businesses located in environmental justice

1 communities, seeking to enter the renewable energy  
2 industry.

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

18 (c-10) Equity accountability system. It is the purpose of  
19 this subsection (c-10) to create an equity accountability  
20 system, which includes the minimum equity standards for all  
21 renewable energy procurements, the equity category of the  
22 Adjustable Block Program, and the equity prioritization for  
23 noncompetitive procurements, that is successful in advancing  
24 priority access to the clean energy economy for businesses and  
25 workers from communities that have been excluded from economic  
26 opportunities in the energy sector, have been subject to

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

12 (1) Minimum equity standards. The Agency shall create  
13 programs with the purpose of increasing access to and  
14 development of equity eligible contractors, who are prime  
15 contractors and subcontractors, across all of the programs  
16 it manages. All applications for renewable energy credit  
17 procurements shall comply with specific minimum equity  
18 commitments. Starting in the delivery year immediately  
19 following the next long-term renewable resources  
20 procurement plan, at least 10% of the project workforce  
21 for each entity participating in a procurement program  
22 outlined in this subsection (c-10) must be done by equity  
23 eligible persons or equity eligible contractors. The  
24 Agency shall increase the minimum percentage each delivery  
25 year thereafter by increments that ensure a statewide  
26 average of 30% of the project workforce for each entity

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

20 (A) At the start of each delivery year, the Agency  
21 shall require a compliance plan from each entity  
22 participating in a procurement program of subsection  
23 (c) of this Section that demonstrates how they will  
24 achieve compliance with the minimum equity standard  
25 percentage for work completed in that delivery year.  
26 If an entity applies for its approved vendor or

1           designee status between delivery years, the Agency  
2           shall require a compliance plan at the time of  
3           application.

4           (B) Halfway through each delivery year, the Agency  
5           shall require each entity participating in a  
6           procurement program to confirm that it will achieve  
7           compliance in that delivery year, when applicable. The  
8           Agency may offer corrective action plans to entities  
9           that are not on track to achieve compliance.

10          (C) At the end of each delivery year, each entity  
11          participating and completing work in that delivery  
12          year in a procurement program of subsection (c) shall  
13          submit a report to the Agency that demonstrates how it  
14          achieved compliance with the minimum equity standards  
15          percentage for that delivery year.

16          (D) The Agency shall prohibit participation in  
17          procurement programs by an approved vendor or  
18          designee, as applicable, or entities with which an  
19          approved vendor or designee, as applicable, shares a  
20          common parent company if an approved vendor or  
21          designee, as applicable, failed to meet the minimum  
22          equity standards for the prior delivery year. Waivers  
23          approved for lack of equity eligible persons or equity  
24          eligible contractors in a geographic area of a project  
25          shall not count against the approved vendor or  
26          designee. The Agency shall offer a corrective action

1 plan for any such entities to assist them in obtaining  
2 compliance and shall allow continued access to  
3 procurement programs upon an approved vendor or  
4 designee demonstrating compliance.

5 (E) The Agency shall pursue efficiencies achieved  
6 by combining with other approved vendor or designee  
7 reporting.

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

12 (3) Equity accountability system within competitive  
13 procurements. Through its long-term renewable resources  
14 procurement plan, the Agency shall develop requirements  
15 for ensuring that competitive procurement processes,  
16 including utility-scale solar, utility-scale wind, and  
17 brownfield site photovoltaic projects, advance the equity  
18 goals of this subsection (c-10). Subject to Commission  
19 approval, the Agency shall develop bid application  
20 requirements and a bid evaluation methodology for ensuring  
21 that utilization of equity eligible contractors, whether  
22 as bidders or as participants on project development, is  
23 optimized, including requiring that winning or successful  
24 applicants for utility-scale projects are or will partner  
25 with equity eligible contractors and giving preference to  
26 bids through which a higher portion of contract value

1 flows to equity eligible contractors. To the extent  
2 practicable, entities participating in competitive  
3 procurements shall also be required to meet all the equity  
4 accountability requirements for approved vendors and their  
5 designees under this subsection (c-10). In developing  
6 these requirements, the Agency shall also consider whether  
7 equity goals can be further advanced through additional  
8 measures.

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

12 (A) The current status and number of equity  
13 eligible contractors listed in the Energy Workforce  
14 Equity Database designed in subsection (c-25),  
15 including the number of equity eligible contractors  
16 with current certifications as issued by the Agency.

17 (B) A mechanism for measuring, tracking, and  
18 reporting project workforce at the approved vendor or  
19 designee level, as applicable, which shall include a  
20 measurement methodology and records to be made  
21 available for audit by the Agency or the Program  
22 Administrator.

23 (C) A program for approved vendors, designees,  
24 eligible persons, and equity eligible contractors to  
25 receive trainings, guidance, and other support from  
26 the Agency or its designee regarding the equity

1 category outlined in item (vi) of subparagraph (K) of  
2 paragraph (1) of subsection (c) and in meeting the  
3 minimum equity standards of this subsection (c-10).

4 (D) A process for certifying equity eligible  
5 contractors and equity eligible persons. The  
6 certification process shall coordinate with the Energy  
7 Workforce Equity Database set forth in subsection  
8 (c-25).

9 (E) An application for waiver of the minimum  
10 equity standards of this subsection, which the Agency  
11 shall have the discretion to grant in rare  
12 circumstances. The Agency may grant such a waiver  
13 where the applicant provides evidence of significant  
14 efforts toward meeting the minimum equity commitment,  
15 including: use of the Energy Workforce Equity  
16 Database; efforts to hire or contract with entities  
17 that hire eligible persons; and efforts to establish  
18 contracting relationships with eligible contractors.  
19 The Agency shall support applicants in understanding  
20 the Energy Workforce Equity Database and other  
21 resources for pursuing compliance of the minimum  
22 equity standards. Waivers shall be project-specific,  
23 unless the Agency deems it necessary to grant a waiver  
24 across a portfolio of projects, and in effect for no  
25 longer than one year. Any waiver extension or  
26 subsequent waiver request from an applicant shall be



1 subject to the requirements of this Section and shall  
2 specify efforts made to reach compliance. When  
3 considering whether to grant a waiver, and to what  
4 extent, the Agency shall consider the degree to which  
5 similarly situated applicants have been able to meet  
6 these minimum equity commitments. For repeated waiver  
7 requests for specific lack of eligible persons or  
8 eligible contractors available, the Agency shall make  
9 recommendations to target recruitment to add such  
10 eligible persons or eligible contractors to the  
11 database.

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

20 (6) The Agency shall keep confidential all information  
21 and communication that provides private or personal  
22 information.

23 (7) Modifications to the equity accountability system.  
24 As part of the update of the long-term renewable resources  
25 procurement plan to be initiated in 2023, or sooner if the  
26 Agency deems necessary, the Agency shall determine the

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

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

1           (1) Purpose. It is the purpose of this subsection to  
2           empower the Agency and other State actors to remedy racial  
3           discrimination in Illinois' clean energy economy as  
4           effectively and expediently as possible, including through  
5           the use of race-conscious remedies, such as race-conscious  
6           contracting and hiring goals, as consistent with State and  
7           federal law.

8           (2) Racial disparity and discrimination review  
9           process.

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

21           (B) As soon as is practicable thereafter, the  
22           Agency, in consultation with the Department of  
23           Commerce and Economic Opportunity, Department of  
24           Labor, and other agencies that may be relevant, shall  
25           commission and publish a disparity and availability  
26           study that measures the presence and impact of

1 discrimination on minority businesses and workers in  
2 Illinois' clean energy economy. The Agency may hire  
3 consultants and experts to conduct the disparity and  
4 availability study, with the retention of those  
5 consultants and experts exempt from the requirements  
6 of Section 20-10 of the Illinois Procurement Code. The  
7 Illinois Power Agency shall forward a copy of its  
8 findings and recommendations to the Governor, the  
9 General Assembly, and the Illinois Commerce  
10 Commission. If the disparity and availability study  
11 establishes a strong basis in evidence that there is  
12 discrimination in Illinois' clean energy economy, the  
13 Agency, Department of Commerce and Economic  
14 Opportunity, Department of Labor, Department of  
15 Corrections, and other appropriate agencies shall take  
16 appropriate remedial actions, including race-conscious  
17 remedial actions as consistent with State and federal  
18 law, to effectively remedy this discrimination. Such  
19 remedies may include modification of the equity  
20 accountability system as described in subsection  
21 (c-10).

22 (c-20) Program data collection.

23 (1) Purpose. Data collection, data analysis, and  
24 reporting are critical to ensure that the benefits of the  
25 clean energy economy provided to Illinois residents and  
26 businesses are equitably distributed across the State. The

1 Agency shall collect data from program applicants in order  
2 to track and improve equitable distribution of benefits  
3 across Illinois communities for all procurements the  
4 Agency conducts. The Agency shall use this data to, among  
5 other things, measure any potential impact of racial  
6 discrimination on the distribution of benefits and provide  
7 information necessary to correct any discrimination  
8 through methods consistent with State and federal law.

9 (2) Agency collection of program data. The Agency  
10 shall collect demographic and geographic data for each  
11 entity awarded contracts under any Agency-administered  
12 program.

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

16 (A) demographic information, including racial or  
17 ethnic identity for real persons employed, contracted,  
18 or subcontracted through the program and owners of  
19 businesses or entities that apply to receive renewable  
20 energy credits from the Agency;

21 (B) geographic location of the residency of real  
22 persons employed, contracted, or subcontracted through  
23 the program and geographic location of the  
24 headquarters of the business or entity that applies to  
25 receive renewable energy credits from the Agency; and

26 (C) any other information the Agency determines is

1           necessary for the purpose of achieving the purpose of  
2           this subsection.

3           (4) Publication of collected information. The Agency  
4           shall publish, at least annually, information on the  
5           demographics of program participants on an aggregate  
6           basis.

7           (5) Nothing in this subsection shall be interpreted to  
8           limit the authority of the Agency, or other agency or  
9           department of the State, to require or collect demographic  
10          information from applicants of other State programs.

11          (c-25) Energy Workforce Equity Database.

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

22                   (A) publicly accessible;

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

24                   (C) organized by company specialty or field;

25                   (D) region-specific; and

26                   (E) populated with information including, but not

1 limited to, contacts for suppliers, vendors, or  
2 subcontractors who are minority and women-owned  
3 business enterprise certified or who participate or  
4 have participated in any of the programs described in  
5 this Act.

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

9 (A) a map of environmental justice and equity  
10 investment eligible communities;

11 (B) job postings and recruiting opportunities;

12 (C) a means by which recruiting clean energy  
13 companies can find and interact with current or former  
14 participants of clean energy workforce training  
15 programs;

16 (D) information on workforce training service  
17 providers and training opportunities available to  
18 prospective workers;

19 (E) renewable energy company diversity reporting;

20 (F) a list of equity eligible contractors with  
21 their contact information, types of work performed,  
22 and locations worked in;

23 (G) reporting on outcomes of the programs  
24 described in the workforce programs of the Energy  
25 Transition Act, including information such as, but not  
26 limited to, retention rate, graduation rate, and

1 placement rates of trainees; and

2 (H) information about the Jobs and Environmental  
3 Justice Grant Program, the Clean Energy Jobs and  
4 Justice Fund, and other sources of capital.

5 (3) The Agency shall ensure the database is regularly  
6 updated to ensure information is current and shall  
7 coordinate with the Department of Commerce and Economic  
8 Opportunity to ensure that it includes information on  
9 individuals and entities that are or have participated in  
10 the Clean Jobs Workforce Network Program, Clean Energy  
11 Contractor Incubator Program, Returning Residents Clean  
12 Jobs Training Program, or Clean Energy Primes Contractor  
13 Accelerator Program.

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



1 action plan and achieve compliance with the minimum equity  
2 standards.

3 (d) Clean coal portfolio standard.

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

1 subject to Commission review and approval.

2 A utility party to a sourcing agreement shall  
3 immediately retire any emission credits that it receives  
4 in connection with the electricity covered by such  
5 agreement.

6 Utilities shall maintain adequate records documenting  
7 the purchases under the sourcing agreement to comply with  
8 this subsection (d) and shall file an accounting with the  
9 load forecast that must be filed with the Agency by July 15  
10 of each year, in accordance with subsection (d) of Section  
11 16-111.5 of the Public Utilities Act.

12 A utility shall be deemed to have complied with the  
13 clean coal portfolio standard specified in this subsection  
14 (d) if the utility enters into a sourcing agreement as  
15 required by this subsection (d).

16 (2) For purposes of this subsection (d), the required  
17 execution of sourcing agreements with the initial clean  
18 coal facility for a particular year shall be measured as a  
19 percentage of the actual amount of electricity  
20 (megawatt-hours) supplied by the electric utility to  
21 eligible retail customers in the planning year ending  
22 immediately prior to the agreement's execution. For  
23 purposes of this subsection (d), the amount paid per  
24 kilowatthour means the total amount paid for electric  
25 service expressed on a per kilowatthour basis. For  
26 purposes of this subsection (d), the total amount paid for

1 electric service includes without limitation amounts paid  
2 for supply, transmission, distribution, surcharges and  
3 add-on taxes.

4 Notwithstanding the requirements of this subsection  
5 (d), the total amount paid under sourcing agreements with  
6 clean coal facilities pursuant to the procurement plan for  
7 any given year shall be reduced by an amount necessary to  
8 limit the annual estimated average net increase due to the  
9 costs of these resources included in the amounts paid by  
10 eligible retail customers in connection with electric  
11 service to:

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

15 (B) in 2011, the greater of an additional 0.5% of  
16 the amount paid per kilowatthour by those customers  
17 during the year ending May 31, 2010 or 1% of the amount  
18 paid per kilowatthour by those customers during the  
19 year ending May 31, 2009;

20 (C) in 2012, the greater of an additional 0.5% of  
21 the amount paid per kilowatthour by those customers  
22 during the year ending May 31, 2011 or 1.5% of the  
23 amount paid per kilowatthour by those customers during  
24 the year ending May 31, 2009;

25 (D) in 2013, the greater of an additional 0.5% of  
26 the amount paid per kilowatthour by those customers

1           during the year ending May 31, 2012 or 2% of the amount  
2           paid per kilowatthour by those customers during the  
3           year ending May 31, 2009; and

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

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

25          (3) Initial clean coal facility. In order to promote  
26          development of clean coal facilities in Illinois, each

1 electric utility subject to this Section shall execute a  
2 sourcing agreement to source electricity from a proposed  
3 clean coal facility in Illinois (the "initial clean coal  
4 facility") that will have a nameplate capacity of at least  
5 500 MW when commercial operation commences, that has a  
6 final Clean Air Act permit on June 1, 2009 (the effective  
7 date of Public Act 95-1027), and that will meet the  
8 definition of clean coal facility in Section 1-10 of this  
9 Act when commercial operation commences. The sourcing  
10 agreements with this initial clean coal facility shall be  
11 subject to both approval of the initial clean coal  
12 facility by the General Assembly and satisfaction of the  
13 requirements of paragraph (4) of this subsection (d) and  
14 shall be executed within 90 days after any such approval  
15 by the General Assembly. The Agency and the Commission  
16 shall have authority to inspect all books and records  
17 associated with the initial clean coal facility during the  
18 term of such a sourcing agreement. A utility's sourcing  
19 agreement for electricity produced by the initial clean  
20 coal facility shall include:

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

24 (i) be determined using a cost of service  
25 methodology employing either a level or deferred  
26 capital recovery component, based on a capital

1 structure consisting of 45% equity and 55% debt,  
2 and a return on equity as may be approved by the  
3 Federal Energy Regulatory Commission, which in any  
4 case may not exceed the lower of 11.5% or the rate  
5 of return approved by the General Assembly  
6 pursuant to paragraph (4) of this subsection (d);  
7 and

8 (ii) provide that all miscellaneous net  
9 revenue, including but not limited to net revenue  
10 from the sale of emission allowances, if any,  
11 substitute natural gas, if any, grants or other  
12 support provided by the State of Illinois or the  
13 United States Government, firm transmission  
14 rights, if any, by-products produced by the  
15 facility, energy or capacity derived from the  
16 facility and not covered by a sourcing agreement  
17 pursuant to paragraph (3) of this subsection (d)  
18 or item (5) of subsection (d) of Section 16-115 of  
19 the Public Utilities Act, whether generated from  
20 the synthesis gas derived from coal, from SNG, or  
21 from natural gas, shall be credited against the  
22 revenue requirement for this initial clean coal  
23 facility;

24 (B) power purchase provisions, which shall:

25 (i) provide that the utility party to such  
26 sourcing agreement shall pay the contract price

1 for electricity delivered under such sourcing  
2 agreement;

3 (ii) require delivery of electricity to the  
4 regional transmission organization market of the  
5 utility that is party to such sourcing agreement;

6 (iii) require the utility party to such  
7 sourcing agreement to buy from the initial clean  
8 coal facility in each hour an amount of energy  
9 equal to all clean coal energy made available from  
10 the initial clean coal facility during such hour  
11 times a fraction, the numerator of which is such  
12 utility's retail market sales of electricity  
13 (expressed in kilowatthours sold) in the State  
14 during the prior calendar month and the  
15 denominator of which is the total retail market  
16 sales of electricity (expressed in kilowatthours  
17 sold) in the State by utilities during such prior  
18 month and the sales of electricity (expressed in  
19 kilowatthours sold) in the State by alternative  
20 retail electric suppliers during such prior month  
21 that are subject to the requirements of this  
22 subsection (d) and paragraph (5) of subsection (d)  
23 of Section 16-115 of the Public Utilities Act,  
24 provided that the amount purchased by the utility  
25 in any year will be limited by paragraph (2) of  
26 this subsection (d); and

1           (iv) be considered pre-existing contracts in  
2           such utility's procurement plans for eligible  
3           retail customers;

4           (C) contract for differences provisions, which  
5           shall:

6           (i) require the utility party to such sourcing  
7           agreement to contract with the initial clean coal  
8           facility in each hour with respect to an amount of  
9           energy equal to all clean coal energy made  
10          available from the initial clean coal facility  
11          during such hour times a fraction, the numerator  
12          of which is such utility's retail market sales of  
13          electricity (expressed in kilowatthours sold) in  
14          the utility's service territory in the State  
15          during the prior calendar month and the  
16          denominator of which is the total retail market  
17          sales of electricity (expressed in kilowatthours  
18          sold) in the State by utilities during such prior  
19          month and the sales of electricity (expressed in  
20          kilowatthours sold) in the State by alternative  
21          retail electric suppliers during such prior month  
22          that are subject to the requirements of this  
23          subsection (d) and paragraph (5) of subsection (d)  
24          of Section 16-115 of the Public Utilities Act,  
25          provided that the amount paid by the utility in  
26          any year will be limited by paragraph (2) of this



1 subsection (d);

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

20 (iii) not require the utility to take physical  
21 delivery of the electricity produced by the  
22 facility;

23 (D) general provisions, which shall:

24 (i) specify a term of no more than 30 years,  
25 commencing on the commercial operation date of the  
26 facility;

1           (ii) provide that utilities shall maintain  
2 adequate records documenting purchases under the  
3 sourcing agreements entered into to comply with  
4 this subsection (d) and shall file an accounting  
5 with the load forecast that must be filed with the  
6 Agency by July 15 of each year, in accordance with  
7 subsection (d) of Section 16-111.5 of the Public  
8 Utilities Act;

9           (iii) provide that all costs associated with  
10 the initial clean coal facility will be  
11 periodically reported to the Federal Energy  
12 Regulatory Commission and to purchasers in  
13 accordance with applicable laws governing  
14 cost-based wholesale power contracts;

15           (iv) permit the Illinois Power Agency to  
16 assume ownership of the initial clean coal  
17 facility, without monetary consideration and  
18 otherwise on reasonable terms acceptable to the  
19 Agency, if the Agency so requests no less than 3  
20 years prior to the end of the stated contract  
21 term;

22           (v) require the owner of the initial clean  
23 coal facility to provide documentation to the  
24 Commission each year, starting in the facility's  
25 first year of commercial operation, accurately  
26 reporting the quantity of carbon emissions from

1 the facility that have been captured and  
2 sequestered and report any quantities of carbon  
3 released from the site or sites at which carbon  
4 emissions were sequestered in prior years, based  
5 on continuous monitoring of such sites. If, in any  
6 year after the first year of commercial operation,  
7 the owner of the facility fails to demonstrate  
8 that the initial clean coal facility captured and  
9 sequestered at least 50% of the total carbon  
10 emissions that the facility would otherwise emit  
11 or that sequestration of emissions from prior  
12 years has failed, resulting in the release of  
13 carbon dioxide into the atmosphere, the owner of  
14 the facility must offset excess emissions. Any  
15 such carbon offsets must be permanent, additional,  
16 verifiable, real, located within the State of  
17 Illinois, and legally and practicably enforceable.  
18 The cost of such offsets for the facility that are  
19 not recoverable shall not exceed \$15 million in  
20 any given year. No costs of any such purchases of  
21 carbon offsets may be recovered from a utility or  
22 its customers. All carbon offsets purchased for  
23 this purpose and any carbon emission credits  
24 associated with sequestration of carbon from the  
25 facility must be permanently retired. The initial  
26 clean coal facility shall not forfeit its

1 designation as a clean coal facility if the  
2 facility fails to fully comply with the applicable  
3 carbon sequestration requirements in any given  
4 year, provided the requisite offsets are  
5 purchased. However, the Attorney General, on  
6 behalf of the People of the State of Illinois, may  
7 specifically enforce the facility's sequestration  
8 requirement and the other terms of this contract  
9 provision. Compliance with the sequestration  
10 requirements and offset purchase requirements  
11 specified in paragraph (3) of this subsection (d)  
12 shall be reviewed annually by an independent  
13 expert retained by the owner of the initial clean  
14 coal facility, with the advance written approval  
15 of the Attorney General. The Commission may, in  
16 the course of the review specified in item (vii),  
17 reduce the allowable return on equity for the  
18 facility if the facility willfully fails to comply  
19 with the carbon capture and sequestration  
20 requirements set forth in this item (v);

21 (vi) include limits on, and accordingly  
22 provide for modification of, the amount the  
23 utility is required to source under the sourcing  
24 agreement consistent with paragraph (2) of this  
25 subsection (d);

26 (vii) require Commission review: (1) to

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

15 (viii) limit the utility's obligation to such  
16 amount as the utility is allowed to recover  
17 through tariffs filed with the Commission,  
18 provided that neither the clean coal facility nor  
19 the utility waives any right to assert federal  
20 pre-emption or any other argument in response to a  
21 purported disallowance of recovery costs;

22 (ix) limit the utility's or alternative retail  
23 electric supplier's obligation to incur any  
24 liability until such time as the facility is in  
25 commercial operation and generating power and  
26 energy and such power and energy is being

1 delivered to the facility busbar;

2 (x) provide that the owner or owners of the  
3 initial clean coal facility, which is the  
4 counterparty to such sourcing agreement, shall  
5 have the right from time to time to elect whether  
6 the obligations of the utility party thereto shall  
7 be governed by the power purchase provisions or  
8 the contract for differences provisions;

9 (xi) append documentation showing that the  
10 formula rate and contract, insofar as they relate  
11 to the power purchase provisions, have been  
12 approved by the Federal Energy Regulatory  
13 Commission pursuant to Section 205 of the Federal  
14 Power Act;

15 (xii) provide that any changes to the terms of  
16 the contract, insofar as such changes relate to  
17 the power purchase provisions, are subject to  
18 review under the public interest standard applied  
19 by the Federal Energy Regulatory Commission  
20 pursuant to Sections 205 and 206 of the Federal  
21 Power Act; and

22 (xiii) conform with customary lender  
23 requirements in power purchase agreements used as  
24 the basis for financing non-utility generators.

25 (4) Effective date of sourcing agreements with the  
26 initial clean coal facility. Any proposed sourcing

1 agreement with the initial clean coal facility shall not  
2 become effective unless the following reports are prepared  
3 and submitted and authorizations and approvals obtained:

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

17 (ii) Commission report. Within 6 months following  
18 receipt of the facility cost report, the Commission,  
19 in consultation with the Agency, shall submit a report  
20 to the General Assembly setting forth its analysis of  
21 the facility cost report. Such report shall include,  
22 but not be limited to, a comparison of the costs  
23 associated with electricity generated by the initial  
24 clean coal facility to the costs associated with  
25 electricity generated by other types of generation  
26 facilities, an analysis of the rate impacts on

1 residential and small business customers over the life  
2 of the sourcing agreements, and an analysis of the  
3 likelihood that the initial clean coal facility will  
4 commence commercial operation by and be delivering  
5 power to the facility's busbar by 2016. To assist in  
6 the preparation of its report, the Commission, in  
7 consultation with the Agency, may hire one or more  
8 experts or consultants, the costs of which shall be  
9 paid for by the owner of the initial clean coal  
10 facility. The Commission and Agency may begin the  
11 process of selecting such experts or consultants prior  
12 to receipt of the facility cost report.

13 (iii) General Assembly approval. The proposed  
14 sourcing agreements shall not take effect unless,  
15 based on the facility cost report and the Commission's  
16 report, the General Assembly enacts authorizing  
17 legislation approving (A) the projected price, stated  
18 in cents per kilowatthour, to be charged for  
19 electricity generated by the initial clean coal  
20 facility, (B) the projected impact on residential and  
21 small business customers' bills over the life of the  
22 sourcing agreements, and (C) the maximum allowable  
23 return on equity for the project; and

24 (iv) Commission review. If the General Assembly  
25 enacts authorizing legislation pursuant to  
26 subparagraph (iii) approving a sourcing agreement, the



1 Commission shall, within 90 days of such enactment,  
2 complete a review of such sourcing agreement. During  
3 such time period, the Commission shall implement any  
4 directive of the General Assembly, resolve any  
5 disputes between the parties to the sourcing agreement  
6 concerning the terms of such agreement, approve the  
7 form of such agreement, and issue an order finding  
8 that the sourcing agreement is prudent and reasonable.  
9 The facility cost report shall be prepared as follows:

10 (A) The facility cost report shall be prepared by  
11 duly licensed engineering and construction firms  
12 detailing the estimated capital costs payable to one  
13 or more contractors or suppliers for the engineering,  
14 procurement and construction of the components  
15 comprising the initial clean coal facility and the  
16 estimated costs of operation and maintenance of the  
17 facility. The facility cost report shall include:

18 (i) an estimate of the capital cost of the  
19 core plant based on one or more front end  
20 engineering and design studies for the  
21 gasification island and related facilities. The  
22 core plant shall include all civil, structural,  
23 mechanical, electrical, control, and safety  
24 systems.

25 (ii) an estimate of the capital cost of the  
26 balance of the plant, including any capital costs

1 associated with sequestration of carbon dioxide  
2 emissions and all interconnects and interfaces  
3 required to operate the facility, such as  
4 transmission of electricity, construction or  
5 backfeed power supply, pipelines to transport  
6 substitute natural gas or carbon dioxide, potable  
7 water supply, natural gas supply, water supply,  
8 water discharge, landfill, access roads, and coal  
9 delivery.

10 The quoted construction costs shall be expressed  
11 in nominal dollars as of the date that the quote is  
12 prepared and shall include capitalized financing costs  
13 during construction, taxes, insurance, and other  
14 owner's costs, and an assumed escalation in materials  
15 and labor beyond the date as of which the construction  
16 cost quote is expressed.

17 (B) The front end engineering and design study for  
18 the gasification island and the cost study for the  
19 balance of plant shall include sufficient design work  
20 to permit quantification of major categories of  
21 materials, commodities and labor hours, and receipt of  
22 quotes from vendors of major equipment required to  
23 construct and operate the clean coal facility.

24 (C) The facility cost report shall also include an  
25 operating and maintenance cost quote that will provide  
26 the estimated cost of delivered fuel, personnel,

1 maintenance contracts, chemicals, catalysts,  
2 consumables, spares, and other fixed and variable  
3 operations and maintenance costs. The delivered fuel  
4 cost estimate will be provided by a recognized third  
5 party expert or experts in the fuel and transportation  
6 industries. The balance of the operating and  
7 maintenance cost quote, excluding delivered fuel  
8 costs, will be developed based on the inputs provided  
9 by duly licensed engineering and construction firms  
10 performing the construction cost quote, potential  
11 vendors under long-term service agreements and plant  
12 operating agreements, or recognized third party plant  
13 operator or operators.

14 The operating and maintenance cost quote  
15 (including the cost of the front end engineering and  
16 design study) shall be expressed in nominal dollars as  
17 of the date that the quote is prepared and shall  
18 include taxes, insurance, and other owner's costs, and  
19 an assumed escalation in materials and labor beyond  
20 the date as of which the operating and maintenance  
21 cost quote is expressed.

22 (D) The facility cost report shall also include an  
23 analysis of the initial clean coal facility's ability  
24 to deliver power and energy into the applicable  
25 regional transmission organization markets and an  
26 analysis of the expected capacity factor for the

1 initial clean coal facility.

2 (E) Amounts paid to third parties unrelated to the  
3 owner or owners of the initial clean coal facility to  
4 prepare the core plant construction cost quote,  
5 including the front end engineering and design study,  
6 and the operating and maintenance cost quote will be  
7 reimbursed through Coal Development Bonds.

8 (5) Re-powering and retrofitting coal-fired power  
9 plants previously owned by Illinois utilities to qualify  
10 as clean coal facilities. During the 2009 procurement  
11 planning process and thereafter, the Agency and the  
12 Commission shall consider sourcing agreements covering  
13 electricity generated by power plants that were previously  
14 owned by Illinois utilities and that have been or will be  
15 converted into clean coal facilities, as defined by  
16 Section 1-10 of this Act. Pursuant to such procurement  
17 planning process, the owners of such facilities may  
18 propose to the Agency sourcing agreements with utilities  
19 and alternative retail electric suppliers required to  
20 comply with subsection (d) of this Section and item (5) of  
21 subsection (d) of Section 16-115 of the Public Utilities  
22 Act, covering electricity generated by such facilities. In  
23 the case of sourcing agreements that are power purchase  
24 agreements, the contract price for electricity sales shall  
25 be established on a cost of service basis. In the case of  
26 sourcing agreements that are contracts for differences,

1 the contract price from which the reference price is  
2 subtracted shall be established on a cost of service  
3 basis. The Agency and the Commission may approve any such  
4 utility sourcing agreements that do not exceed cost-based  
5 benchmarks developed by the procurement administrator, in  
6 consultation with the Commission staff, Agency staff and  
7 the procurement monitor, subject to Commission review and  
8 approval. The Commission shall have authority to inspect  
9 all books and records associated with these clean coal  
10 facilities during the term of any such contract.

11 (6) Costs incurred under this subsection (d) or  
12 pursuant to a contract entered into under this subsection  
13 (d) shall be deemed prudently incurred and reasonable in  
14 amount and the electric utility shall be entitled to full  
15 cost recovery pursuant to the tariffs filed with the  
16 Commission.

17 (d-5) Zero emission standard.

18 (1) Beginning with the delivery year commencing on  
19 June 1, 2017, the Agency shall, for electric utilities  
20 that serve at least 100,000 retail customers in this  
21 State, procure contracts with zero emission facilities  
22 that are reasonably capable of generating cost-effective  
23 zero emission credits in an amount approximately equal to  
24 16% of the actual amount of electricity delivered by each  
25 electric utility to retail customers in the State during  
26 calendar year 2014. For an electric utility serving fewer

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

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

25 The procurement process shall be subject to the  
26 following provisions:

1 (A) Those zero emission facilities that intend to  
2 participate in the procurement shall submit to the  
3 Agency the following eligibility information for each  
4 zero emission facility on or before the date  
5 established by the Agency:

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

8 (ii) the amount of power generated annually  
9 for each of the years 2005 through 2015, and the  
10 projected zero emission credits to be generated  
11 over the remaining useful life of the zero  
12 emission facility, which shall be used to  
13 determine the capability of each facility;

14 (iii) the annual zero emission facility cost  
15 projections, expressed on a per megawatthour  
16 basis, over the next 6 delivery years, which shall  
17 include the following: operation and maintenance  
18 expenses; fully allocated overhead costs, which  
19 shall be allocated using the methodology developed  
20 by the Institute for Nuclear Power Operations;  
21 fuel expenditures; non-fuel capital expenditures;  
22 spent fuel expenditures; a return on working  
23 capital; the cost of operational and market risks  
24 that could be avoided by ceasing operation; and  
25 any other costs necessary for continued  
26 operations, provided that "necessary" means, for

1 purposes of this item (iii), that the costs could  
2 reasonably be avoided only by ceasing operations  
3 of the zero emission facility; and

4 (iv) a commitment to continue operating, for  
5 the duration of the contract or contracts executed  
6 under the procurement held under this subsection  
7 (d-5), the zero emission facility that produces  
8 the zero emission credits to be procured in the  
9 procurement.

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

21 (B) The price for each zero emission credit  
22 procured under this subsection (d-5) for each delivery  
23 year shall be in an amount that equals the Social Cost  
24 of Carbon, expressed on a price per megawatthour  
25 basis. However, to ensure that the procurement remains  
26 affordable to retail customers in this State if



1 electricity prices increase, the price in an  
2 applicable delivery year shall be reduced below the  
3 Social Cost of Carbon by the amount ("Price  
4 Adjustment") by which the market price index for the  
5 applicable delivery year exceeds the baseline market  
6 price index for the consecutive 12-month period ending  
7 May 31, 2016. If the Price Adjustment is greater than  
8 or equal to the Social Cost of Carbon in an applicable  
9 delivery year, then no payments shall be due in that  
10 delivery year. The components of this calculation are  
11 defined as follows:

12 (i) Social Cost of Carbon: The Social Cost of  
13 Carbon is \$16.50 per megawatthour, which is based  
14 on the U.S. Interagency Working Group on Social  
15 Cost of Carbon's price in the August 2016  
16 Technical Update using a 3% discount rate,  
17 adjusted for inflation for each year of the  
18 program. Beginning with the delivery year  
19 commencing June 1, 2023, the price per  
20 megawatthour shall increase by \$1 per  
21 megawatthour, and continue to increase by an  
22 additional \$1 per megawatthour each delivery year  
23 thereafter.

24 (ii) Baseline market price index: The baseline  
25 market price index for the consecutive 12-month  
26 period ending May 31, 2016 is \$31.40 per

1 megawatthour, which is based on the sum of (aa)  
2 the average day-ahead energy price across all  
3 hours of such 12-month period at the PJM  
4 Interconnection LLC Northern Illinois Hub, (bb)  
5 50% multiplied by the Base Residual Auction, or  
6 its successor, capacity price for the rest of the  
7 RTO zone group determined by PJM Interconnection  
8 LLC, divided by 24 hours per day, and (cc) 50%  
9 multiplied by the Planning Resource Auction, or  
10 its successor, capacity price for Zone 4  
11 determined by the Midcontinent Independent System  
12 Operator, Inc., divided by 24 hours per day.

13 (iii) Market price index: The market price  
14 index for a delivery year shall be the sum of  
15 projected energy prices and projected capacity  
16 prices determined as follows:

17 (aa) Projected energy prices: the  
18 projected energy prices for the applicable  
19 delivery year shall be calculated once for the  
20 year using the forward market price for the  
21 PJM Interconnection, LLC Northern Illinois  
22 Hub. The forward market price shall be  
23 calculated as follows: the energy forward  
24 prices for each month of the applicable  
25 delivery year averaged for each trade date  
26 during the calendar year immediately preceding

1 that delivery year to produce a single energy  
2 forward price for the delivery year. The  
3 forward market price calculation shall use  
4 data published by the Intercontinental  
5 Exchange, or its successor.

6 (bb) Projected capacity prices:

7 (I) For the delivery years commencing  
8 June 1, 2017, June 1, 2018, and June 1,  
9 2019, the projected capacity price shall  
10 be equal to the sum of (1) 50% multiplied  
11 by the Base Residual Auction, or its  
12 successor, price for the rest of the RTO  
13 zone group as determined by PJM  
14 Interconnection LLC, divided by 24 hours  
15 per day and, (2) 50% multiplied by the  
16 resource auction price determined in the  
17 resource auction administered by the  
18 Midcontinent Independent System Operator,  
19 Inc., in which the largest percentage of  
20 load cleared for Local Resource Zone 4,  
21 divided by 24 hours per day, and where  
22 such price is determined by the  
23 Midcontinent Independent System Operator,  
24 Inc.

25 (II) For the delivery year commencing  
26 June 1, 2020, and each year thereafter,

1 the projected capacity price shall be  
2 equal to the sum of (1) 50% multiplied by  
3 the Base Residual Auction, or its  
4 successor, price for the ComEd zone as  
5 determined by PJM Interconnection LLC,  
6 divided by 24 hours per day, and (2) 50%  
7 multiplied by the resource auction price  
8 determined in the resource auction  
9 administered by the Midcontinent  
10 Independent System Operator, Inc., in  
11 which the largest percentage of load  
12 cleared for Local Resource Zone 4, divided  
13 by 24 hours per day, and where such price  
14 is determined by the Midcontinent  
15 Independent System Operator, Inc.

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

17 "Rest of the RTO" and "ComEd Zone" shall have  
18 the meaning ascribed to them by PJM  
19 Interconnection, LLC.

20 "RTO" means regional transmission  
21 organization.

22 (C) No later than 45 days after June 1, 2017 (the  
23 effective date of Public Act 99-906), the Agency shall  
24 publish its proposed zero emission standard  
25 procurement plan. The plan shall be consistent with  
26 the provisions of this paragraph (1) and shall provide

1 that winning bids shall be selected based on public  
2 interest criteria that include, but are not limited  
3 to, minimizing carbon dioxide emissions that result  
4 from electricity consumed in Illinois and minimizing  
5 sulfur dioxide, nitrogen oxide, and particulate matter  
6 emissions that adversely affect the citizens of this  
7 State. In particular, the selection of winning bids  
8 shall take into account the incremental environmental  
9 benefits resulting from the procurement, such as any  
10 existing environmental benefits that are preserved by  
11 the procurements held under Public Act 99-906 and  
12 would cease to exist if the procurements were not  
13 held, including the preservation of zero emission  
14 facilities. The plan shall also describe in detail how  
15 each public interest factor shall be considered and  
16 weighted in the bid selection process to ensure that  
17 the public interest criteria are applied to the  
18 procurement and given full effect.

19 For purposes of developing the plan, the Agency  
20 shall consider any reports issued by a State agency,  
21 board, or commission under House Resolution 1146 of  
22 the 98th General Assembly and paragraph (4) of  
23 subsection (d) of this Section, as well as publicly  
24 available analyses and studies performed by or for  
25 regional transmission organizations that serve the  
26 State and their independent market monitors.

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

13           If the Commission determines that the plan will  
14 result in the procurement of cost-effective zero  
15 emission credits, then the Commission shall, after  
16 notice and hearing, but no later than 45 days after the  
17 Agency filed the plan, approve the plan or approve  
18 with modification. For purposes of this subsection  
19 (d-5), "cost effective" means the projected costs of  
20 procuring zero emission credits from zero emission  
21 facilities do not cause the limit stated in paragraph  
22 (2) of this subsection to be exceeded.

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

1 (i) identify how the winning bids satisfy the  
2 public interest criteria described in subparagraph  
3 (C) of this paragraph (1) of minimizing carbon  
4 dioxide emissions that result from electricity  
5 consumed in Illinois and minimizing sulfur  
6 dioxide, nitrogen oxide, and particulate matter  
7 emissions that adversely affect the citizens of  
8 this State;

9 (ii) specifically address how the selection of  
10 winning bids takes into account the incremental  
11 environmental benefits resulting from the  
12 procurement, including any existing environmental  
13 benefits that are preserved by the procurements  
14 held under Public Act 99-906 and would have ceased  
15 to exist if the procurements had not been held,  
16 such as the preservation of zero emission  
17 facilities;

18 (iii) quantify the environmental benefit of  
19 preserving the resources identified in item (ii)  
20 of this subparagraph (C-5), including the  
21 following:

22 (aa) the value of avoided greenhouse gas  
23 emissions measured as the product of the zero  
24 emission facilities' output over the contract  
25 term multiplied by the U.S. Environmental  
26 Protection Agency eGrid subregion carbon

1 dioxide emission rate and the U.S. Interagency  
2 Working Group on Social Cost of Carbon's price  
3 in the August 2016 Technical Update using a 3%  
4 discount rate, adjusted for inflation for each  
5 delivery year; and

6 (bb) the costs of replacement with other  
7 zero carbon dioxide resources, including wind  
8 and photovoltaic, based upon the simple  
9 average of the following:

10 (I) the price, or if there is more  
11 than one price, the average of the prices,  
12 paid for renewable energy credits from new  
13 utility-scale wind projects in the  
14 procurement events specified in item (i)  
15 of subparagraph (G) of paragraph (1) of  
16 subsection (c) of this Section; and

17 (II) the price, or if there is more  
18 than one price, the average of the prices,  
19 paid for renewable energy credits from new  
20 utility-scale solar projects and  
21 brownfield site photovoltaic projects in  
22 the procurement events specified in item  
23 (ii) of subparagraph (G) of paragraph (1)  
24 of subsection (c) of this Section and,  
25 after January 1, 2015, renewable energy  
26 credits from photovoltaic distributed



1 generation projects in procurement events  
2 held under subsection (c) of this Section.

3 Each utility shall enter into binding contractual  
4 arrangements with the winning suppliers.

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

23 (D) Following the procurement event described in  
24 this paragraph (1) and consistent with subparagraph  
25 (B) of this paragraph (1), the Agency shall calculate  
26 the payments to be made under each contract for the

1 next delivery year based on the market price index for  
2 that delivery year. The Agency shall publish the  
3 payment calculations no later than May 25, 2017 and  
4 every May 25 thereafter.

5 (E) Notwithstanding the requirements of this  
6 subsection (d-5), the contracts executed under this  
7 subsection (d-5) shall provide that the zero emission  
8 facility may, as applicable, suspend or terminate  
9 performance under the contracts in the following  
10 instances:

11 (i) A zero emission facility shall be excused  
12 from its performance under the contract for any  
13 cause beyond the control of the resource,  
14 including, but not restricted to, acts of God,  
15 flood, drought, earthquake, storm, fire,  
16 lightning, epidemic, war, riot, civil disturbance  
17 or disobedience, labor dispute, labor or material  
18 shortage, sabotage, acts of public enemy,  
19 explosions, orders, regulations or restrictions  
20 imposed by governmental, military, or lawfully  
21 established civilian authorities, which, in any of  
22 the foregoing cases, by exercise of commercially  
23 reasonable efforts the zero emission facility  
24 could not reasonably have been expected to avoid,  
25 and which, by the exercise of commercially  
26 reasonable efforts, it has been unable to

1 overcome. In such event, the zero emission  
2 facility shall be excused from performance for the  
3 duration of the event, including, but not limited  
4 to, delivery of zero emission credits, and no  
5 payment shall be due to the zero emission facility  
6 during the duration of the event.

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

20 (iii) A zero emission facility shall be  
21 permitted to terminate the contract in the event  
22 that the resource requires capital expenditures in  
23 excess of \$40,000,000 that were neither known nor  
24 reasonably foreseeable at the time it executed the  
25 contract and that a prudent owner or operator of  
26 such resource would not undertake.

1           (iv) A zero emission facility shall be  
2 permitted to terminate the contract in the event  
3 the Nuclear Regulatory Commission terminates the  
4 resource's license.

5           (F) If the zero emission facility elects to  
6 terminate a contract under subparagraph (E) of this  
7 paragraph (1), then the Commission shall reopen the  
8 docket in which the Commission approved the zero  
9 emission standard procurement plan under subparagraph  
10 (C) of this paragraph (1) and, after notice and  
11 hearing, enter an order acknowledging the contract  
12 termination election if such termination is consistent  
13 with the provisions of this subsection (d-5).

14           (2) For purposes of this subsection (d-5), the amount  
15 paid per kilowatthour means the total amount paid for  
16 electric service expressed on a per kilowatthour basis.  
17 For purposes of this subsection (d-5), the total amount  
18 paid for electric service includes, without limitation,  
19 amounts paid for supply, transmission, distribution,  
20 surcharges, and add-on taxes.

21           Notwithstanding the requirements of this subsection  
22 (d-5), the contracts executed under this subsection (d-5)  
23 shall provide that the total of zero emission credits  
24 procured under a procurement plan shall be subject to the  
25 limitations of this paragraph (2). For each delivery year,  
26 the contractual volume receiving payments in such year

1 shall be reduced for all retail customers based on the  
2 amount necessary to limit the net increase that delivery  
3 year to the costs of those credits included in the amounts  
4 paid by eligible retail customers in connection with  
5 electric service to no more than 1.65% of the amount paid  
6 per kilowatthour by eligible retail customers during the  
7 year ending May 31, 2009. The result of this computation  
8 shall apply to and reduce the procurement for all retail  
9 customers, and all those customers shall pay the same  
10 single, uniform cents per kilowatthour charge under  
11 subsection (k) of Section 16-108 of the Public Utilities  
12 Act. To arrive at a maximum dollar amount of zero emission  
13 credits to be paid for the particular delivery year, the  
14 resulting per kilowatthour amount shall be applied to the  
15 actual amount of kilowatthours of electricity delivered by  
16 the electric utility in the delivery year immediately  
17 prior to the procurement, to all retail customers in its  
18 service territory. Unpaid contractual volume for any  
19 delivery year shall be paid in any subsequent delivery  
20 year in which such payments can be made without exceeding  
21 the amount specified in this paragraph (2). The  
22 calculations required by this paragraph (2) shall be made  
23 only once for each procurement plan year. Once the  
24 determination as to the amount of zero emission credits to  
25 be paid is made based on the calculations set forth in this  
26 paragraph (2), no subsequent rate impact determinations

1 shall be made and no adjustments to those contract amounts  
2 shall be allowed. All costs incurred under those contracts  
3 and in implementing this subsection (d-5) shall be  
4 recovered by the electric utility as provided in this  
5 Section.

6 No later than June 30, 2019, the Commission shall  
7 review the limitation on the amount of zero emission  
8 credits procured under this subsection (d-5) and report to  
9 the General Assembly its findings as to whether that  
10 limitation unduly constrains the procurement of  
11 cost-effective zero emission credits.

12 (3) Six years after the execution of a contract under  
13 this subsection (d-5), the Agency shall determine whether  
14 the actual zero emission credit payments received by the  
15 supplier over the 6-year period exceed the Average ZEC  
16 Payment. In addition, at the end of the term of a contract  
17 executed under this subsection (d-5), or at the time, if  
18 any, a zero emission facility's contract is terminated  
19 under subparagraph (E) of paragraph (1) of this subsection  
20 (d-5), then the Agency shall determine whether the actual  
21 zero emission credit payments received by the supplier  
22 over the term of the contract exceed the Average ZEC  
23 Payment, after taking into account any amounts previously  
24 credited back to the utility under this paragraph (3). If  
25 the Agency determines that the actual zero emission credit  
26 payments received by the supplier over the relevant period

1 exceed the Average ZEC Payment, then the supplier shall  
2 credit the difference back to the utility. The amount of  
3 the credit shall be remitted to the applicable electric  
4 utility no later than 120 days after the Agency's  
5 determination, which the utility shall reflect as a credit  
6 on its retail customer bills as soon as practicable;  
7 however, the credit remitted to the utility shall not  
8 exceed the total amount of payments received by the  
9 facility under its contract.

10 For purposes of this Section, the Average ZEC Payment  
11 shall be calculated by multiplying the quantity of zero  
12 emission credits delivered under the contract times the  
13 average contract price. The average contract price shall  
14 be determined by subtracting the amount calculated under  
15 subparagraph (B) of this paragraph (3) from the amount  
16 calculated under subparagraph (A) of this paragraph (3),  
17 as follows:

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

21 (B) The average of the market price indices, as  
22 defined in subparagraph (B) of paragraph (1) of this  
23 subsection (d-5), during the term of the contract,  
24 minus the baseline market price index, as defined in  
25 subparagraph (B) of paragraph (1) of this subsection  
26 (d-5).

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

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

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

9           (6) Electric utilities shall be entitled to recover  
10          all of the costs associated with the procurement of zero  
11          emission credits through an automatic adjustment clause  
12          tariff in accordance with subsection (k) and (m) of  
13          Section 16-108 of the Public Utilities Act, and the  
14          contracts executed under this subsection (d-5) shall  
15          provide that the utilities' payment obligations under such  
16          contracts shall be reduced if an adjustment is required  
17          under subsection (m) of Section 16-108 of the Public  
18          Utilities Act.

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

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

23          (1) The General Assembly finds:

24                 (A) The health, welfare, and prosperity of all  
25                 Illinois citizens require that the State of Illinois act  
26                 to avoid and not increase carbon emissions from electric



1 generation sources while continuing to ensure affordable,  
2 stable, and reliable electricity to all citizens.

3 (B) Absent immediate action by the State to preserve  
4 existing carbon-free energy resources, those resources may  
5 retire, and the electric generation needs of Illinois'  
6 retail customers may be met instead by facilities that  
7 emit significant amounts of carbon pollution and other  
8 harmful air pollutants at a high social and economic cost  
9 until Illinois is able to develop other forms of clean  
10 energy.

11 (C) The General Assembly finds that nuclear power  
12 generation is necessary for the State's transition to 100%  
13 clean energy, and ensuring continued operation of nuclear  
14 plants advances environmental and public health interests  
15 through providing carbon-free electricity while reducing  
16 the air pollution profile of the Illinois energy  
17 generation fleet.

18 (D) The clean energy attributes of nuclear generation  
19 facilities support the State in its efforts to achieve  
20 100% clean energy.

21 (E) The State currently invests in various forms of  
22 clean energy, including, but not limited to, renewable  
23 energy, energy efficiency, and low-emission vehicles,  
24 among others.

25 (F) The Environmental Protection Agency commissioned  
26 an independent audit which provided a detailed assessment

1 of the financial condition of the Illinois nuclear fleet  
2 to evaluate its financial viability and whether the  
3 environmental benefits of such resources were at risk. The  
4 report identified the risk of losing the environmental  
5 benefits of several specific nuclear units. The report  
6 also identified that the LaSalle County Generating Station  
7 will continue to operate through 2026 and therefore is not  
8 eligible to participate in the carbon mitigation credit  
9 program.

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

13 (H) The procurement of carbon mitigation credits  
14 representing the environmental benefits of carbon-free  
15 generation will further the State's efforts at achieving  
16 100% clean energy and decarbonizing the electricity sector  
17 in a safe, reliable, and affordable manner. Further, the  
18 procurement of carbon emission credits will enhance the  
19 health and welfare of Illinois residents through decreased  
20 reliance on more highly polluting generation.

21 (I) The General Assembly therefore finds it necessary  
22 to establish carbon mitigation credits to ensure decreased  
23 reliance on more carbon-intensive energy resources, for  
24 transitioning to a fully decarbonized electricity sector,  
25 and to help ensure health and welfare of the State's  
26 residents.

1 (2) As used in this subsection:

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

16 "Carbon mitigation credit" means a tradable credit that  
17 represents the carbon emission reduction attributes of one  
18 megawatt-hour of energy produced from a carbon-free energy  
19 resource.

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

23 (3) Procurement.

24 (A) Beginning with the delivery year commencing on  
25 June 1, 2022, the Agency shall, for electric utilities  
26 serving at least 3,000,000 retail customers in the State,

1 seek to procure contracts for no more than approximately  
2 54,500,000 cost-effective carbon mitigation credits from  
3 carbon-free energy resources because such credits are  
4 necessary to support current levels of carbon-free energy  
5 generation and ensure the State meets its carbon dioxide  
6 emissions reduction goals. The Agency shall not make a  
7 partial award of a contract for carbon mitigation credits  
8 covering a fractional amount of a carbon-free energy  
9 resource's projected output.

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

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

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

19 (iii) a commitment to be reflected in any contract  
20 entered into pursuant to this subsection (d-10) to  
21 continue operating the carbon-free energy resource at  
22 a capacity factor of at least 88% annually on average  
23 for the duration of the contract or contracts executed  
24 under the procurement held under this subsection  
25 (d-10), except in an instance described in  
26 subparagraph (E) of paragraph (1) of subsection (d-5)

1 of this Section or made impracticable as a result of  
2 compliance with law or regulation;

3 (iv) financial need and the risk of loss of the  
4 environmental benefits of such resource, which shall  
5 include the following information:

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

22 (II) the carbon-free energy resource's revenue  
23 projections, including energy, capacity, ancillary  
24 services, any other direct State support, known or  
25 anticipated federal attribute credits, known or  
26 anticipated tax credits, and any other direct

1 federal support.

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

12 (C) The Agency shall solicit bids for the contracts  
13 described in this subsection (d-10) from carbon-free  
14 energy resources that have satisfied the requirements of  
15 subparagraph (B) of this paragraph (3). The contracts  
16 procured pursuant to a procurement event shall reflect,  
17 and be subject to, the following terms, requirements, and  
18 limitations:

19 (i) Contracts are for delivery of carbon  
20 mitigation credits, and are not energy or capacity  
21 sales contracts requiring physical delivery. Pursuant  
22 to item (iii), contract payments shall fully deduct  
23 the value of any monetized federal production tax  
24 credits, credits issued pursuant to a federal clean  
25 energy standard, and other federal credits if  
26 applicable.

1 (ii) Contracts for carbon mitigation credits shall  
2 commence with the delivery year beginning on June 1,  
3 2022 and shall be for a term of 5 delivery years  
4 concluding on May 31, 2027.

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

8 (I) one of the following energy price indices,  
9 selected by the bidder at the time of the bid for  
10 the term of the contract:

11 (aa) the weighted-average hourly day-ahead  
12 price for the applicable delivery year at the  
13 busbar of all resources procured pursuant to  
14 this subsection (d-10), weighted by actual  
15 production from the resources; or

16 (bb) the projected energy price for the  
17 PJM Interconnection, LLC Northern Illinois Hub  
18 for the applicable delivery year determined  
19 according to subitem (aa) of item (iii) of  
20 subparagraph (B) of paragraph (1) of  
21 subsection (d-5).

22 (II) the Base Residual Auction Capacity Price  
23 for the ComEd zone as determined by PJM  
24 Interconnection, LLC, divided by 24 hours per day,  
25 for the applicable delivery year for the first 3  
26 delivery years, and then any subsequent delivery

1 years unless the PJM Interconnection, LLC applies  
2 the Minimum Offer Price Rule to participating  
3 carbon-free energy resources because they supply  
4 carbon mitigation credits pursuant to this Section  
5 at which time, upon notice by the carbon-free  
6 energy resource to the Commission and subject to  
7 the Commission's confirmation, the value under  
8 this subitem shall be zero, as further described  
9 in the carbon mitigation credit procurement plan;  
10 and

11 (III) any value of monetized federal tax  
12 credits, direct payments, or similar subsidy  
13 provided to the carbon-free energy resource from  
14 any unit of government that is not already  
15 reflected in energy prices.

16 If the price-per-megawatt-hour calculation  
17 performed under item (iii) of this subparagraph (C)  
18 for a given delivery year results in a net positive  
19 value, then the electric utility counterparty to the  
20 contract shall multiply such net value by the  
21 applicable contract quantity and remit the amount to  
22 the supplier.

23 To protect retail customers from retail rate  
24 impacts that may arise upon the initiation of carbon  
25 policy changes, if the price-per-megawatt-hour  
26 calculation performed under item (iii) of this



1           subparagraph (C) for a given delivery year results in  
2           a net negative value, then the supplier counterparty  
3           to the contract shall multiply such net value by the  
4           applicable contract quantity and remit such amount to  
5           the electric utility counterparty. The electric  
6           utility shall reflect such amounts remitted by  
7           suppliers as a credit on its retail customer bills as  
8           soon as practicable.

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

16          The baseline costs for the applicable year shall  
17          be the following:

18               (I) For the delivery year beginning June 1,  
19               2022, the baseline costs shall be an amount equal  
20               to \$30.30 per megawatt-hour.

21               (II) For the delivery year beginning June 1,  
22               2023, the baseline costs shall be an amount equal  
23               to \$32.50 per megawatt-hour.

24               (III) For the delivery year beginning June 1,  
25               2024, the baseline costs shall be an amount equal  
26               to \$33.43 per megawatt-hour.

1 (IV) For the delivery year beginning June 1,  
2 2025, the baseline costs shall be an amount equal  
3 to \$33.50 per megawatt-hour.

4 (V) For the delivery year beginning June 1,  
5 2026, the baseline costs shall be an amount equal  
6 to \$34.50 per megawatt-hour.

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

17 Although actual energy and capacity prices may  
18 vary from year-to-year, the General Assembly finds  
19 that this customer protection cap will help ensure  
20 that the cost of carbon mitigation credits will be  
21 less than its value, based upon the social cost of  
22 carbon identified in the Technical Support Document  
23 issued in February 2021 by the U.S. Interagency  
24 Working Group on Social Cost of Greenhouse Gases and  
25 the PJM Interconnection, LLC carbon dioxide marginal  
26 emission rate for 2020, and that a carbon-free energy

1 resource receiving payment for carbon mitigation  
2 credits receives no more than necessary to keep those  
3 units in operation.

4 (D) No later than 7 days after the effective date of  
5 this amendatory Act of the 102nd General Assembly, the  
6 Agency shall publish its proposed carbon mitigation credit  
7 procurement plan. The Plan shall provide that winning bids  
8 shall be selected by taking into consideration which  
9 resources best match public interest criteria that  
10 include, but are not limited to, minimizing carbon dioxide  
11 emissions that result from electricity consumed in  
12 Illinois and minimizing sulfur dioxide, nitrogen oxide,  
13 and particulate matter emissions that adversely affect the  
14 citizens of this State. The selection of winning bids  
15 shall also take into account the incremental environmental  
16 benefits resulting from the procurement or procurements,  
17 such as any existing environmental benefits that are  
18 preserved by a procurement held under this subsection  
19 (d-10) and would cease to exist if the procurement were  
20 not held, including the preservation of carbon-free energy  
21 resources. For those bidders having the same public  
22 interest criteria score, the relative ranking of such  
23 bidders shall be determined by price. The Plan shall  
24 describe in detail how each public interest factor shall  
25 be considered and weighted in the bid selection process to  
26 ensure that the public interest criteria are applied to

1 the procurement. The Plan shall, to the extent practical  
2 and permissible by federal law, ensure that successful  
3 bidders make commercially reasonable efforts to apply for  
4 federal tax credits, direct payments, or similar subsidy  
5 programs that support carbon-free generation and for which  
6 the successful bidder is eligible. Upon publishing of the  
7 carbon mitigation credit procurement plan, copies of the  
8 plan shall be posted and made publicly available on the  
9 Agency's website. All interested parties shall have 7 days  
10 following the date of posting to provide comment to the  
11 Agency on the plan. All comments shall be posted to the  
12 Agency's website. Following the end of the comment period,  
13 but no more than 19 days later than the effective date of  
14 this amendatory Act of the 102nd General Assembly, the  
15 Agency shall revise the plan as necessary based on the  
16 comments received and file its carbon mitigation credit  
17 procurement plan with the Commission.

18 (E) If the Commission determines that the plan is  
19 likely to result in the procurement of cost-effective  
20 carbon mitigation credits, then the Commission shall,  
21 after notice and hearing and opportunity for comment, but  
22 no later than 42 days after the Agency filed the plan,  
23 approve the plan or approve it with modification. For  
24 purposes of this subsection (d-10), "cost-effective" means  
25 carbon mitigation credits that are procured from  
26 carbon-free energy resources at prices that are within the

1 limits specified in this paragraph (3). As part of the  
2 Commission's review and acceptance or rejection of the  
3 procurement results, the Commission shall, in its public  
4 notice of successful bidders:

5 (i) identify how the selected carbon-free energy  
6 resources satisfy the public interest criteria  
7 described in this paragraph (3) of minimizing carbon  
8 dioxide emissions that result from electricity  
9 consumed in Illinois and minimizing sulfur dioxide,  
10 nitrogen oxide, and particulate matter emissions that  
11 adversely affect the citizens of this State;

12 (ii) specifically address how the selection of  
13 carbon-free energy resources takes into account the  
14 incremental environmental benefits resulting from the  
15 procurement, including any existing environmental  
16 benefits that are preserved by the procurements held  
17 under this amendatory Act of the 102nd General  
18 Assembly and would have ceased to exist if the  
19 procurements had not been held, such as the  
20 preservation of carbon-free energy resources;

21 (iii) quantify the environmental benefit of  
22 preserving the carbon-free energy resources procured  
23 pursuant to this subsection (d-10), including the  
24 following:

25 (I) an assessment value of avoided greenhouse  
26 gas emissions measured as the product of the

1 carbon-free energy resources' output over the  
2 contract term, using generally accepted  
3 methodologies for the valuation of avoided  
4 emissions; and

5 (II) an assessment of costs of replacement  
6 with other carbon-free energy resources and  
7 renewable energy resources, including wind and  
8 photovoltaic generation, based upon an assessment  
9 of the prices paid for renewable energy credits  
10 through programs and procurements conducted  
11 pursuant to subsection (c) of Section 1-75 of this  
12 Act, and the additional storage necessary to  
13 produce the same or similar capability of matching  
14 customer usage patterns.

15 (F) The procurements described in this paragraph (3),  
16 including, but not limited to, the execution of all  
17 contracts procured, shall be completed no later than  
18 December 3, 2021. The procurement and plan approval  
19 processes required by this paragraph (3) shall be  
20 conducted in conjunction with the procurement and plan  
21 approval processes required by Section 16-111.5 of the  
22 Public Utilities Act, to the extent practicable. However,  
23 the Agency and Commission may, as appropriate, modify the  
24 various dates and timelines under this subparagraph and  
25 subparagraphs (D) and (E) of this paragraph (3) to meet  
26 the December 3, 2021 contract execution deadline.

1           Following the completion of such procurements, and  
2           consistent with this paragraph (3), the Agency shall  
3           calculate the payments to be made under each contract in a  
4           timely fashion.

5           (F-1) Costs incurred by the electric utility pursuant  
6           to a contract authorized by this subsection (d-10) shall  
7           be deemed prudently incurred and reasonable in amount, and  
8           the electric utility shall be entitled to full cost  
9           recovery pursuant to a tariff or tariffs filed with the  
10          Commission.

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

14          (H) If a carbon-free energy resource is sold to  
15          another owner, the rights, obligations, and commitments  
16          under this subsection (d-10) shall continue to the  
17          subsequent owner.

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

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

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

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

4           (h) The Agency shall assess fees to each bidder to recover  
5 the costs incurred in connection with a competitive  
6 procurement process.

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

20           (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;  
21 102-662, eff. 9-15-21.)

22           Section 105. The State Finance Act is amended by adding  
23 Section 5.970 as follows:

24           (30 ILCS 105/5.970 new)



1

Sec. 5.970. The Illinois Rust Belt to Green Belt Fund.