



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

HB4731

Introduced 1/27/2022, by Rep. Lawrence Walsh, Jr.

#### SYNOPSIS AS INTRODUCED:

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

Amends the Energy Transition Act. Provides that Climate Works Hubs shall be awarded grants in multi-year increments not to exceed 36 months with the opportunity for grant renewal and modification for subsequent years. Provides that each Climate Works Hub that receives funding from the Energy Transition Assistance Fund shall: recruit, prescreen, and provide preapprenticeship training to equity investment eligible persons; provide training information related to opportunities and certifications relevant to clean energy jobs in the construction and building trades; and provide preapprentices with stipends not less than the State minimum wage unless a higher wage is required by the locality where preapprenticeship training program is situated. Provides that priority shall be given to Climate Works Hubs that have an agreement with North American Building Trades Union to utilize the Multi-Craft Core Curriculum or successor curriculums. Amends the Illinois Power Agency Act. Provides that projects less than or equal to 25 kilowatts on the waitlist for this capacity that are moved to the waitlist for the first block of annual capacity shall not be required to be in compliance with the Agency's long-term renewable resources plan. Removes language that provides that projects that were on the waitlist for the first block of annual capacity prior to the opening of the next block is not required to be in compliance with the Agency's long-term renewable resources plan.

LRB102 24633 AMQ 33871 b

1 AN ACT concerning State government.

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

4 Section 5. The Energy Transition Act is amended by  
5 changing Section 5-40 as follows:

6 (20 ILCS 730/5-40)

7 (Section scheduled to be repealed on September 15, 2045)

8 Sec. 5-40. Illinois Climate Works Preapprenticeship  
9 Program.

10 (a) Subject to appropriation, the Department shall  
11 develop, and through Regional Administrators administer, the  
12 Illinois Climate Works Preapprenticeship Program. The goal of  
13 the Illinois Climate Works Preapprenticeship Program is to  
14 create a network of hubs throughout the State that will  
15 recruit, prescreen, and provide preapprenticeship skills  
16 training, for which participants may attend free of charge and  
17 receive a stipend, to create a qualified, diverse pipeline of  
18 workers who are prepared for careers in the construction and  
19 building trades and clean energy jobs opportunities therein.  
20 Upon completion of the Illinois Climate Works  
21 Preapprenticeship Program, the candidates will be connected to  
22 and prepared to successfully complete an apprenticeship  
23 program.

1 (b) Each Climate Works Hub that receives funding from the  
2 Energy Transition Assistance Fund shall provide an annual  
3 report to the Illinois Works Review Panel by April 1 of each  
4 calendar year. The annual report shall include the following  
5 information:

6 (1) a description of the Climate Works Hub's  
7 recruitment, screening, and training efforts, including a  
8 description of training related to construction and  
9 building trades opportunities in clean energy jobs;

10 (2) the number of individuals who apply to,  
11 participate in, and complete the Climate Works Hub's  
12 program, broken down by race, gender, age, and veteran  
13 status;

14 (3) the number of the individuals referenced in  
15 paragraph (2) of this subsection who are initially  
16 accepted and placed into apprenticeship programs in the  
17 construction and building trades; and

18 (4) the number of individuals referenced in paragraph  
19 (2) of this subsection who remain in apprenticeship  
20 programs in the construction and building trades or have  
21 become journeymen one calendar year after their placement,  
22 as referenced in paragraph (3) of this subsection.

23 (c) Subject to appropriation, the Department shall provide  
24 funding to 3 Climate Works Hubs throughout the State,  
25 including one to the Illinois Department of Transportation  
26 Region 1, one to the Illinois Department of Transportation

1 Regions 2 and 3, and one to the Illinois Department of  
2 Transportation Regions 4 and 5. Climate Works Hubs shall be  
3 awarded grants in multi-year increments not to exceed 36  
4 months with the opportunity for grant renewal and modification  
5 for subsequent years. The Department shall initially select a  
6 community-based provider in each region and shall subsequently  
7 select a community-based provider in each region every 3  
8 years.

9 (d) Each Climate Works Hub that receives funding from the  
10 Energy Transition Assistance Fund shall: ~~The Climate Works~~  
11 ~~Hubs shall recruit, prescreen, and provide preapprenticeship~~  
12 ~~training to equity investment eligible persons. This training~~  
13 ~~shall include information related to opportunities and~~  
14 ~~certifications relevant to clean energy jobs in the~~  
15 ~~construction and building trades.~~

16 (1) recruit, prescreen, and provide preapprenticeship  
17 training to equity investment eligible persons;

18 (2) provide training information related to  
19 opportunities and certifications relevant to clean energy  
20 jobs in the construction and building trades; and

21 (3) provide preapprentices with stipends not less than  
22 the State minimum wage unless a higher wage is required by  
23 a locality where the preapprenticeship training program is  
24 sited.

25 (d-5) Priority shall be given to Climate Works Hubs that  
26 have an agreement with North American Building Trades Unions

1 (NABTU) to utilize the Multi-Craft Core Curriculum or  
2 successor curriculums.

3 (e) Funding for the Program is subject to appropriation  
4 from the Energy Transition Assistance Fund.

5 (f) The Department shall adopt any rules deemed necessary  
6 to implement this Section.

7 (Source: P.A. 102-662, eff. 9-15-21.)

8 Section 10. The Illinois Power Agency Act is amended by  
9 changing Section 1-75 as follows:

10 (20 ILCS 3855/1-75)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 organizations;

2 (E) expertise in credit and contract protocols;

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

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

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

23 (A) failure to satisfy qualification criteria;

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

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

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

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

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

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

1 Commission approval.

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

16 (c) Renewable portfolio standard.

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

1 conjunction with the procurement plan under Section  
2 16-111.5 of the Public Utilities Act to the extent  
3 practicable to minimize administrative expense. No later  
4 than 120 days after the effective date of this amendatory  
5 Act of the 102nd General Assembly, the Agency shall  
6 release for comment a revision to the long-term renewable  
7 resources procurement plan, updating elements of the most  
8 recently approved plan as needed to comply with this  
9 amendatory Act of the 102nd General Assembly, and any  
10 long-term renewable resources procurement plan update  
11 published by the Agency but not yet approved by the  
12 Illinois Commerce Commission shall be withdrawn. The  
13 long-term renewable resources procurement plans shall be  
14 subject to review and approval by the Commission under  
15 Section 16-111.5 of the Public Utilities Act.

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

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

16 For the delivery year beginning June 1, 2017, the  
17 procurement plan shall attempt to include, subject to the  
18 prioritization outlined in this subparagraph (B),  
19 cost-effective renewable energy resources equal to at  
20 least 13% of each utility's load for eligible retail  
21 customers and 13% of the applicable portion of each  
22 utility's load for retail customers who are not eligible  
23 retail customers, which applicable portion shall equal 50%  
24 of the utility's load for retail customers who are not  
25 eligible retail customers on February 28, 2017.

26 For the delivery year beginning June 1, 2018, the

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

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

26 For each delivery year, the Agency shall first

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

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

11 (i) 10,000,000 renewable energy credits delivered  
12 annually by the end of the 2021 delivery year, and  
13 increasing ratably to reach 45,000,000 renewable  
14 energy credits delivered annually from new wind and  
15 solar projects by the end of delivery year 2030 such  
16 that the goals in subparagraph (B) of this paragraph  
17 (1) are met entirely by procurements of renewable  
18 energy credits from new wind and photovoltaic  
19 projects. Of that amount, to the extent possible, the  
20 Agency shall procure 45% from wind projects and 55%  
21 from photovoltaic projects. Of the amount to be  
22 procured from photovoltaic projects, the Agency shall  
23 procure: at least 50% from solar photovoltaic projects  
24 using the program outlined in subparagraph (K) of this  
25 paragraph (1) from distributed renewable energy  
26 generation devices or community renewable generation

1 projects; at least 47% from utility-scale solar  
2 projects; at least 3% from brownfield site  
3 photovoltaic projects that are not community renewable  
4 generation projects.

5 In developing the long-term renewable resources  
6 procurement plan, the Agency shall consider other  
7 approaches, in addition to competitive procurements,  
8 that can be used to procure renewable energy credits  
9 from brownfield site photovoltaic projects and thereby  
10 help return blighted or contaminated land to  
11 productive use while enhancing public health and the  
12 well-being of Illinois residents, including those in  
13 environmental justice communities, as defined using  
14 existing methodologies and findings used by the Agency  
15 and its Administrator in its Illinois Solar for All  
16 Program.

17 (ii) In any given delivery year, if forecasted  
18 expenses are less than the maximum budget available  
19 under subparagraph (E) of this paragraph (1), the  
20 Agency shall continue to procure new renewable energy  
21 credits until that budget is exhausted in the manner  
22 outlined in item (i) of this subparagraph (C).

23 (iii) For purposes of this Section:

24 "New wind projects" means wind renewable energy  
25 facilities that are energized after June 1, 2017 for  
26 the delivery year commencing June 1, 2017.



1           "New photovoltaic projects" means photovoltaic  
2 renewable energy facilities that are energized after  
3 June 1, 2017. Photovoltaic projects developed under  
4 Section 1-56 of this Act shall not apply towards the  
5 new photovoltaic project requirements in this  
6 subparagraph (C).

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

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

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

26 (E) For purposes of this subsection (c), the required

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

21 Notwithstanding the requirements of this subsection  
22 (c), the total of renewable energy resources procured  
23 under the procurement plan for any single year shall be  
24 subject to the limitations of this subparagraph (E). Such  
25 procurement shall be reduced for all retail customers  
26 based on the amount necessary to limit the annual

1 estimated average net increase due to the costs of these  
2 resources included in the amounts paid by eligible retail  
3 customers in connection with electric service to no more  
4 than 4.25% of the amount paid per kilowatthour by those  
5 customers during the year ending May 31, 2009. To arrive  
6 at a maximum dollar amount of renewable energy resources  
7 to be procured for the particular delivery year, the  
8 resulting per kilowatthour amount shall be applied to the  
9 actual amount of kilowatthours of electricity delivered,  
10 or applicable portion of such amount as specified in  
11 paragraph (1) of this subsection (c), as applicable, by  
12 the electric utility in the delivery year immediately  
13 prior to the procurement to all retail customers in its  
14 service territory. The calculations required by this  
15 subparagraph (E) shall be made only once for each delivery  
16 year at the time that the renewable energy resources are  
17 procured. Once the determination as to the amount of  
18 renewable energy resources to procure is made based on the  
19 calculations set forth in this subparagraph (E) and the  
20 contracts procuring those amounts are executed, no  
21 subsequent rate impact determinations shall be made and no  
22 adjustments to those contract amounts shall be allowed.  
23 All costs incurred under such contracts shall be fully  
24 recoverable by the electric utility as provided in this  
25 Section.

26 (F) If the limitation on the amount of renewable

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

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

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

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

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

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

21 (i) Notwithstanding whether a long-term renewable  
22 resources procurement plan has been approved, the  
23 Agency shall conduct an initial forward procurement  
24 for renewable energy credits from new utility-scale  
25 wind projects within 160 days after June 1, 2017 (the  
26 effective date of Public Act 99-906). For the purposes

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

18 (ii) Notwithstanding whether a long-term renewable  
19 resources procurement plan has been approved, the  
20 Agency shall conduct an initial forward procurement  
21 for renewable energy credits from new utility-scale  
22 solar projects and brownfield site photovoltaic  
23 projects within one year after June 1, 2017 (the  
24 effective date of Public Act 99-906). For the purposes  
25 of this initial forward procurement, the Agency shall  
26 solicit 15-year contracts for delivery of 1,000,000

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

19 (iii) Notwithstanding whether the Commission has  
20 approved the periodic long-term renewable resources  
21 procurement plan revision described in Section  
22 16-111.5 of the Public Utilities Act, the Agency shall  
23 conduct at least one subsequent forward procurement  
24 for renewable energy credits from new utility-scale  
25 wind projects, new utility-scale solar projects, and  
26 new brownfield site photovoltaic projects within 240

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

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

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



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

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

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

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

1 facility producing the renewable energy  
2 credits is interconnected at the distribution  
3 system level of the utility and verified as  
4 energized by the Program Administrator. The  
5 remaining portion shall be paid ratably over  
6 the subsequent 4-year period. The electric  
7 utility shall receive and retire all renewable  
8 energy credits generated by the project during  
9 the first 15 years of operation. Renewable  
10 energy credits generated by the project  
11 thereafter shall not be transferred under the  
12 renewable energy credit delivery contract with  
13 the counterparty electric utility.

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

1 renewable energy credit delivery contract as  
2 quickly as possible.

3 (3) For opening the first 2 blocks of annual  
4 capacity for projects participating in item (iii)  
5 of subparagraph (K) of paragraph (1) of subsection  
6 (c), projects shall be selected exclusively from  
7 those projects on the ordinal waitlists of  
8 community renewable generation projects  
9 established by the Agency based on the status of  
10 those ordinal waitlists as of December 31, 2020,  
11 and only those projects previously determined to  
12 be eligible for the Agency's April 2019 community  
13 solar project selection process.

14 The first 2 blocks of annual capacity for item  
15 (iii) shall be for 250 megawatts of total  
16 nameplate capacity, with both blocks opening  
17 simultaneously under the schedule outlined in the  
18 paragraphs below. Projects shall be selected as  
19 follows:

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

1           (B) Contract awards for waitlisted  
2 projects shall be allocated proportionate to  
3 the total nameplate capacity amount across  
4 both ordinal waitlists associated with that  
5 applicant firm or its affiliates, subject to  
6 the following conditions.

7           (i) Each applicant firm having a  
8 waitlisted project eligible for selection  
9 shall receive no less than 500 kilowatts  
10 in awarded capacity across all groups, and  
11 no approved vendor may receive more than  
12 20% of each Group's waitlist allocation.

13           (ii) Each applicant firm, upon  
14 receiving an award of program capacity  
15 proportionate to its waitlisted capacity,  
16 may then determine which waitlisted  
17 projects it chooses to be selected for a  
18 contract award up to that capacity amount.

19           (iii) Assuming all other program  
20 requirements are met, applicant firms may  
21 adjust the nameplate capacity of applicant  
22 projects without losing waitlist  
23 eligibility, so long as no project is  
24 greater than 2,000 kilowatts in size.

25           (iv) Assuming all other program  
26 requirements are met, applicant firms may

1           adjust the expected production associated  
2           with applicant projects, subject to  
3           verification by the Program Administrator.

4           (C) After a review of affiliate  
5           information and the current ordinal waitlists,  
6           the Agency shall announce the nameplate  
7           capacity award amounts associated with  
8           applicant firms no later than 90 days after  
9           the effective date of this amendatory Act of  
10          the 102nd General Assembly.

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

1 reopening for project selection under item  
2 (iii) of subparagraph (K) of this subsection  
3 (c).

4 (E) The renewable energy credit delivery  
5 contract shall be subject to the contract and  
6 payment terms outlined in item (iv) of  
7 subparagraph (L) of this subsection (c).  
8 Contract instruments used for this  
9 subparagraph shall contain the following  
10 terms:

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

22 (ii) A requirement that a minimum of  
23 50% of subscribers to the project's  
24 nameplate capacity be residential or small  
25 commercial customers with subscriptions of  
26 below 25 kilowatts in size;

1 (iii) Permission for the ability of a  
2 contract holder to substitute projects  
3 with other waitlisted projects without  
4 penalty should a project receive a  
5 non-binding estimate of costs to construct  
6 the interconnection facilities and any  
7 required distribution upgrades associated  
8 with that project of greater than 30 cents  
9 per watt AC of that project's nameplate  
10 capacity. In developing the applicable  
11 contract instrument, the Agency may  
12 consider whether other circumstances  
13 outside of the control of the applicant  
14 firm should also warrant project  
15 substitution rights.

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

22 (F) To be eligible for an award, the  
23 applicant firm shall certify that not less  
24 than prevailing wage, as determined pursuant  
25 to the Illinois Prevailing Wage Act, was or  
26 will be paid to employees who are engaged in



1 construction activities associated with a  
2 selected project.

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

20 (5) The Agency shall open the equivalent of 2  
21 years of annual capacity for the category  
22 described in item (v) of subparagraph (K) of this  
23 paragraph (1). The first block of annual capacity  
24 for item (v) shall be for at least 10 megawatts of  
25 total nameplate capacity. Notwithstanding the  
26 provisions of item (v) of subparagraph (K) of this

1 paragraph (1), for the purpose of this initial  
2 block, the agency shall accept new project  
3 applications intended to increase the diversity of  
4 areas hosting community solar projects, the  
5 business models of projects, and the size of  
6 projects, as described by the Agency in its  
7 long-term renewable resources procurement plan  
8 that is approved as of the effective date of this  
9 amendatory Act of the 102nd General Assembly.  
10 Projects in this category shall be subject to the  
11 contract terms outlined in item (iii) of  
12 subsection (L) of this paragraph (1).

13 (6) The Agency shall open the first blocks of  
14 annual capacity for the category described in item  
15 (vi) of subparagraph (K) of this paragraph (1),  
16 with allocations of capacity within the block  
17 generally matching the historical share of block  
18 capacity allocated between the category described  
19 in items (i) and (ii) of subparagraph (K) of this  
20 paragraph (1). The first two blocks of annual  
21 capacity for item (vi) shall be for at least 75  
22 megawatts of total nameplate capacity. The price  
23 of renewable energy credits for the blocks of  
24 capacity shall be 4% less than the price of the  
25 last open blocks in the categories described in  
26 items (i) and (ii) of subparagraph (K) of this

1 paragraph (1). Pricing for future blocks of annual  
2 capacity for this category may be adjusted in the  
3 Agency's second revision to its Long-Term  
4 Renewable Resources Procurement Plan. Projects in  
5 this category shall be subject to the applicable  
6 contract terms outlined in items (ii) and (iii) of  
7 subparagraph (L) of this paragraph (1).

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

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

1 REC counterparty this amount multiplied by the  
2 quantity of energy produced in the relevant  
3 settlement period.

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

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

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

24 (4) To ensure that indexed renewable energy  
25 credit prices remain predictable and affordable,  
26 the Agency may consider the institution of a price

1 collar on REC prices paid under indexed renewable  
2 energy credit procurements establishing floor and  
3 ceiling REC prices applicable to indexed REC  
4 contract prices. Any price collars applicable to  
5 indexed REC procurements shall be proposed by the  
6 Agency through its long-term renewable resources  
7 procurement plan.

8 (vi) All procurements under this subparagraph (G)  
9 shall comply with the geographic requirements in  
10 subparagraph (I) of this paragraph (1) and shall  
11 follow the procurement processes and procedures  
12 described in this Section and Section 16-111.5 of the  
13 Public Utilities Act to the extent practicable, and  
14 these processes and procedures may be expedited to  
15 accommodate the schedule established by this  
16 subparagraph (G).

17 (H) The procurement of renewable energy resources for  
18 a given delivery year shall be reduced as described in  
19 this subparagraph (H) if an alternative retail electric  
20 supplier meets the requirements described in this  
21 subparagraph (H).

22 (i) Within 45 days after June 1, 2017 (the  
23 effective date of Public Act 99-906), an alternative  
24 retail electric supplier or its successor shall submit  
25 an informational filing to the Illinois Commerce  
26 Commission certifying that, as of December 31, 2015,

1 the alternative retail electric supplier owned one or  
2 more electric generating facilities that generates  
3 renewable energy resources as defined in Section 1-10  
4 of this Act, provided that such facilities are not  
5 powered by wind or photovoltaics, and the facilities  
6 generate one renewable energy credit for each  
7 megawatthour of energy produced from the facility.

8 The informational filing shall identify each  
9 facility that was eligible to satisfy the alternative  
10 retail electric supplier's obligations under Section  
11 16-115D of the Public Utilities Act as described in  
12 this item (i).

13 (ii) For a given delivery year, the alternative  
14 retail electric supplier may elect to supply its  
15 retail customers with renewable energy credits from  
16 the facility or facilities described in item (i) of  
17 this subparagraph (H) that continue to be owned by the  
18 alternative retail electric supplier.

19 (iii) The alternative retail electric supplier  
20 shall notify the Agency and the applicable utility, no  
21 later than February 28 of the year preceding the  
22 applicable delivery year or 15 days after June 1, 2017  
23 (the effective date of Public Act 99-906), whichever  
24 is later, of its election under item (ii) of this  
25 subparagraph (H) to supply renewable energy credits to  
26 retail customers of the utility. Such election shall

1 identify the amount of renewable energy credits to be  
2 supplied by the alternative retail electric supplier  
3 to the utility's retail customers and the source of  
4 the renewable energy credits identified in the  
5 informational filing as described in item (i) of this  
6 subparagraph (H), subject to the following  
7 limitations:

8 For the delivery year beginning June 1, 2018,  
9 the maximum amount of renewable energy credits to  
10 be supplied by an alternative retail electric  
11 supplier under this subparagraph (H) shall be 68%  
12 multiplied by 25% multiplied by 14.5% multiplied  
13 by the amount of metered electricity  
14 (megawatt-hours) delivered by the alternative  
15 retail electric supplier to Illinois retail  
16 customers during the delivery year ending May 31,  
17 2016.

18 For delivery years beginning June 1, 2019 and  
19 each year thereafter, the maximum amount of  
20 renewable energy credits to be supplied by an  
21 alternative retail electric supplier under this  
22 subparagraph (H) shall be 68% multiplied by 50%  
23 multiplied by 16% multiplied by the amount of  
24 metered electricity (megawatt-hours) delivered by  
25 the alternative retail electric supplier to  
26 Illinois retail customers during the delivery year



1 ending May 31, 2016, provided that the 16% value  
2 shall increase by 1.5% each delivery year  
3 thereafter to 25% by the delivery year beginning  
4 June 1, 2025, and thereafter the 25% value shall  
5 apply to each delivery year.

6 For each delivery year, the total amount of  
7 renewable energy credits supplied by all alternative  
8 retail electric suppliers under this subparagraph (H)  
9 shall not exceed 9% of the Illinois target renewable  
10 energy credit quantity. The Illinois target renewable  
11 energy credit quantity for the delivery year beginning  
12 June 1, 2018 is 14.5% multiplied by the total amount of  
13 metered electricity (megawatt-hours) delivered in the  
14 delivery year immediately preceding that delivery  
15 year, provided that the 14.5% shall increase by 1.5%  
16 each delivery year thereafter to 25% by the delivery  
17 year beginning June 1, 2025, and thereafter the 25%  
18 value shall apply to each delivery year.

19 If the requirements set forth in items (i) through  
20 (iii) of this subparagraph (H) are met, the charges  
21 that would otherwise be applicable to the retail  
22 customers of the alternative retail electric supplier  
23 under paragraph (6) of this subsection (c) for the  
24 applicable delivery year shall be reduced by the ratio  
25 of the quantity of renewable energy credits supplied  
26 by the alternative retail electric supplier compared

1 to that supplier's target renewable energy credit  
2 quantity. The supplier's target renewable energy  
3 credit quantity for the delivery year beginning June  
4 1, 2018 is 14.5% multiplied by the total amount of  
5 metered electricity (megawatt-hours) delivered by the  
6 alternative retail supplier in that delivery year,  
7 provided that the 14.5% shall increase by 1.5% each  
8 delivery year thereafter to 25% by the delivery year  
9 beginning June 1, 2025, and thereafter the 25% value  
10 shall apply to each delivery year.

11 On or before April 1 of each year, the Agency shall  
12 annually publish a report on its website that  
13 identifies the aggregate amount of renewable energy  
14 credits supplied by alternative retail electric  
15 suppliers under this subparagraph (H).

16 (I) The Agency shall design its long-term renewable  
17 energy procurement plan to maximize the State's interest  
18 in the health, safety, and welfare of its residents,  
19 including but not limited to minimizing sulfur dioxide,  
20 nitrogen oxide, particulate matter and other pollution  
21 that adversely affects public health in this State,  
22 increasing fuel and resource diversity in this State,  
23 enhancing the reliability and resiliency of the  
24 electricity distribution system in this State, meeting  
25 goals to limit carbon dioxide emissions under federal or  
26 State law, and contributing to a cleaner and healthier

1 environment for the citizens of this State. In order to  
2 further these legislative purposes, renewable energy  
3 credits shall be eligible to be counted toward the  
4 renewable energy requirements of this subsection (c) if  
5 they are generated from facilities located in this State.  
6 The Agency may qualify renewable energy credits from  
7 facilities located in states adjacent to Illinois or  
8 renewable energy credits associated with the electricity  
9 generated by a utility-scale wind energy facility or  
10 utility-scale photovoltaic facility and transmitted by a  
11 qualifying direct current project described in subsection  
12 (b-5) of Section 8-406 of the Public Utilities Act to a  
13 delivery point on the electric transmission grid located  
14 in this State or a state adjacent to Illinois, if the  
15 generator demonstrates and the Agency determines that the  
16 operation of such facility or facilities will help promote  
17 the State's interest in the health, safety, and welfare of  
18 its residents based on the public interest criteria  
19 described above. For the purposes of this Section,  
20 renewable resources that are delivered via a high voltage  
21 direct current converter station located in Illinois shall  
22 be deemed generated in Illinois at the time and location  
23 the energy is converted to alternating current by the high  
24 voltage direct current converter station if the high  
25 voltage direct current transmission line: (i) after the  
26 effective date of this amendatory Act of the 102nd General

1 Assembly, was constructed with a project labor agreement;  
2 (ii) is capable of transmitting electricity at 525kv;  
3 (iii) has an Illinois converter station located and  
4 interconnected in the region of the PJM Interconnection,  
5 LLC; (iv) does not operate as a public utility; and (v) if  
6 the high voltage direct current transmission line was  
7 energized after June 1, 2023. To ensure that the public  
8 interest criteria are applied to the procurement and given  
9 full effect, the Agency's long-term procurement plan shall  
10 describe in detail how each public interest factor shall  
11 be considered and weighted for facilities located in  
12 states adjacent to Illinois.

13 (J) In order to promote the competitive development of  
14 renewable energy resources in furtherance of the State's  
15 interest in the health, safety, and welfare of its  
16 residents, renewable energy credits shall not be eligible  
17 to be counted toward the renewable energy requirements of  
18 this subsection (c) if they are sourced from a generating  
19 unit whose costs were being recovered through rates  
20 regulated by this State or any other state or states on or  
21 after January 1, 2017. Each contract executed to purchase  
22 renewable energy credits under this subsection (c) shall  
23 provide for the contract's termination if the costs of the  
24 generating unit supplying the renewable energy credits  
25 subsequently begin to be recovered through rates regulated  
26 by this State or any other state or states; and each

1 contract shall further provide that, in that event, the  
2 supplier of the credits must return 110% of all payments  
3 received under the contract. Amounts returned under the  
4 requirements of this subparagraph (J) shall be retained by  
5 the utility and all of these amounts shall be used for the  
6 procurement of additional renewable energy credits from  
7 new wind or new photovoltaic resources as defined in this  
8 subsection (c). The long-term plan shall provide that  
9 these renewable energy credits shall be procured in the  
10 next procurement event.

11 Notwithstanding the limitations of this subparagraph  
12 (J), renewable energy credits sourced from generating  
13 units that are constructed, purchased, owned, or leased by  
14 an electric utility as part of an approved project,  
15 program, or pilot under Section 1-56 of this Act shall be  
16 eligible to be counted toward the renewable energy  
17 requirements of this subsection (c), regardless of how the  
18 costs of these units are recovered. As long as a  
19 generating unit or an identifiable portion of a generating  
20 unit has not had and does not have its costs recovered  
21 through rates regulated by this State or any other state,  
22 HVDC renewable energy credits associated with that  
23 generating unit or identifiable portion thereof shall be  
24 eligible to be counted toward the renewable energy  
25 requirements of this subsection (c).

26 (K) The long-term renewable resources procurement plan

1 developed by the Agency in accordance with subparagraph  
2 (A) of this paragraph (1) shall include an Adjustable  
3 Block program for the procurement of renewable energy  
4 credits from new photovoltaic projects that are  
5 distributed renewable energy generation devices or new  
6 photovoltaic community renewable generation projects. The  
7 Adjustable Block program shall be generally designed to  
8 provide for the steady, predictable, and sustainable  
9 growth of new solar photovoltaic development in Illinois.  
10 To this end, the Adjustable Block program shall provide a  
11 transparent annual schedule of prices and quantities to  
12 enable the photovoltaic market to scale up and for  
13 renewable energy credit prices to adjust at a predictable  
14 rate over time. The prices set by the Adjustable Block  
15 program can be reflected as a set value or as the product  
16 of a formula.

17 The Adjustable Block program shall include for each  
18 category of eligible projects for each delivery year: a  
19 single block of nameplate capacity, a price for renewable  
20 energy credits within that block, and the terms and  
21 conditions for securing a spot on a waitlist once the  
22 block is fully committed or reserved. Except as outlined  
23 below, the waitlist of projects in a given year will carry  
24 over to apply to the subsequent year when another block is  
25 opened. Only projects energized on or after June 1, 2017  
26 shall be eligible for the Adjustable Block program. For

1 each category for each delivery year the Agency shall  
2 determine the amount of generation capacity in each block,  
3 and the purchase price for each block, provided that the  
4 purchase price provided and the total amount of generation  
5 in all blocks for all categories shall be sufficient to  
6 meet the goals in this subsection (c). The Agency shall  
7 strive to issue a single block sized to provide for  
8 stability and market growth. The Agency shall establish  
9 program eligibility requirements that ensure that projects  
10 that enter the program are sufficiently mature to indicate  
11 a demonstrable path to completion. The Agency may  
12 periodically review its prior decisions establishing the  
13 amount of generation capacity in each block, and the  
14 purchase price for each block, and may propose, on an  
15 expedited basis, changes to these previously set values,  
16 including but not limited to redistributing these amounts  
17 and the available funds as necessary and appropriate,  
18 subject to Commission approval as part of the periodic  
19 plan revision process described in Section 16-111.5 of the  
20 Public Utilities Act. The Agency may define different  
21 block sizes, purchase prices, or other distinct terms and  
22 conditions for projects located in different utility  
23 service territories if the Agency deems it necessary to  
24 meet the goals in this subsection (c).

25 The Adjustable Block program shall include the  
26 following categories in at least the following amounts:

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

4 (ii) At least 20% from distributed renewable  
5 energy generation devices with a nameplate capacity of  
6 more than 25 kilowatts and no more than 5,000  
7 kilowatts. The Agency may create sub-categories within  
8 this category to account for the differences between  
9 projects for small commercial customers, large  
10 commercial customers, and public or non-profit  
11 customers.

12 (iii) At least 30% from photovoltaic community  
13 renewable generation projects. Capacity for this  
14 category for the first 2 delivery years after the  
15 effective date of this amendatory Act of the 102nd  
16 General Assembly shall be allocated to waitlist  
17 projects as provided in paragraph (3) of item (iv) of  
18 subparagraph (G). Starting in the third delivery year  
19 after the effective date of this amendatory Act of the  
20 102nd General Assembly or earlier if the Agency  
21 determines there is additional capacity needed for to  
22 meet previous delivery year requirements, the  
23 following shall apply:

24 (1) the Agency shall select projects on a  
25 first-come, first-serve basis, however the Agency  
26 may suggest additional methods to prioritize



1 projects that are submitted at the same time;

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

6 (3) projects shall not be colocated with one  
7 or more other community renewable generation  
8 projects, as defined in the Agency's first revised  
9 long-term renewable resources procurement plan  
10 approved by the Commission on February 18, 2020,  
11 such that the aggregate nameplate capacity exceeds  
12 5,000 kilowatts; and

13 (4) projects greater than 2 MW may not apply  
14 until after the approval of the Agency's revised  
15 Long-Term Renewable Resources Procurement Plan  
16 after the effective date of this amendatory Act of  
17 the 102nd General Assembly.

18 (iv) At least 15% from distributed renewable  
19 generation devices or photovoltaic community renewable  
20 generation projects installed at public schools. The  
21 Agency may create subcategories within this category  
22 to account for the differences between project size or  
23 location. Projects located within environmental  
24 justice communities or within Organizational Units  
25 that fall within Tier 1 or Tier 2 shall be given  
26 priority. Each of the Agency's periodic updates to its

1 long-term renewable resources procurement plan to  
2 incorporate the procurement described in this  
3 subparagraph (iv) shall also include the proposed  
4 quantities or blocks, pricing, and contract terms  
5 applicable to the procurement as indicated herein. In  
6 each such update and procurement, the Agency shall set  
7 the renewable energy credit price and establish  
8 payment terms for the renewable energy credits  
9 procured pursuant to this subparagraph (iv) that make  
10 it feasible and affordable for public schools to  
11 install photovoltaic distributed renewable energy  
12 devices on their premises, including, but not limited  
13 to, those public schools subject to the prioritization  
14 provisions of this subparagraph. For the purposes of  
15 this item (iv):

16 "Environmental Justice Community" shall have the  
17 same meaning set forth in the Agency's long-term  
18 renewable resources procurement plan;

19 "Organization Unit", "Tier 1" and "Tier 2" shall  
20 have the meanings set for in Section 18-8.15 of the  
21 School Code;

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

24 (v) At least 5% from community-driven community  
25 solar projects intended to provide more direct and  
26 tangible connection and benefits to the communities

1           which they serve or in which they operate and,  
2           additionally, to increase the variety of community  
3           solar locations, models, and options in Illinois. As  
4           part of its long-term renewable resources procurement  
5           plan, the Agency shall develop selection criteria for  
6           projects participating in this category. Nothing in  
7           this Section shall preclude the Agency from creating a  
8           selection process that maximizes community ownership  
9           and community benefits in selecting projects to  
10          receive renewable energy credits. Selection criteria  
11          shall include:

12                   (1) community ownership or community  
13                   wealth-building;

14                   (2) additional direct and indirect community  
15                   benefit, beyond project participation as a  
16                   subscriber, including, but not limited to,  
17                   economic, environmental, social, cultural, and  
18                   physical benefits;

19                   (3) meaningful involvement in project  
20                   organization and development by community members  
21                   or nonprofit organizations or public entities  
22                   located in or serving the community;

23                   (4) engagement in project operations and  
24                   management by nonprofit organizations, public  
25                   entities, or community members; and

26                   (5) whether a project is developed in response

1 to a site-specific RFP developed by community  
2 members or a nonprofit organization or public  
3 entity located in or serving the community.

4 Selection criteria may also prioritize projects  
5 that:

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

14 (2) increase the diversity of locations of  
15 community solar projects in Illinois, including by  
16 locating in urban areas and population centers;

17 (3) are located in Equity Investment Eligible  
18 Communities;

19 (4) are not greenfield projects;

20 (5) serve only local subscribers;

21 (6) have a nameplate capacity that does not  
22 exceed 500 kW;

23 (7) are developed by an equity eligible  
24 contractor; or

25 (8) otherwise meaningfully advance the goals  
26 of providing more direct and tangible connection

1           and benefits to the communities which they serve  
2           or in which they operate and increasing the  
3           variety of community solar locations, models, and  
4           options in Illinois.

5           For the purposes of this item (v):

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

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

22          "Community ownership" means an arrangement in  
23          which an electric generating facility is, or over time  
24          will be, in significant part, owned collectively by  
25          members of the community to which an electric  
26          generating facility provides benefits; members of that

1 community participate in decisions regarding the  
2 governance, operation, maintenance, and upgrades of  
3 and to that facility; and members of that community  
4 benefit from regular use of that facility.

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

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

1 previous delivery years.

2 The Agency shall propose a payment structure for  
3 contracts executed pursuant to this paragraph under  
4 which, upon a demonstration of qualification or need,  
5 applicant firms are advanced capital disbursed after  
6 contract execution but before the contracted project's  
7 energization. The amount or percentage of capital  
8 advanced prior to project energization shall be  
9 sufficient to both cover any increase in development  
10 costs resulting from prevailing wage requirements or  
11 project-labor agreements, and designed to overcome  
12 barriers in access to capital faced by equity eligible  
13 contractors. The amount or percentage of advanced  
14 capital may vary by subcategory within this category  
15 and by an applicant's demonstration of need, with such  
16 levels to be established through the Long-Term  
17 Renewable Resources Procurement Plan authorized under  
18 subparagraph (A) of paragraph (1) of subsection (c) of  
19 this Section.

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

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

14 (vii) The remaining capacity shall be allocated by  
15 the Agency in order to respond to market demand. The  
16 Agency shall allocate any discretionary capacity prior  
17 to the beginning of each delivery year.

18 To the extent there is uncontracted capacity from any  
19 block in any of categories (i) through (vi) at the end of a  
20 delivery year, the Agency shall redistribute that capacity  
21 to one or more other categories giving priority to  
22 categories with projects on a waitlist. The redistributed  
23 capacity shall be added to the annual capacity in the  
24 subsequent delivery year, and the price for renewable  
25 energy credits shall be the price for the new delivery  
26 year. Redistributed capacity shall not be considered



1           redistributed when determining whether the goals in this  
2           subsection (K) have been met.

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

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

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

19                 (i) (Blank).

20                 (ii) For those renewable energy credits that  
21                 qualify and are procured under item (i) of  
22                 subparagraph (K) of this paragraph (1), and any  
23                 similar category projects that are procured under item  
24                 (vi) of subparagraph (K) of this paragraph (1) that  
25                 qualify and are procured under item (vi), the contract  
26                 length shall be 15 years. The renewable energy credit

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

14 (iii) For those renewable energy credits that  
15 qualify and are procured under item (ii) and (v) of  
16 subparagraph (K) of this paragraph (1) and any like  
17 projects similar category that qualify and are  
18 procured under item (vi), the contract length shall be  
19 15 years. 15% of the renewable energy credit delivery  
20 contract value, based on the estimated generation  
21 during the first 15 years of operation, shall be paid  
22 by the contracting utilities at the time that the  
23 facility producing the renewable energy credits is  
24 interconnected at the distribution system level of the  
25 utility and verified as energized and compliant by the  
26 Program Administrator. The remaining portion shall be

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

9           (iv) For those renewable energy credits that  
10          qualify and are procured under items (iii) and (iv) of  
11          subparagraph (K) of this paragraph (1), and any like  
12          projects that qualify and are procured under item  
13          (vi), the renewable energy credit delivery contract  
14          length shall be 20 years and shall be paid over the  
15          delivery term, not to exceed during each delivery year  
16          the contract price multiplied by the estimated annual  
17          renewable energy credit generation amount. If  
18          generation of renewable energy credits during a  
19          delivery year exceeds the estimated annual generation  
20          amount, the excess renewable energy credits shall be  
21          carried forward to future delivery years and shall not  
22          expire during the delivery term. If generation of  
23          renewable energy credits during a delivery year,  
24          including carried forward excess renewable energy  
25          credits, if any, is less than the estimated annual  
26          generation amount, payments during such delivery year

1 will not exceed the quantity generated plus the  
2 quantity carried forward multiplied by the contract  
3 price. The electric utility shall receive all  
4 renewable energy credits generated by the project  
5 during the first 20 years of operation and retire all  
6 renewable energy credits paid for under this item (iv)  
7 and return at the end of the delivery term all  
8 renewable energy credits that were not paid for.  
9 Renewable energy credits generated by the project  
10 thereafter shall not be transferred under the  
11 renewable energy credit delivery contract with the  
12 counterparty electric utility. Notwithstanding the  
13 preceding, for those projects participating under item  
14 (iii) of subparagraph (K), the contract price for a  
15 delivery year shall be based on subscription levels as  
16 measured on the higher of the first business day of the  
17 delivery year or the first business day 6 months after  
18 the first business day of the delivery year.  
19 Subscription of 90% of nameplate capacity or greater  
20 shall be deemed to be fully subscribed for the  
21 purposes of this item (iv). For projects receiving a  
22 20-year delivery contract, REC prices shall be  
23 adjusted downward for consistency with the incentive  
24 levels previously determined to be necessary to  
25 support projects under 15-year delivery contracts,  
26 taking into consideration any additional new

1 requirements placed on the projects, including, but  
2 not limited to, labor standards.

3 (v) Each contract shall include provisions to  
4 ensure the delivery of the estimated quantity of  
5 renewable energy credits and ongoing collateral  
6 requirements and other provisions deemed appropriate  
7 by the Agency.

8 (vi) The utility shall be the counterparty to the  
9 contracts executed under this subparagraph (L) that  
10 are approved by the Commission under the process  
11 described in Section 16-111.5 of the Public Utilities  
12 Act. No contract shall be executed for an amount that  
13 is less than one renewable energy credit per year.

14 (vii) If, at any time, approved applications for  
15 the Adjustable Block program exceed funds collected by  
16 the electric utility or would cause the Agency to  
17 exceed the limitation described in subparagraph (E) of  
18 this paragraph (1) on the amount of renewable energy  
19 resources that may be procured, then the Agency may  
20 consider future uncommitted funds to be reserved for  
21 these contracts on a first-come, first-served basis.

22 (viii) Nothing in this Section shall require the  
23 utility to advance any payment or pay any amounts that  
24 exceed the actual amount of revenues anticipated to be  
25 collected by the utility under paragraph (6) of this  
26 subsection (c) and subsection (k) of Section 16-108 of

1 the Public Utilities Act inclusive of eligible funds  
2 collected in prior years and alternative compliance  
3 payments for use by the utility, and contracts  
4 executed under this Section shall expressly  
5 incorporate this limitation.

6 (ix) Notwithstanding other requirements of this  
7 subparagraph (L), no modification shall be required to  
8 Adjustable Block program contracts if they were  
9 already executed prior to the establishment, approval,  
10 and implementation of new contract forms as a result  
11 of this amendatory Act of the 102nd General Assembly.

12 (x) Contracts may be assignable, but only to  
13 entities first deemed by the Agency to have met  
14 program terms and requirements applicable to direct  
15 program participation. In developing contracts for the  
16 delivery of renewable energy credits, the Agency shall  
17 be permitted to establish fees applicable to each  
18 contract assignment.

19 (M) The Agency shall be authorized to retain one or  
20 more experts or expert consulting firms to develop,  
21 administer, implement, operate, and evaluate the  
22 Adjustable Block program described in subparagraph (K) of  
23 this paragraph (1), and the Agency shall retain the  
24 consultant or consultants in the same manner, to the  
25 extent practicable, as the Agency retains others to  
26 administer provisions of this Act, including, but not

1 limited to, the procurement administrator. The selection  
2 of experts and expert consulting firms and the procurement  
3 process described in this subparagraph (M) are exempt from  
4 the requirements of Section 20-10 of the Illinois  
5 Procurement Code, under Section 20-10 of that Code. The  
6 Agency shall strive to minimize administrative expenses in  
7 the implementation of the Adjustable Block program.

8 The Program Administrator may charge application fees  
9 to participating firms to cover the cost of program  
10 administration. Any application fee amounts shall  
11 initially be determined through the long-term renewable  
12 resources procurement plan, and modifications to any  
13 application fee that deviate more than 25% from the  
14 Commission's approved value must be approved by the  
15 Commission as a long-term plan revision under Section  
16 16-111.5 of the Public Utilities Act. The Agency shall  
17 consider stakeholder feedback when making adjustments to  
18 application fees and shall notify stakeholders in advance  
19 of any planned changes.

20 In addition to covering the costs of program  
21 administration, the Agency, in conjunction with its  
22 Program Administrator, may also use the proceeds of such  
23 fees charged to participating firms to support public  
24 education and ongoing regional and national coordination  
25 with nonprofit organizations, public bodies, and others  
26 engaged in the implementation of renewable energy

1 incentive programs or similar initiatives. This work may  
2 include developing papers and reports, hosting regional  
3 and national conferences, and other work deemed necessary  
4 by the Agency to position the State of Illinois as a  
5 national leader in renewable energy incentive program  
6 development and administration.

7 The Agency and its consultant or consultants shall  
8 monitor block activity, share program activity with  
9 stakeholders and conduct quarterly meetings to discuss  
10 program activity and market conditions. If necessary, the  
11 Agency may make prospective administrative adjustments to  
12 the Adjustable Block program design, such as making  
13 adjustments to purchase prices as necessary to achieve the  
14 goals of this subsection (c). Program modifications to any  
15 block price that do not deviate from the Commission's  
16 approved value by more than 10% shall take effect  
17 immediately and are not subject to Commission review and  
18 approval. Program modifications to any block price that  
19 deviate more than 10% from the Commission's approved value  
20 must be approved by the Commission as a long-term plan  
21 amendment under Section 16-111.5 of the Public Utilities  
22 Act. The Agency shall consider stakeholder feedback when  
23 making adjustments to the Adjustable Block design and  
24 shall notify stakeholders in advance of any planned  
25 changes.

26 The Agency and its program administrators for both the



1 Adjustable Block program and the Illinois Solar for All  
2 Program, consistent with the requirements of this  
3 subsection (c) and subsection (b) of Section 1-56 of this  
4 Act, shall propose the Adjustable Block program terms,  
5 conditions, and requirements, including the prices to be  
6 paid for renewable energy credits, where applicable, and  
7 requirements applicable to participating entities and  
8 project applications, through the development, review, and  
9 approval of the Agency's long-term renewable resources  
10 procurement plan described in this subsection (c) and  
11 paragraph (5) of subsection (b) of Section 16-111.5 of the  
12 Public Utilities Act. Terms, conditions, and requirements  
13 for program participation shall include the following:

14 (i) The Agency shall establish a registration  
15 process for entities seeking to qualify for  
16 program-administered incentive funding and establish  
17 baseline qualifications for vendor approval. The  
18 Agency must maintain a list of approved entities on  
19 each program's website, and may revoke a vendor's  
20 ability to receive program-administered incentive  
21 funding status upon a determination that the vendor  
22 failed to comply with contract terms, the law, or  
23 other program requirements.

24 (ii) The Agency shall establish program  
25 requirements and minimum contract terms to ensure  
26 projects are properly installed and produce their

1 expected amounts of energy. Program requirements may  
2 include on-site inspections and photo documentation of  
3 projects under construction. The Agency may require  
4 repairs, alterations, or additions to remedy any  
5 material deficiencies discovered. Vendors who have a  
6 disproportionately high number of deficient systems  
7 may lose their eligibility to continue to receive  
8 State-administered incentive funding through Agency  
9 programs and procurements.

10 (iii) To discourage deceptive marketing or other  
11 bad faith business practices, the Agency may require  
12 direct program participants, including agents  
13 operating on their behalf, to provide standardized  
14 disclosures to a customer prior to that customer's  
15 execution of a contract for the development of a  
16 distributed generation system or a subscription to a  
17 community solar project.

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

26 (v) Through a filing in the proceeding for the

1 approval of its long-term renewable energy resources  
2 procurement plan, the Agency shall provide an annual  
3 written report to the Illinois Commerce Commission  
4 documenting the frequency and nature of complaints and  
5 any enforcement actions taken in response to those  
6 complaints.

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

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

20 (N) The Agency shall establish the terms, conditions,  
21 and program requirements for photovoltaic community  
22 renewable generation projects with a goal to expand access  
23 to a broader group of energy consumers, to ensure robust  
24 participation opportunities for residential and small  
25 commercial customers and those who cannot install  
26 renewable energy on their own properties. Subject to

1 reasonable limitations, any plan approved by the  
2 Commission shall allow subscriptions to community  
3 renewable generation projects to be portable and  
4 transferable. For purposes of this subparagraph (N),  
5 "portable" means that subscriptions may be retained by the  
6 subscriber even if the subscriber relocates or changes its  
7 address within the same utility service territory; and  
8 "transferable" means that a subscriber may assign or sell  
9 subscriptions to another person within the same utility  
10 service territory.

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

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

22 The Agency shall purchase renewable energy credits  
23 from subscribed shares of photovoltaic community renewable  
24 generation projects through the Adjustable Block program  
25 described in subparagraph (K) of this paragraph (1) or  
26 through the Illinois Solar for All Program described in

1 Section 1-56 of this Act. The electric utility shall  
2 purchase any unsubscribed energy from community renewable  
3 generation projects that are Qualifying Facilities ("QF")  
4 under the electric utility's tariff for purchasing the  
5 output from QFs under Public Utilities Regulatory Policies  
6 Act of 1978.

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

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

1       apportioned to the programs identified in subsection (b)  
2       of Section 1-56 of this Act; provided that for the  
3       delivery years beginning June 1, 2021, June 1, 2022, and  
4       June 1, 2023, the long-term renewable resources  
5       procurement plan may average the annual budgets over a  
6       3-year period to account for program ramp-up. For the  
7       delivery years beginning June 1, 2021, June 1, 2024, June  
8       1, 2027, and June 1, 2030 and additional \$10,000,000 shall  
9       be provided to the Department of Commerce and Economic  
10      Opportunity to implement the workforce development  
11      programs and reporting as outlined in Section 16-108.12 of  
12      the Public Utilities Act. In making the determinations  
13      required under this subparagraph (O), the Commission shall  
14      consider the experience and performance under the programs  
15      and any evaluation reports. The Commission shall also  
16      provide for an independent evaluation of those programs on  
17      a periodic basis that are funded under this subparagraph  
18      (O).

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

26      The Agency shall develop a method to optimize

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

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

22 (1) Each facility shall be subject to the  
23 prevailing wage requirements included in the  
24 Prevailing Wage Act. The Agency shall require  
25 verification that all construction performed on the  
26 facility by the renewable energy credit delivery

1 contract holder, its contractors, or its  
2 subcontractors relating to construction of the  
3 facility is performed by construction employees  
4 receiving an amount for that work equal to or greater  
5 than the general prevailing rate, as that term is  
6 defined in Section 3 of the Prevailing Wage Act. For  
7 purposes of this item (1), "house of worship" means  
8 property that is both (1) used exclusively by a  
9 religious society or body of persons as a place for  
10 religious exercise or religious worship and (2)  
11 recognized as exempt from taxation pursuant to Section  
12 15-40 of the Property Tax Code. This item (1) shall  
13 apply to any the following:

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

15 (ii) all new utility-scale photovoltaic  
16 projects;

17 (iii) all new brownfield photovoltaic  
18 projects;

19 (iv) all new photovoltaic community renewable  
20 energy facilities that qualify for item (iii) of  
21 subparagraph (K) of this paragraph (1);

22 (v) all new community driven community  
23 photovoltaic projects that qualify for item (v) of  
24 subparagraph (K) of this paragraph (1);

25 (vi) all new photovoltaic distributed  
26 renewable energy generation devices on schools



1           that qualify for item (iv) of subparagraph (K) of  
2           this paragraph (1);

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

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

19          (2) Renewable energy credits procured from new  
20          utility-scale wind projects, new utility-scale solar  
21          projects, and new brownfield solar projects pursuant  
22          to Agency procurement events occurring after the  
23          effective date of this amendatory Act of the 102nd  
24          General Assembly must be from facilities built by  
25          general contractors that must enter into a project  
26          labor agreement, as defined by this Act, prior to

1 construction. The project labor agreement shall be  
2 filed with the Director in accordance with procedures  
3 established by the Agency through its long-term  
4 renewable resources procurement plan. Any information  
5 submitted to the Agency in this item (2) shall be  
6 considered commercially sensitive information. At a  
7 minimum, the project labor agreement must provide the  
8 names, addresses, and occupations of the owner of the  
9 plant and the individuals representing the labor  
10 organization employees participating in the project  
11 labor agreement consistent with the Project Labor  
12 Agreements Act. The agreement must also specify the  
13 terms and conditions as defined by this Act.

14 (3) It is the intent of this Section to ensure that  
15 economic development occurs across Illinois  
16 communities, that emerging businesses may grow, and  
17 that there is improved access to the clean energy  
18 economy by persons who have greater economic burdens  
19 to success. The Agency shall take into consideration  
20 the unique cost of compliance of this subparagraph (Q)  
21 that might be borne by equity eligible contractors,  
22 shall include such costs when determining the price of  
23 renewable energy credits in the Adjustable Block  
24 program, and shall take such costs into consideration  
25 in a nondiscriminatory manner when comparing bids for  
26 competitive procurements. The Agency shall consider

1 costs associated with compliance whether in the  
2 development, financing, or construction of projects.  
3 The Agency shall periodically review the assumptions  
4 in these costs and may adjust prices, in compliance  
5 with subparagraph (M) of this paragraph (1).

6 (R) In its long-term renewable resources procurement  
7 plan, the Agency shall establish a self-direct renewable  
8 portfolio standard compliance program for eligible  
9 self-direct customers that purchase renewable energy  
10 credits from utility-scale wind and solar projects through  
11 long-term agreements for purchase of renewable energy  
12 credits as described in this Section. Such long-term  
13 agreements may include the purchase of energy or other  
14 products on a physical or financial basis and may involve  
15 an alternative retail electric supplier as defined in  
16 Section 16-102 of the Public Utilities Act. This program  
17 shall take effect in the delivery year commencing June 1,  
18 2023.

19 (1) For the purposes of this subparagraph:

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

1 the State and whose total highest 15-minute demand was  
2 more than 10,000 kilowatts.

3 "Retail customer" has the meaning set forth in  
4 Section 16-102 of the Public Utilities Act and  
5 multiple retail customer accounts under the same  
6 corporate parent may aggregate their account demands  
7 to meet the 10,000 kilowatt threshold. The criteria  
8 for determining whether this subparagraph is  
9 applicable to a retail customer shall be based on the  
10 12 consecutive billing periods prior to the start of  
11 the year in which the application is filed.

12 (2) For renewable energy credits to count toward  
13 the self-direct renewable portfolio standard  
14 compliance program, they must:

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

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

1 purchase agreement;

2 (iii) be procured through long-term contracts  
3 with term lengths of at least 10 years either  
4 directly with the renewable energy generating  
5 facility or through a bundled power purchase  
6 agreement, a virtual power purchase agreement, an  
7 agreement between the renewable generating  
8 facility, an alternative retail electric supplier,  
9 and the customer, or such other structure as is  
10 permissible under this subparagraph (R);

11 (iv) be equivalent in volume to at least 40%  
12 of the eligible self-direct customer's usage,  
13 determined annually by the eligible self-direct  
14 customer's usage during the previous delivery  
15 year, measured to the nearest megawatt-hour;

16 (v) be retired by or on behalf of the large  
17 energy customer;

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

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

1 and subsection (c-10).

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

1 paragraph (1) of this subsection (c) on behalf of  
2 contracting utilities where the eligible self-direct  
3 customer is located. The self-direct customer shall  
4 file an annual compliance report with the Agency  
5 pursuant to terms established by the Agency through  
6 its long-term renewable resources procurement plan to  
7 be eligible for participation in this program.  
8 Customers must provide the Agency with their most  
9 recent electricity billing statements or other  
10 information deemed necessary by the Agency to  
11 demonstrate they are an eligible self-direct customer.

12 (4) The Commission shall approve a reduction in  
13 the volumetric charges collected pursuant to Section  
14 16-108 of the Public Utilities Act for approved  
15 eligible self-direct customers equivalent to the  
16 anticipated cost of renewable energy credit deliveries  
17 under contracts for new utility-scale wind and new  
18 utility-scale solar entered for each delivery year  
19 after the large energy customer begins retiring  
20 eligible new utility scale renewable energy credits  
21 for self-compliance. The self-direct credit amount  
22 shall be determined annually and is equal to the  
23 estimated portion of the cost authorized by  
24 subparagraph (E) of paragraph (1) of this subsection  
25 (c) that supported the annual procurement of  
26 utility-scale renewable energy credits in the prior

1 delivery year using a methodology described in the  
2 long-term renewable resources procurement plan,  
3 expressed on a per kilowatthour basis, and does not  
4 include (i) costs associated with any contracts  
5 entered into before the delivery year in which the  
6 customer files the initial compliance report to be  
7 eligible for participation in the self-direct program,  
8 and (ii) costs associated with procuring renewable  
9 energy credits through existing and future contracts  
10 through the Adjustable Block Program, subsection (c-5)  
11 of this Section 1-75, and the Solar for All Program.  
12 The Agency shall assist the Commission in determining  
13 the current and future costs. The Agency must  
14 determine the self-direct credit amount for new and  
15 existing eligible self-direct customers and submit  
16 this to the Commission in an annual compliance filing.  
17 The Commission must approve the self-direct credit  
18 amount by June 1, 2023 and June 1 of each delivery year  
19 thereafter.

20 (5) Customers described in this subparagraph (R)  
21 shall apply, on a form developed by the Agency, to the  
22 Agency to be designated as a self-direct eligible  
23 customer. Once the Agency determines that a  
24 self-direct customer is eligible for participation in  
25 the program, the self-direct customer will remain  
26 eligible until the end of the term of the contract.



1           Thereafter, application may be made not less than 12  
2           months before the filing date of the long-term  
3           renewable resources procurement plan described in this  
4           Act. At a minimum, such application shall contain the  
5           following:

6                   (i) the customer's certification that, at the  
7                   time of the customer's application, the customer  
8                   qualifies to be a self-direct eligible customer,  
9                   including documents demonstrating that  
10                  qualification;

11                  (ii) the customer's certification that the  
12                  customer has entered into or will enter into by  
13                  the beginning of the applicable procurement year,  
14                  one or more bilateral contracts for new wind  
15                  projects or new photovoltaic projects, including  
16                  supporting documentation;

17                  (iii) certification that the contract or  
18                  contracts for new renewable energy resources are  
19                  long-term contracts with term lengths of at least  
20                  10 years, including supporting documentation;

21                  (iv) certification of the quantities of  
22                  renewable energy credits that the customer will  
23                  purchase each year under such contract or  
24                  contracts, including supporting documentation;

25                  (v) proof that the contract is sufficient to  
26                  produce renewable energy credits to be equivalent

1 in volume to at least 40% of the large energy  
2 customer's usage from the previous delivery year,  
3 measured to the nearest megawatt-hour; and

4 (vi) certification that the customer intends  
5 to maintain the contract for the duration of the  
6 length of the contract.

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

21 (2) (Blank).

22 (3) (Blank).

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

25 (5) Beginning with the 2010 delivery year and ending  
26 June 1, 2017, an electric utility subject to this

1 subsection (c) shall apply the lesser of the maximum  
2 alternative compliance payment rate or the most recent  
3 estimated alternative compliance payment rate for its  
4 service territory for the corresponding compliance period,  
5 established pursuant to subsection (d) of Section 16-115D  
6 of the Public Utilities Act to its retail customers that  
7 take service pursuant to the electric utility's hourly  
8 pricing tariff or tariffs. The electric utility shall  
9 retain all amounts collected as a result of the  
10 application of the alternative compliance payment rate or  
11 rates to such customers, and, beginning in 2011, the  
12 utility shall include in the information provided under  
13 item (1) of subsection (d) of Section 16-111.5 of the  
14 Public Utilities Act the amounts collected under the  
15 alternative compliance payment rate or rates for the prior  
16 year ending May 31. Notwithstanding any limitation on the  
17 procurement of renewable energy resources imposed by item  
18 (2) of this subsection (c), the Agency shall increase its  
19 spending on the purchase of renewable energy resources to  
20 be procured by the electric utility for the next plan year  
21 by an amount equal to the amounts collected by the utility  
22 under the alternative compliance payment rate or rates in  
23 the prior year ending May 31.

24 (6) The electric utility shall be entitled to recover  
25 all of its costs associated with the procurement of  
26 renewable energy credits under plans approved under this

1 Section and Section 16-111.5 of the Public Utilities Act.  
2 These costs shall include associated reasonable expenses  
3 for implementing the procurement programs, including, but  
4 not limited to, the costs of administering and evaluating  
5 the Adjustable Block program, through an automatic  
6 adjustment clause tariff in accordance with subsection (k)  
7 of Section 16-108 of the Public Utilities Act.

8 (7) Renewable energy credits procured from new  
9 photovoltaic projects or new distributed renewable energy  
10 generation devices under this Section after June 1, 2017  
11 (the effective date of Public Act 99-906) must be procured  
12 from devices installed by a qualified person in compliance  
13 with the requirements of Section 16-128A of the Public  
14 Utilities Act and any rules or regulations adopted  
15 thereunder.

16 In meeting the renewable energy requirements of this  
17 subsection (c), to the extent feasible and consistent with  
18 State and federal law, the renewable energy credit  
19 procurements, Adjustable Block solar program, and  
20 community renewable generation program shall provide  
21 employment opportunities for all segments of the  
22 population and workforce, including minority-owned and  
23 female-owned business enterprises, and shall not,  
24 consistent with State and federal law, discriminate based  
25 on race or socioeconomic status.

26 (c-5) Procurement of renewable energy credits from new

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

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

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

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

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

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

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

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

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

26 (D) The applicant agrees that the new renewable



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

19 (B) Halfway through each delivery year, the Agency  
20 shall require each entity participating in a  
21 procurement program to confirm that it will achieve  
22 compliance in that delivery year, when applicable. The  
23 Agency may offer corrective action plans to entities  
24 that are not on track to achieve compliance.

25 (C) At the end of each delivery year, each entity  
26 participating and completing work in that delivery

1 year in a procurement program of subsection (c) shall  
2 submit a report to the Agency that demonstrates how it  
3 achieved compliance with the minimum equity standards  
4 percentage for that delivery year.

5 (D) The Agency shall prohibit participation in  
6 procurement programs by an approved vendor or  
7 designee, as applicable, or entities with which an  
8 approved vendor or designee, as applicable, shares a  
9 common parent company if an approved vendor or  
10 designee, as applicable, failed to meet the minimum  
11 equity standards for the prior delivery year. Waivers  
12 approved for lack of equity eligible persons or equity  
13 eligible contractors in a geographic area of a project  
14 shall not count against the approved vendor or  
15 designee. The Agency shall offer a corrective action  
16 plan for any such entities to assist them in obtaining  
17 compliance and shall allow continued access to  
18 procurement programs upon an approved vendor or  
19 designee demonstrating compliance.

20 (E) The Agency shall pursue efficiencies achieved  
21 by combining with other approved vendor or designee  
22 reporting.

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

1           (3) Equity accountability system within competitive  
2 procurements. Through its long-term renewable resources  
3 procurement plan, the Agency shall develop requirements  
4 for ensuring that competitive procurement processes,  
5 including utility-scale solar, utility-scale wind, and  
6 brownfield site photovoltaic projects, advance the equity  
7 goals of this subsection (c-10). Subject to Commission  
8 approval, the Agency shall develop bid application  
9 requirements and a bid evaluation methodology for ensuring  
10 that utilization of equity eligible contractors, whether  
11 as bidders or as participants on project development, is  
12 optimized, including requiring that winning or successful  
13 applicants for utility-scale projects are or will partner  
14 with equity eligible contractors and giving preference to  
15 bids through which a higher portion of contract value  
16 flows to equity eligible contractors. To the extent  
17 practicable, entities participating in competitive  
18 procurements shall also be required to meet all the equity  
19 accountability requirements for approved vendors and their  
20 designees under this subsection (c-10). In developing  
21 these requirements, the Agency shall also consider whether  
22 equity goals can be further advanced through additional  
23 measures.

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

1           (A) The current status and number of equity  
2 eligible contractors listed in the Energy Workforce  
3 Equity Database designed in subsection (c-25),  
4 including the number of equity eligible contractors  
5 with current certifications as issued by the Agency.

6           (B) A mechanism for measuring, tracking, and  
7 reporting project workforce at the approved vendor or  
8 designee level, as applicable, which shall include a  
9 measurement methodology and records to be made  
10 available for audit by the Agency or the Program  
11 Administrator.

12           (C) A program for approved vendors, designees,  
13 eligible persons, and equity eligible contractors to  
14 receive trainings, guidance, and other support from  
15 the Agency or its designee regarding the equity  
16 category outlined in item (vi) of subparagraph (K) of  
17 paragraph (1) of subsection (c) and in meeting the  
18 minimum equity standards of this subsection (c-10).

19           (D) A process for certifying equity eligible  
20 contractors and equity eligible persons. The  
21 certification process shall coordinate with the Energy  
22 Workforce Equity Database set forth in subsection  
23 (c-25).

24           (E) An application for waiver of the minimum  
25 equity standards of this subsection, which the Agency  
26 shall have the discretion to grant in rare



1           circumstances. The Agency may grant such a waiver  
2           where the applicant provides evidence of significant  
3           efforts toward meeting the minimum equity commitment,  
4           including: use of the Energy Workforce Equity  
5           Database; efforts to hire or contract with entities  
6           that hire eligible persons; and efforts to establish  
7           contracting relationships with eligible contractors.  
8           The Agency shall support applicants in understanding  
9           the Energy Workforce Equity Database and other  
10          resources for pursuing compliance of the minimum  
11          equity standards. Waivers shall be project-specific,  
12          unless the Agency deems it necessary to grant a waiver  
13          across a portfolio of projects, and in effect for no  
14          longer than one year. Any waiver extension or  
15          subsequent waiver request from an applicant shall be  
16          subject to the requirements of this Section and shall  
17          specify efforts made to reach compliance. When  
18          considering whether to grant a waiver, and to what  
19          extent, the Agency shall consider the degree to which  
20          similarly situated applicants have been able to meet  
21          these minimum equity commitments. For repeated waiver  
22          requests for specific lack of eligible persons or  
23          eligible contractors available, the Agency shall make  
24          recommendations to target recruitment to add such  
25          eligible persons or eligible contractors to the  
26          database.

1           (5) The Agency shall collect information about work on  
2 projects or portfolios of projects subject to these  
3 minimum equity standards to ensure compliance with this  
4 subsection (c-10). Reporting in furtherance of this  
5 requirement may be combined with other annual reporting  
6 requirements. Such reporting shall include proof of  
7 certification of each equity eligible contractor or equity  
8 eligible person during the applicable time period.

9           (6) The Agency shall keep confidential all information  
10 and communication that provides private or personal  
11 information.

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

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

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

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

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

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

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

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

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

11 (c-20) Program data collection.

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

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

1 program.

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

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

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

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

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

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

26 (c-25) Energy Workforce Equity Database.

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

11                   (A) publicly accessible;

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

13                   (C) organized by company specialty or field;

14                   (D) region-specific; and

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

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

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

26                   (B) job postings and recruiting opportunities;

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

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

8 (E) renewable energy company diversity reporting;

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

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

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

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



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

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

18          (d) Clean coal portfolio standard.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 (B) power purchase provisions, which shall:

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

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

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

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

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

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

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



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

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

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

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

12 (D) general provisions, which shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 to receipt of the facility cost report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6           (d-5) Zero emission standard.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

21 (bb) Projected capacity prices:

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

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

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

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

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

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

9 "RTO" means regional transmission  
10 organization.

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

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

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

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

1 procurement plan with the Commission.

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

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

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

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

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

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

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

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

25 (I) the price, or if there is more  
26 than one price, the average of the prices,



1           paid for renewable energy credits from new  
2           utility-scale wind projects in the  
3           procurement events specified in item (i)  
4           of subparagraph (G) of paragraph (1) of  
5           subsection (c) of this Section; and

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

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

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

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

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

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

26 (i) A zero emission facility shall be excused

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

12 (1) The General Assembly finds:

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

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

26 (C) The General Assembly finds that nuclear power

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

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

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

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

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

1 Illinois residents.

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

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

16 (2) As used in this subsection:

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

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

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

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

12 (3) Procurement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (III) any value of monetized federal tax



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (G) The counterparty electric utility shall retire all

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

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

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

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

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

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

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

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



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

9 (Source: P.A. 101-81, eff. 7-12-19; 101-113, eff. 1-1-20;  
10 102-662, eff. 9-15-21.)